

Integrated Business Plan 2008/09

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1. Executive Summary

1.1 Introduction

North Staffordshire Combined Healthcare NHS Trust is a provider of mental health, specialist learning disability and related services for people of all ages across a catchment population of approximately 463,000 people living in the northern part of the county of Staffordshire. The Trust has an income of c. £88 million and operates from more than 30 different facilities across North Staffordshire. Its purpose is working to improve the health and welfare of local communities.

The following is a summary of the key themes arising out of the chapters contained within this business plan.

Trust Profile

- The Trust provides a range of community and inpatient child, adolescent and adult and older adult mental health services and specialist learning disability services. The Trust also provides services for older people with physical healthcare needs, but these will transfer out of the Trust over the coming year.
- Trust services are commissioned mainly by North Staffordshire PCT and Stoke-on-Trent PCT with total contracts for 2007/08 valued at around £74 million.
- Finance, activity and workforce trends reflect changes in our service provision driven by market forces, national policy and commissioning intentions.
- The Trust is currently developing two Adult Mental Health Partnership Agreements (known as Section 75 Agreements), one with Stoke on Trent local authority and the other with Staffordshire local authority.
- The further development of the Trust's performance framework is enabling the Board to deliver its Principal Objectives and assess the level of compliance with the core standards and national targets.
- The Trust achieved an **excellent** for quality of services to patients and **good** for use of resources in the 2007/08 Annual Health Check, it has consistently maintained financial balance and fully met the core standards and existing national targets set by Government.

Strategy

- The Trust has reviewed its purpose, vision and values and developed five year strategic objectives and key performance indicators around five business priority areas:
 1. Customer focus;
 2. Business development;
 3. Finance
 4. Workforce; and
 5. Governance.
- The Trust has agreed a set of annual objectives and key performance indicators for 2008/09.
- The Trust has developed an integrated strategic planning cycle and process.
- It is the Trust's ambition to become a Foundation Trust and it is in the process of developing a five year integrated business plan and long term financial model in support of this aim.

Market Assessment

- In 2007, the Trust commissioned a Market Assessment which highlighted an aging local population, increasing prevalence of mental illness and need for mental health services.
- As part of the Market Assessment the Trust has reviewed the commissioning environment, the historical pattern of spending on mental health services and the intentions of its main commissioners.
- The Trust has assessed its market position and has developed its service development plans in response to current and emerging market opportunities.

Service Development

- In response to the Trust market assessment, commissioning intentions and contracts the Trust has identified planned developments for all operating units.
- In future the Trust will not provide Older People's Physical Health Services. A staged transfer of these services is underway and further transfers will take place in October 2008.
- The North Staffordshire Occupational Therapy Service and the Paediatric Occupational Therapy Service will also transfer away from the Trust in October 2008.
- In accordance with national policy, the first phase of the transfer of learning disability campus services will be implemented in January 2009.
- Commissioners have agreed to a range of developments identified by the Trust and there will be new investment in these services.
- Strategies and reviews of supporting services will be developed over the next twelve months.

Finance

- The Trust is projecting a surplus of £250,000 on the income and expenditure account for the 2008/09 financial year.
- Financial risks to be managed in year include the delivery of the cost reduction and efficiency programme, implementation of recovery plans for operating units in deficit, the impact of the rebasing of clinical and non clinical contracts and the ability to release costs upon the transfer of services to alternative providers.

Risks

- The Trust has identified the key risks that threaten the delivery of its objectives.
- The Trust has robust risk management processes and will use these to ensure that the risks that threaten its objectives are, as far as practicable, managed to an acceptable level.

Governance, Leadership and Workforce

- Over the next year the Trust will be facing a period of extensive change as services are developed to meet the vision of the Board and the needs of our main commissioners
- The Trust will ensure that service changes are managed in a sensitive way and with the involvement of service users, carers, staff and their trade unions.

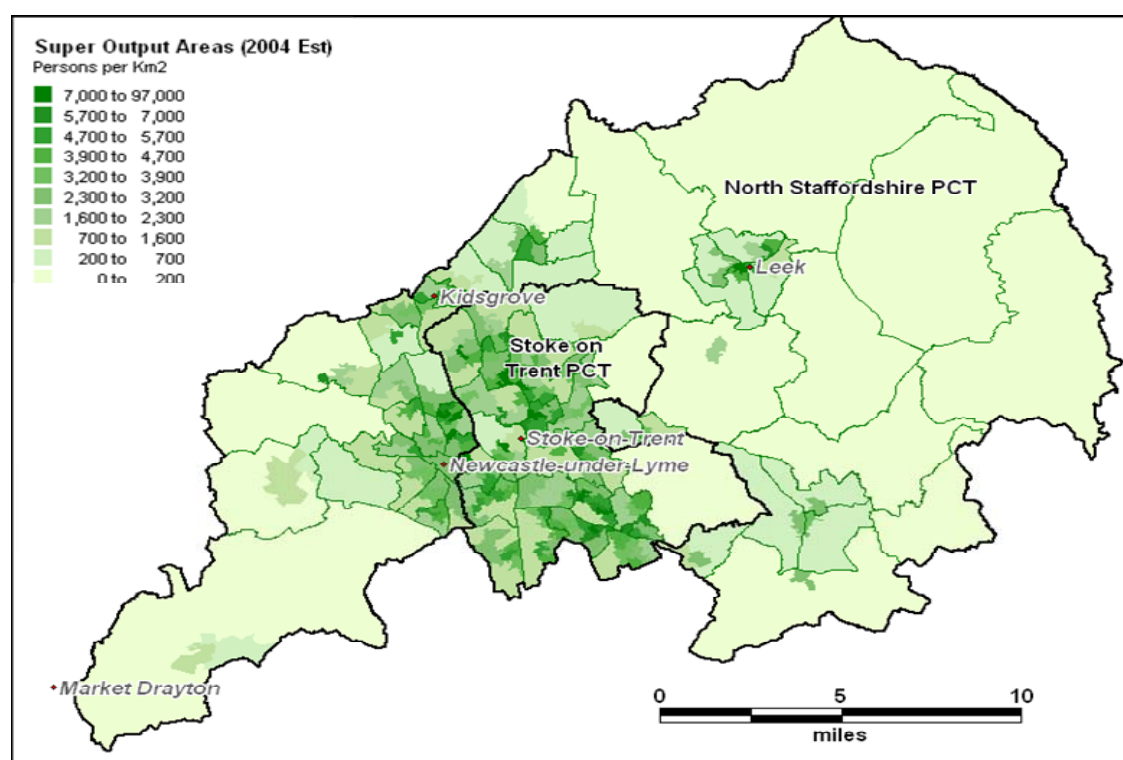
- The Trust will be developing its systems and processes for workforce planning, ensuring that responsibilities rest at the most appropriate level and that staff receive appropriate training and support to carry out their duties safely and effectively.
- Over the coming year the Trust will be implementing Service Line Management and will continue to develop the Trust's approach to team based working. Service line management will mean much greater delegation of key decisions to senior clinicians.
- The Trust will be compliant on an ongoing basis with the Standards for Better Health, it will meet national targets and indicators, and will implement new guidance and legislation as it comes into force

2. Trust Profile

2.1 Overview

North Staffordshire Combined Healthcare NHS Trust is a provider of mental health, specialist learning disability and related services for people of all ages across a catchment population of approximately 463,000 people living in the northern part of the county of Staffordshire. This includes the City of Stoke-on-Trent, the Borough of Newcastle-under-Lyme (including its urban villages) and the Staffordshire Moorlands district. The Trust has an income of c. £88 million and operates from more than 30 different facilities across North Staffordshire.

North Staffordshire population density (2004 population estimates)



2.2 Commissioning Arrangements

The Trust's services are commissioned by a number of organisations. These primarily include the local Primary Care Trusts (PCTs), but also regional specialist commissioning and commissioning with the local authority. Commissioning is increasingly undertaken on a joint basis between the PCTs and the local authorities.

The Trust's main commissioners are North Staffordshire PCT and Stoke-on-Trent PCT who account for almost 94% of the Trust's income (Includes funding from the Staffordshire Drug & Alcohol Action Team).

The Trust's total contracts for 2007/08 were valued at around £74 million, broken down by commissioner type as over.

PCT	Catchment population	Contract value (£)	% of Trust Income
Stoke on Trent Teaching	256,976	40, 505,378	54.45
North Staffordshire	202,879	28,953, 287	39
South Staffordshire	574,875	2,143, 787	2.88
Shropshire County	283,126	148, 577	0.19
Telford and Wrekin PCT	160,990	243, 491	0.22
Other PCTs	-	681,379	0.33
Regional specialties	-	1,707,740	2.29
Total		74,383,639	100%

2.3 Our Services

The Trust provides a wide range of adult mental health services to the population of North Staffordshire including early intervention, crisis resolution and home team support, assertive outreach and outpatient and day services. Acute inpatient services are provided from Harplands Hospital (a Private Finance Initiative, PFI build). Other inpatient mental health beds are provided in five mental health resource centres.

The Trust has a well developed neuropsychiatry (acquired brain injury) service providing assessment and rehabilitation in-patient facilities across two sites.

A range of specialist mental health services are also provided by the Trust and these include, older people mental health services, parent and baby mental health services, mentally disordered offenders and psychological therapies.

The Trust's Children's and Young Peoples' services range from community services through to specialist in-patient services provided at the Darwin Centre, close to the Harplands Hospital. The Darwin Centre also provides a local and regional enhanced specialist service for young people with eating disorders.

A range of specialist learning disability services are provided from a variety of community settings throughout North Staffordshire including assessment, treatment, mental impairment services, in-patient rehabilitation and intensive support places.

The Trust currently provides inpatient acute and rehabilitation services for older people with physical healthcare needs at Bucknall Hospital. It is the commissioners' intention that the Trust's older people physical health services transfer to the management of the University Hospital of North Staffordshire NHS Trust (acute services) and Stoke-on-Trent PCT (rehabilitation services). Over the coming year the Trust will be working with the PCTs to manage the transfer of these services.

Trust Service Profile

Adult Mental Health
Acute inpatient
Psychiatric Intensive Care Unit (PICU)
High Dependency Unit (HDU)
Community Mental Health Teams (CMHT)
Assertive outreach team
Crisis resolution team
Early intervention team
Rehab inpatient
Rehab community
Parent and baby
Neuropsychiatry
Day care
Court Diversion (Mentally Disordered Offenders Team, MDO)
Children and Young People
Child and Adolescent Mental Health Teams (CAMHS) Tier 1 (e.g. First Steps)
Tier 2 and 3
Tier 4 (Darwin Centre)
Older People with Mental Health needs
Inpatient functional (e.g. treatable mental ill health such as depression, bipolar)
Inpatient organic (e.g. degenerative change in the function of the brain such as dementia, stroke, acquired brain injury)
Inpatient mix (complex ward)
Outpatient and day hospital assessment
Community Mental Health Teams (CMHT)
Memory Clinic
Substance Misuse
Inpatient
Community
Outpatient
Learning Disabilities and Developmental Neurosciences
Inpatient (assessment and treatment)
Community Learning Disability Teams (CLDT)
Activities of daily living –assessment
Older People Physical Health
Rehab inpatient
Acute inpatient
Day care
Tissue Viability

2.4 Shared Services

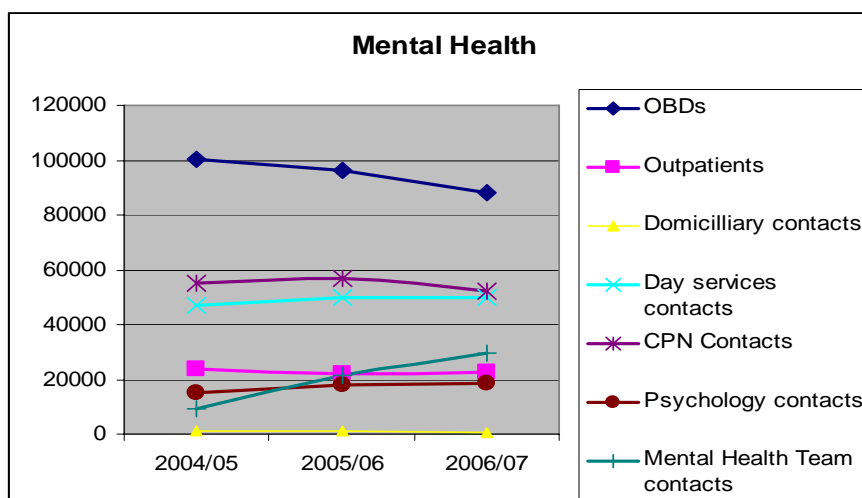
The Trust currently provides Health Informatics, Estates and Health and Safety services to Stoke-on-Trent and North Staffordshire PCTs. The Trust purchases Finance Agency services from Stoke-on-Trent PCT. In addition the Trust holds a range of agreements for both clinical and non clinical services with the University Hospital of North Staffordshire (UHNS). The Trust has recently brought the management of pharmacy services, clinical coding and clinical audit arrangements in house. Services relating to the provision of occupational therapy to PCTs have either transferred (Stoke) or are in the process of transferring (North Staffordshire).

In 2008/09 the Trust intends to review and develop a plan addressing the compatibility of its clinical and shared services.

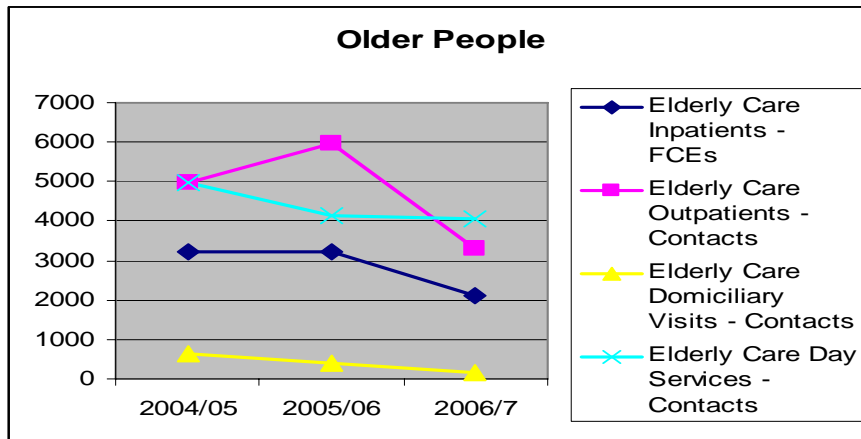
2.5 Activity

North Staffordshire Combined Healthcare NHS Trust total provider activity details for 2006/07 are tabled as follows and reflect a shift from inpatient to community based services and transfers of some services:

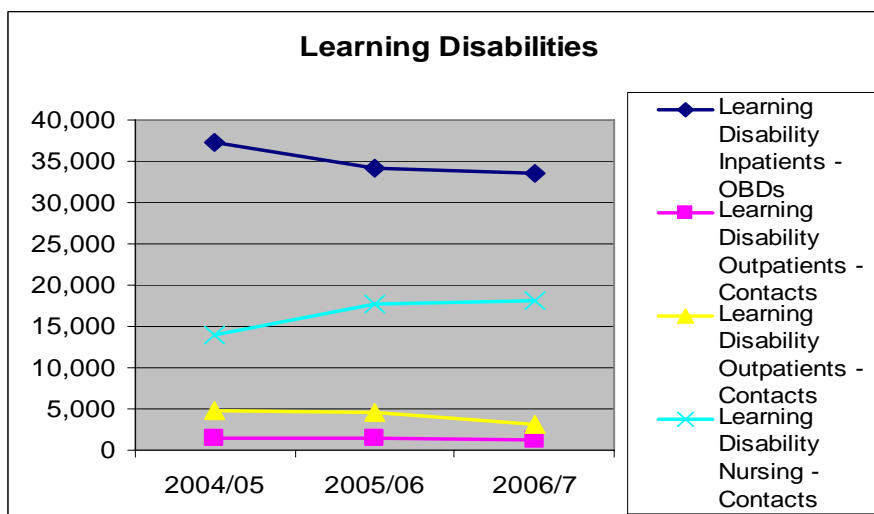
Mental Health			
	Actual 2006/07	Actual 2005/06	Actual 2004/05
Mental Health Inpatients - OBDs	88,255	96,386	100,317
Mental Health Outpatients - Contacts	22,850	22,208	23,746
Mental Health Domiciliary Visits - Contacts	737	952	1,035
Mental Health Day Services - Contacts	49,738	49,612	47,063
CPN - Contacts	52,234	56,996	55,317
Psychology - Contacts	18,421	18,019	14,961
Mental Health Teams - Contacts	29,680	21,370	9,395



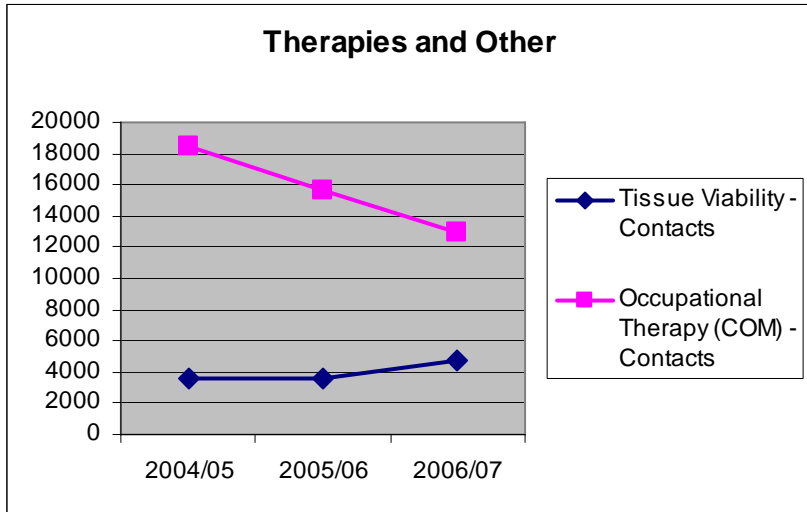
Older People			
	Actual 2006/7	Actual 2005/06	Actual 2004/05
Elderly Care Inpatients - FCEs	2,115	3,206	3,228
Elderly Care Outpatients - Contacts	3,319	5,966	4,966
Elderly Care Domiciliary Visits - Contacts	150	389	629
Elderly Care Day Services - Contacts	4,060	4,148	4,978



Learning Disabilities			
	Actual 2006/7	Actual 2005/06	Actual 2004/05
Learning Disability Inpatients - OBDs	33,520	34,157	37,213
Learning Disability Outpatients - Contacts	1,348	1,427	1,428
Learning Disability Assessment & Outreach service- contacts	3,121	4,622	4,807
Learning Disability Nursing - Contacts	18,190	17,664	13,944



Therapies & other			
	Actual 2006/7	Actual 2005/06	Actual 2004/05
Tissue Viability - Contacts	4,692	3,648	3,538
Occupational Therapy (COM) - Contacts	12,929	15,577	18,447



2.6 Finance

The following table describes the Trust's financial performance from 2004/05 to date. The Trust has consistently achieved financial targets and balance.

	2008/09	2007/08	2006/07	2005/06	2004/05
	Projection	Projection	Actual	Actual	Actual
Clinical Income	81,083	75,508	78,537	77,560	73858
Other Operating Income	11,340	12,383	11,555	13,516	13109
Income (Turnover)	92,423	87,891	90,092	91,076	86,967
Expenditure	-91012	-86,790	-89,084	-89,617	-86,354
Operating Surplus	1,411	1,101	1,008	1,459	613
RETAINED SURPLUS FOR THE YEAR	250	200	80	505	215

2.7 Partnership arrangements.

The Trust has a strong track record of working in partnership with a range of statutory and voluntary agencies. Over recent years many of these partnership arrangements have become more formal.

The Trust is currently in the process of developing two Adult Mental Health Partnership Agreements one with Stoke on Trent local authority and the other with Staffordshire local authority. Section 75 of the National Health Service Act 2006 provides an enabling framework so that money can be pooled between health bodies and health related local authority services, and resources and management structures can be integrated. These new agreements will strengthen existing partnership working to deliver improvements to patients and stronger governance arrangements, including engagement with joint commissioning structures. Both arrangements will see the Trust managing services which build on already extensive partnerships and will create opportunities to more effectively coordinate service delivery and improve productivity and efficiencies. These agreements will be implemented over the next year, and the Trust will be working, with its partners, to develop agreements for the management of learning disability services.

The Trust has forged close links with the two local universities, University of Staffordshire and Keele University. The organisation has been a partner in the development of the Keele University Medical School. The Trust also belongs to wider academic and research networks, and currently holds the co-ordinating role for the Tipping the Balance Towards Primary Care (TTB) Network, a European research and development collaboration around primary care.

The Trust also has excellent relationships with a thriving voluntary sector in North Staffordshire. It recognises that this sector brings something important to the local economy that is distinct from the statutory sector, and is of great value.

The Trust is building on these links to enhance existing partnerships, and create new ones. Such partnerships have increased choice for patients.

Additionally there are links with housing associations and the independent sector.

2.8 Performance against National Targets and Trust Principal Objectives

The Trusts performance Management Framework plays a key role in our drive for excellence, providing a means to review and improve organisational performance by linking and aligning individual team and organisational objectives and results.

During 2006 this framework was further enhanced with the introduction of a Trust specific Balanced Scorecard and management information pack. This has enabled the Board to work towards the delivery of its Principal Objectives and assess the Trust's level of compliance with the core standards and national targets. This framework is in the process of being cascaded to Operating Units with the development of their own local balanced scorecard with agreed key performance indicators. Operating Units will demonstrate progress against their KPIs and Business Plan which is quality assured by the performance management team and communicated to the Trust Board.

In 2007/08 the Trust set out 22 Principal Objectives for the period ending March 2008. These objectives were structured around five business priority areas and included local as well as national targets:

- Customer Focus
- Business Development
- Finance
- Workforce
- Governance

The Trust has consistently performed well in the Healthcare Commission assessments having achieved an 'excellent' for quality of services to patients and a 'good' in the management of finances in the 2006/7 Annual Health Check.

The table provides a summary of the Trust's performance against key targets.

2.9 Building on success

North Staffordshire Combined Healthcare has a proven track record as a dynamic and innovative NHS Trust committed to delivering the highest standard of public services to our communities within a sound, sustainable and focused business framework.

Our high performance is evidenced through:

- Our achievement of an **excellent** for quality of services to patients and **good** at managing finances in the 2007/08 Annual Health Check
- Maintaining financial balance through major change with financial targets having been fully met for a number of years
- Achieving 'fully met' for core standards and existing national targets

By building on the Trust's strong partnerships involving the public, patients, their families, staff, other statutory, independent sector, voluntary organisations, and commissioners, North Staffordshire Combined Healthcare will provide comprehensive health and social care services that deliver public benefit. The organisation is therefore clearly focused on what it does best; excellence and value

by listening, involving and responding to our partners and is committed to collaboratively assisting commissioners to deliver their strategic objectives.

North Staffordshire Combined Healthcare Performance

Area	Key Performance Indicator	Trust Performance at 31st December 2007	Trust Performance at 31st March 2007	Trust Performance at 31st March 2006	Benchmark/Target
Outpatient Waiting	Waiting times for an appointment with a consultant following a GP referral	No patients waiting over 11 weeks as at Quarter 3	No patients waiting over 11 weeks	No patients waiting over 13 weeks	The national target is to be seen within 13 weeks and most mental health trusts have achieved the target
Care Programme Approach (CPA) Status and Care Plan	Mental health service users with an electronic care plan	Standard users 75% Enhanced users 91.6% as at quarter 3	Standard users 34% Enhanced users 92%	Standard users 25% Enhanced users 90%	The target is for a 100% of all service users to be at least offered a care plan and have it recorded electronically
Users level of satisfaction	Response to the following question in the patient survey: "Overall how would you rate the care that you have received?"	Performance against this target will be released in the autumn of 2008	Survey results for this question put the Trust on the threshold of the best performing 20% of NHS Trusts. Trust score was 72, threshold is set at 72, highest score achieved was 78	27% Excellent 26% Very Good 22% Good 17% Fair 5% Poor 4% Very poor	In 2006 the Trust was in the intermediate 60% of Trusts for this indicator Survey results for this question put the Trust on the threshold of the best performing 20% of NHS Trusts. Trust score was 72, threshold is set at 72, highest score achieved was 78
Cleanliness	Cleanliness scores in the Patients Environment Action Team (PEAT) assessments. Only sites with 10 beds or more are assessed	PEAT review is currently underway	9 sites were assessed. 5 were rated as "excellent" 3 were rated as "good" 1 was rated as "acceptable"	9 sites were assessed. 3 were rated as "excellent" 6 were rated as "good"	In 2006 nationally only 14.2% of Trusts were rated "excellent" 49.3% were rated "good" with 34.7 on rated as "acceptable"
Infection Control	Compliance with the national targets for infection control. The national target was revised in January 2007	Trust would expect to declare compliance with all elements of the target.	Compliance with all elements of the national target	Compliance with all elements of the national target. The Trust achieved the Governments targets in this area	95% of mental health trusts achieved the Governments targets for the year to 31 st March 2006. Data for the year to 31 st March 2007 will be released in October 2007

Auditors Local Evaluation (Use of Resources)	To develop and implement an action plan to improve the Trusts Auditors Local Evaluation (Use of Resources) score	The results of the 2007/2008 Auditors Local Evaluation assessment are expected to be published in October 2008.	The results of the 2006/2007 Auditors Local Evaluation assessment were published in October 2007. The Trust received an aggregated score of "good"	The Trust received an aggregated score of "fair"	73.8% of mental health trusts achieved a score of "fair" for the year to 31 st March 2006. Data for the year to 31 st March 2007 <table border="0"> <tr> <td>Excellent</td> <td>7.02</td> </tr> <tr> <td>Good</td> <td>47.37</td> </tr> <tr> <td>Fair</td> <td>42.11</td> </tr> <tr> <td>Weak</td> <td>3.51</td> </tr> </table>	Excellent	7.02	Good	47.37	Fair	42.11	Weak	3.51
Excellent	7.02												
Good	47.37												
Fair	42.11												
Weak	3.51												
Standards for Better Health	To meet all the core standards set by Government	2007/08 declaration in progress	The final decision made by the Board was to declare the following position for 2006/07. Reasonable assurance of compliance with all of the core standards; The Trust has given due consideration to the Hygiene Code; A level of achievement of "good" against developmental standard D2a	This Trust achieved a score of "fully met" We had met all of the core standards by March 31 st 2006, but were unable to declare that we had met two standards for the entire year	38% of mental health trusts achieved core of "fully met" for the year 31 st March 2006. Data for the year to 31 st March 2007 indicates this has risen by 11% to 49%.								
Information Governance	Compliance with the information governance tool kit	IG Steering Group has set a target of 79% compliance and is confident of achieving this target	79 compliance	70% compliance	National average 66.5% compliance. The Trust is currently in the top 10 mental health trusts								

3. Strategy

In recent years the Trust has faced a range of challenges to its vision for the future of services. In response to those challenges the Trust is working with its stakeholders to review its strategic future. The start point for this review has been to revisit our purpose, vision and values.

Our purpose, vision and values underpin this business plan and have been developed in response to themes arising from our market assessment and feedback from our stakeholders. This strong alignment will enable the Trust to adapt and manage current challenges and future change.

The following reflect the outcome of this work.

3.1 Purpose, Vision and Values

3.1.1 The Trust's Purpose

'Working to improve the health and welfare of local communities'

3.1.2 The Trust's Vision

The Trust has a clear vision for the future that builds on previous success and which focuses on maximising new opportunities and emerging priorities.

The Trust's revised vision statement is:

'The Trust will provide patient centred mental health, specialist learning disability and related services for people of all ages; aiming to be the best in all that we do and working in partnership to deliver services that promote recovery, well being and independent living'

To achieve our vision the Trust will ensure that our service delivery is driven by patient expectations and priorities, offering wherever possible choice. Success will also be determined by maintaining the highest quality of services and increased value for money for commissioners.

3.1.3 Our Values

The Trust will uphold, promote and implement the values of the National Health Service and deliver services to national standards, including those developed by the Healthcare Commission: 'Standards for Better Health' (2005)

Together staff, partners, patients and their families have identified the core values that underpin our Trust. The Trust encourages staff to apply these values in their work with people who come into contact with our service.

We have pledged to promote our values in all the places where we provide care and support for people and to support each other in making sure as much as we can that we uphold these values in all that we do. We regularly review our values to ensure we are getting it right and making a difference.

Effectiveness

Aim to provide the highest standard of care by ensuring that through continuous professional development we all have the most up to date and most appropriate skills and knowledge to do our jobs effectively.

Leadership and partnership

Lead through vision, inspiration and collaboration to ensure all who have a stake in our organisation work together to achieve our goals

Professionalism

Endeavour to be open honest and respect confidentiality as well as behave with integrity

Communication

Ensure that people have access to information that is relevant and timely and in a way that they can be easily understood.

Ensure that wherever possible people are not asked for the same information more than once

Efficiency

Spend money wisely and ensure that the care we provide is both cost effective and value for money

Excellence

Aim to achieve the best outcomes for our service users by delivering up to date evidence based care that is agreed in partnership with the service user and carer

Equality and Diversity

Recognise individuality and respect differences, needs and choices by talking with, listening and responding appropriately to everyone who comes into contact with us.

Flexibility and Responsiveness

Write our policies with patients, service users, Carers and staff in mind and try not to let our policies and procedures reduce

Courtesy and Dignity

Treat people with courtesy and dignity by listening and checking if what we are doing is the best way or if things can be done differently

3.2 The Trust's five year (2008-2013) Strategic Objectives and Key Performance Indicators

In line with our new vision the Trust Board has reviewed its strategic objectives for the next five years. This review has taken into account current and projected changes in our market, local healthcare needs and national policy. The Board has established a set of five year strategic objectives key performance indicators (KPIs) that will enable the organisation to measure its success. The Trust's strategic objectives underpin the vision for North Staffordshire Combined Healthcare.

The Trusts five year strategic objectives are focused around five themes known as our Business Priority Areas. These are:

- Customer Focus
- Business development
- Finance
- Workforce
- Governance

Strategic Objectives and Key Performance Indicators (5 Year)		
Strategic Objectives (5 Year)		Strategic KPIs (5 Year)
Customer Focus		
1	To achieve annual increases in patient and customer satisfaction and quality of care.	<ul style="list-style-type: none"> The Trust can demonstrate stepped improvements in care co-ordination as measured by the achievement of annual targets set by the Board. The Trust can demonstrate stepped improvements in response to the following question in the national patient survey: "Overall how would you rate the care you received?" The Trust can demonstrate stepped improvements in patient satisfaction as measured by the Trust (an effective local system will be introduced in 2008/09).
Workforce		
2	To attract, develop and retain a high quality workforce that delivers our purpose, demonstrating strong leadership and team based working.	<ul style="list-style-type: none"> The Trust will achieve and maintain a position in the upper percentile of all mental health and learning disability providers for staff satisfaction, as measured by the national staff survey. The Trust can demonstrate that workforce plans are agreed by the Board before the start of the financial year, supported by evidence that these plans are accurate and will ensure the achievement of our business plans
Governance		
3	To ensure the Trust has a system of integrated governance which is supported by evidenced based practice and continuing professional development.	<ul style="list-style-type: none"> The Trust will maintain a rating of excellent for quality and improve our rating for resource allocation to excellent in national ratings.
Business Development		
4	To be the provider of choice for mental health and specialist learning disability services in the area.	<ul style="list-style-type: none"> The Trust can demonstrate stepped improvements in stakeholder satisfaction (including GPs) as measured by the Trust (an effective local system will be introduced in 2008/09).
5	To develop, market and successfully deliver a range of innovative new services alone and in partnership with other organisations.	<ul style="list-style-type: none"> The Trust can demonstrate stepped success in delivering new services as measured by the achievement of annual targets set by the Board.

Finance		
6	To deliver financial targets and value for money, invest in the development of new services and ensure that financial systems support patient level reporting.	<ul style="list-style-type: none"> Develop surplus across all service lines for reinvestment Patient level costing introduced by 1 April 2011 The Trust can demonstrate year on year improvements with respect to the use of resources as measured by the delivery of financial targets, ALE and reference costs

3.3 Developing the Trust's plans for 2008/09

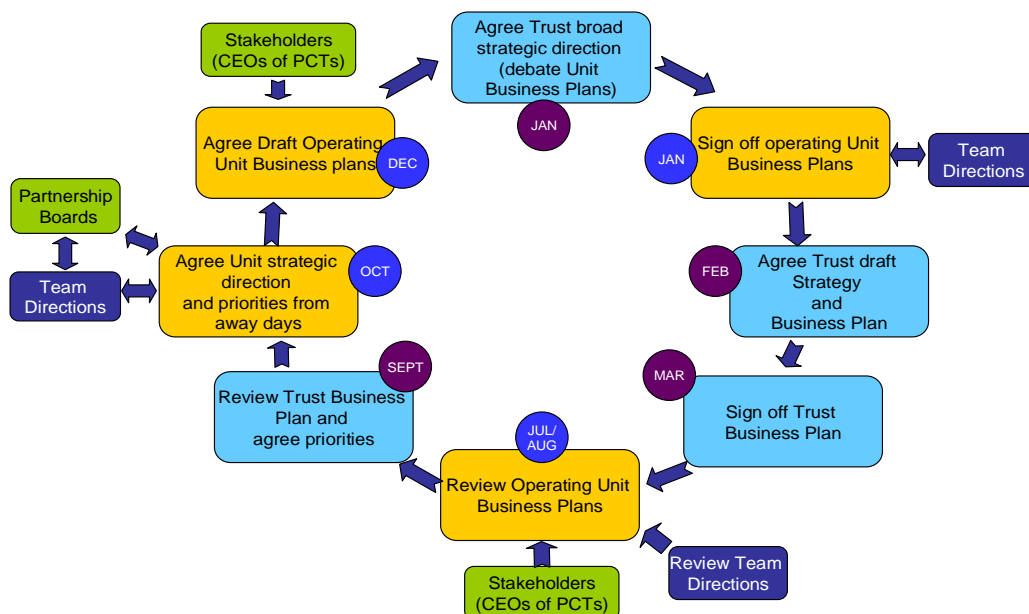
This purpose, vision, values and strategic objectives provide the clarity on the way the Trust behaves, operates and undertakes its business planning process.

The Trust has a process of developing its business plans and has developed a strategic planning cycle.

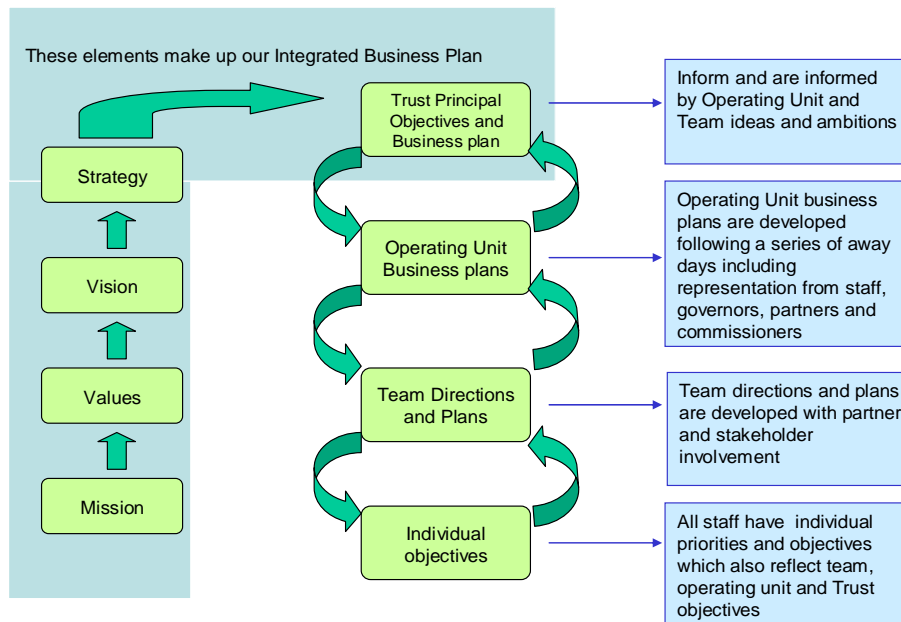
The strategic cycle demonstrates *when* the Trust reviews its strategy and business plan and how the Operating unit business plans are developed to fit this cycle. The alignment process shows *how* we develop them.

The diagrams illustrates this process

Combined Healthcare's Integrated Strategic Cycle



NSCHC Strategic Alignment Process



The underlying principles of both the strategic cycle and alignment process are:

- The direction of the Trust should be driven by strong leadership and the needs of our service users
- Our strategy must be aligned to the needs of our service users, the capabilities of our staff and the requirements of our commissioners and stakeholders
- Staff have the ideas and knowledge that will enable clinical services to be improved and /or developed and provided effectively and safely
- We will continue to seek opportunities to develop and improve services in partnership

3.3.1 The Planning days

The Trust Operating Units have developed their plans in partnership with staff, user and carer representatives, voluntary sector, statutory and local authority partners, commissioners and other stakeholders.

This was undertaken, for the second year, through a series of planning days that took place in September and October 2007 and are linked to the timing of the Trust Boards annual strategic cycle and are a key component of our strategic alignment process.

3.3.2 The purpose of the planning days:

- To provide frontline staff, together with key stakeholders an opportunity to contribute to the review and development of future service provision
- Align future developments with commissioning strategies and intentions

- Align future service developments to the key priorities identified in the Trusts Market assessment and the strategic objectives of the Trust.
- To continue to build upon the work of developing our five year business development strategy
- To understand the overarching mental health priorities that will inform the future pathways of our services

The Trust's service development plan that is set out in Section 5 of this document is based on the set of priorities identified at these events which built upon the contributions and market assessment. These then form the basis of Operating Unit Business Plans.

3.4 2008-2009 Annual Objectives and Key Performance Indicators

The Board has agreed a set of annual objectives for 2008/09 which will be a step toward achieving the strategic objectives and meeting the priorities in Operating Unit Business Plans.

Against these objectives, the Board will be measuring progress in accordance with processes for performance (the Trust balance score card) and risk management.

Operating Units and subsequently Business Units will review their own balanced scorecards to reflect these revised strategic objectives and the developments identified in their own business plans. Progress against these KPIs will be reported on via exception reports which highlight successes, variances, risks and mitigations.

2008/09 Objectives and Key Performance Indicators (1 year)		
No	2008/09 Objectives	Key Performance Indicators
Customer Focus		
1	To establish an effective local system to measure patient satisfaction.	By 31 March 2009 The Trust will have a local system for measuring patient satisfaction in place and reporting to the Board and its committees.
2	To ensure the Trust has effective systems for care coordination that operate in accordance with national guidelines	The Board monitors compliance with the care coordination action plan. Targets are achieved.
3	To establish a coordinated clinical outcome measurement process that supports benchmarking.	By 31 March 2009 The Trust will have a coordinated clinical outcome measurement process in place, reporting to the Board and its committees.
Workforce		
4	To ensure all staff are up to date with Statutory and Mandatory Training	The Trust can demonstrate that all staff are up to date with statutory and mandatory training.
5	To implement Service Line Management and continue to develop the Trust's approach to team based working.	Service Line Management introduced by September 2008
6	To improve the Trust's capacity for workforce planning	The Board has approved a five year workforce plan and receives reports on variances against plan
Governance		
7	To be compliant on an ongoing basis with Standards for Better Health and meet national targets	In 2008/09 declaration the Trust declares compliance In 2008/09 meet new and existing targets
8	To improve the Trust's governance arrangements in the areas of internal control and value for money.	The Trust's Auditor's Local evaluation (ALE) score in the areas of internal control and value for money increases
9	To develop information systems that fully support the objectives of the Trust including tariff readiness	Increase in the Information Governance Toolkit score The Trust will improve the accuracy of primary and secondary diagnosis coding as measured by independent audit.
Business Development		
10	To establish an effective local system to measure stakeholder satisfaction.	By 31 st March 2009 The Trust will have a local system for measuring stakeholder satisfaction in place and reporting to the Board and its committees.
11	To develop and approve a five year Trust business plan and financial model	The Board has approved a five year business plan and financial model which are sufficiently robust to support a Foundation Trust application.
12	To develop a five year estates strategy	The Board has approved a five year estates strategy and plan that supports the Trusts

		Business Plan
13	To monitor and respond to the Trusts annual Market Assessment	The Trust's Business Plan is informed by an accurate and up to date market assessment
Finance		
14	To successfully deliver the 2008/9 financial plan	The Trust meets all its statutory financial targets and its financial plan,
15	To prepare the Trust for the implementation of cost and volume contracts	Devolved income and expenditure budgets to service lines from September 2008.
16	To develop a five year cost reduction strategy	The Board has approved a five year cost reduction strategy and plan that supports the Trusts Business Plan

3.5 Five year strategy development

Over the coming months the Trust will be continuing to develop a rolling five year integrated Business Plan. In this plan the Trust will make longer term assumptions about the development of services in response to our vision and market opportunities. As part of this plan the Trust will develop long term Estates, Human Resource, IT and Governance strategies. The Trust will also develop a long term financial model.

It is the Trust's ambition to become a Foundation Trust. The Board has set targets to demonstrate that the organisation is well governed and financially viable. The Trust has been working hard to build relationships and address issues which arose out of the Trust's previous Foundation Trust application. This has required the Trust to reach agreement with partners in the local health economy about a range of issues.

3.6 Risk Summary

The Trust has considered the risks that threaten the delivery of its six strategic objectives and identified the following areas for development:

- The need to ensure that frontline teams working with their service users develop high quality services
- The need to invest in workforce planning skills and tools
- The need to work with all stakeholders to build confidence and commitment
- The need to build capacity and organisation capability
- The need to control costs to ensure that the Trusts business model is affordable and offers value for money.

In the context of the Trusts purpose, vision and objectives the Trust has identified the following annual objectives related to the above risks for 2008/9

Objective Number	Annual Objectives 2008/09
1	To establish an effective local system to measure patient satisfaction
5	To implement Service Line Management and continue to develop the Trust's approach to team based working.
6	To improve the Trust's capacity for workforce planning
10	To establish an effective local system to measure stakeholder satisfaction
11	To develop and approve a five year Trust business plan and financial model
12	To develop a five year estates strategy
16	To develop a five year cost reduction strategy

4. Market Assessment

The Trust Board has set the strategic future of the organisation as being a provider of mental health, specialist learning disability and related services for people of all ages. This decision is based on an assessment of current and potential future markets.

The following is a summary of the changes to future health demand and the Trust's position in the local and surrounding healthcare market which was considered when developing priorities and service developments at the Operating Unit planning days. This is supported by a full market assessment.

4.1 Local Health Economy Profile

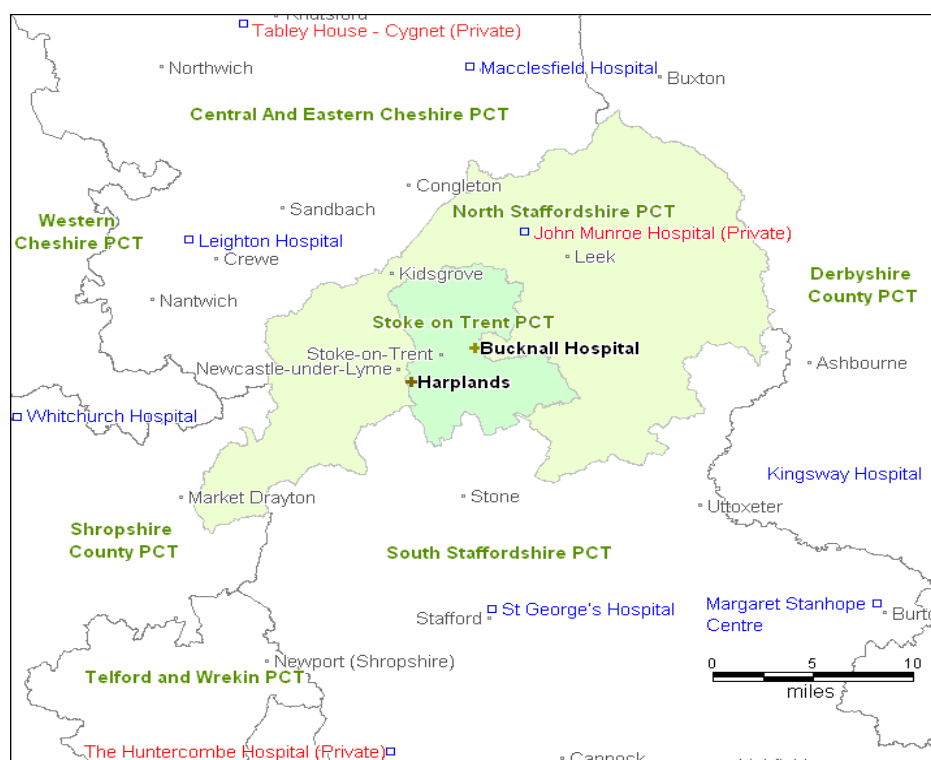
The Trust provides the majority of its services within North Staffordshire: an area comprising the Borough of Newcastle-under-Lyme, Staffordshire Moorlands and the city of Stoke-on-Trent. North Staffordshire is a largely rural area. The exceptions to this are Stoke-on-Trent and the towns of Newcastle-under-Lyme, Kidsgrove and Leek. The greater proportion of the North Staffordshire population lives in urban areas, with 70% living within five miles of the centre of Stoke-on-Trent.

The Trust, along with the University Hospital of North Staffordshire NHS Trust, and two NHS Primary Care Trusts (North Staffordshire PCT and Stoke on Trent Teaching PCT) provide NHS services locally. Social Services within the area are provided by Staffordshire County Council and the unitary Stoke-on-Trent City Council. The region falls within the boundaries of the West Midlands Strategic Health Authority

The Trust's boundaries incorporate Derbyshire County PCT, Derby City PCT, Central and Eastern Cheshire PCT, South Staffordshire PCT, Shropshire County PCT and Telford and Wrekin PCT.

The map overleaf shows the health economy and bordering PCTs.

North Staffordshire local health economy and surrounding areas.

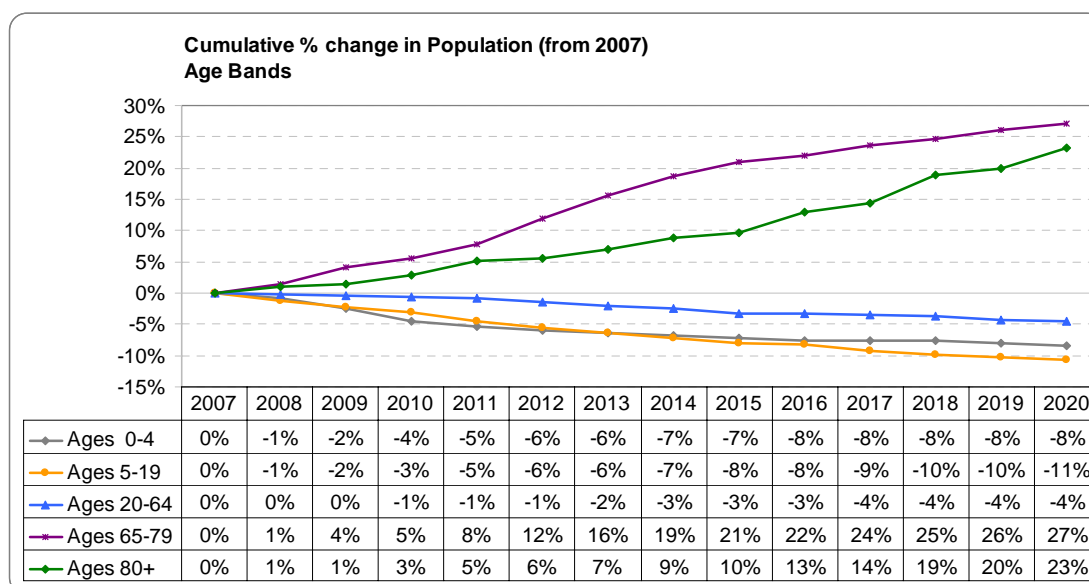


4.2 Demographic profile

4.2.1 Age

North Staffordshire has an increasingly 'ageing population' which is set to continue over the next 25 years. As a result, the Trust can expect a greater than average demand for older people's mental health services. The chart over highlights the changes in the population between 2007 and 2020 and demonstrates that there will be a 27% increase in people over the age of 65 by 2020 and a 23% increase in those over the age of 85

Projected population growth for Staffordshire 2007 - 2020



Data includes North Staffs PCT, South Staffs PCT and Stoke-on-Trent PCT Source: ONS
Population Projections www.statistics.gov.uk

Sub National

4.2.2 Ethnicity

96% of the North Staffordshire population are of White British ethnic origin and although the Trust serves a relatively small proportion of people from ethnic minority backgrounds, some ethnic groups are disproportionate users of mental health in-patient and particularly forensic services. The Trust is mindful of the need to develop sensitive services that aim to reduce inappropriate in-patient care for its black and minority ethnic group population.

4.2.3 Deprivation

The majority of the North Staffordshire area has relatively low levels of income deprivation and child poverty. The major exception to this is Stoke-on-Trent where income deprivation and child poverty levels are high, with some areas being amongst the top fifth most deprived wards in the country. As poverty is one of the major risk factors for mental distress the Trust can expect a continued increase in demand from within the Stoke-on-Trent area.

4.3 Key Factors driving demand

Demand for mental health services is driven by the following key factors:

4.3.1 Demographic changes

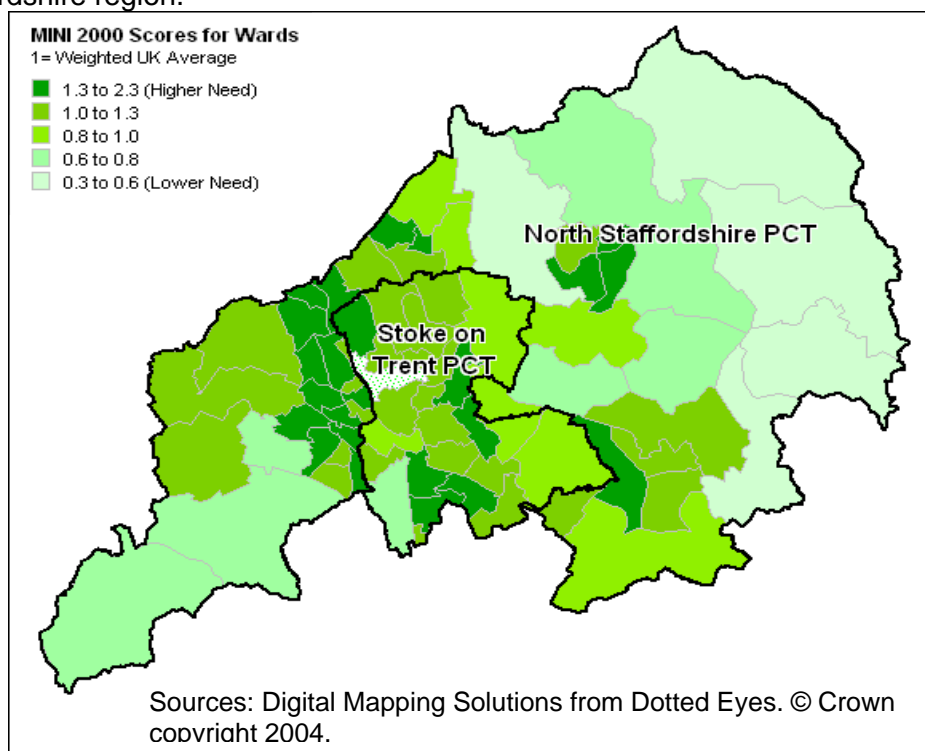
Demand will increase across the Trust's older people's mental health services as the population of North Staffordshire is predicted to increase by around 1% by 2020. Whilst this increase is lower than the national average, there will be a 27% increase in people over the age of 65, and a 23% increase in those over the age of 85 within this timeframe. Conversely, population decreases for 0 -19 year old and adults of working age are likely to result in decreases in demand for Children's and Adult

Mental Health services. The Trust will review population changes and the prevalence of mental health problems in children from 0-19 on an ongoing basis.

Arresting the declining proportion of young people is identified as key priority in the strategy document *Integrated Economic Strategy for the North Staffordshire Conurbation* produced by the City of Stoke on Trent, Newcastle under Lyme Borough Council, RENEW North Staffordshire and North Staffordshire Regeneration Zone. The strategy may be successful in retaining the younger people in the area and this will in turn impact on demand for health services. The Trust will therefore continue to monitor demographic change and adapt its service strategy as necessary.

4.3.2 Mental health need and prevalence

The map below shows Mental Illness Needs (MINI) scores for each electoral ward across North Staffordshire and Stoke-on-Trent Teaching PCTs and the wider Staffordshire region.



In terms of mental health need, the MINI (mental illness needs index) scores for North Staffordshire identify that 72% of the county's population has higher than the UK average weighted need for mental health support. Much of this need is concentrated within the Stoke-on-Trent area and is consistent with analysis of the Trust's top 20 referring GP practices which are dispersed broadly in the area with high levels of deprivation.

4.3.3 Technological advances

The Trust has recognised that the field of mental health is a dynamic market place. New medications and therapies, home technologies and increased ability to diagnose conditions earlier are all changing the nature and increasing the volume of demand for mental health services. Growth is particularly notable in areas including autistic spectrum disorders, personality disorders and treatment resistant depression and the Trust has interests in these developing services which are reflected in our current and longer term plans.

4.3.4 Government policy

In its plans the Trust has recognised the need to respond to key trends in government policy include the increasing requirement to deliver care closer to home,

the need for earlier intervention, a continued move away from intervention and medication based therapy towards 'talking therapies' and the policy that NHS Trusts stop providing residential learning disabilities services (Campus provision)

4.4 Commissioning intentions

In considering its market position the Trust has reviewed the commissioning environment, the pattern of spending on mental health services, and commissioning intentions.

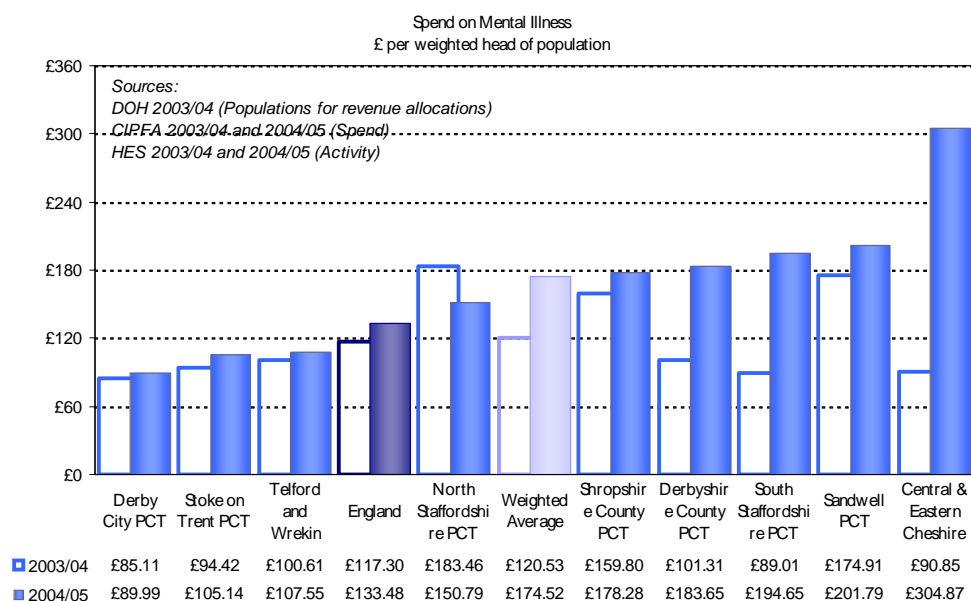
4.4.1 Commissioning environment and Joint Commissioning

Stoke PCT and City Council have established a joint commissioning unit. A Joint Commissioning Unit for North and South Staffordshire PCTs and the County Adult Social Services will be in place by 1 April 2008. 2008/09 therefore represents a transition year in which North Staffordshire PCT takes the lead on behalf of all commissioners in negotiations with the Trust. Although Mental Health commissioning strategies have not been published by the PCT commissioners the Trust has agreed an SLA with North Staffordshire PCT for 2008/9. The SLA document sets out the agreed 'direction of travel' but does not seek to provide a mental health needs assessment or to set out the commissioning strategies for non-acute client groups.

4.4.2 Pattern of Spend

The Trust has reviewed the equivalent past levels of expenditure that local commissioners have committed to mental health services. The table below demonstrates that local spending per head of population by the two local PCTs has been low compared to neighbouring PCTs and the English average.

Changes in relative Mental Health Funding (2003/04 – 2004/05)



This analysis of PCT's programme spend has been undertaken to compare spend per weighted head of population on mental health. The results for North Staffordshire's former PCTs have been combined into equivalent figures for the new North Staffordshire and Stoke-on-Trent PCTs.

4.5 Commissioning Priorities

Although the Trust's key commissioners have not published their mental health strategies they have outlined a broad direction for the Trust to consider.

4.5.1 Stoke-on-Trent PCT

Stoke-on-Trent PCT is the Trust's largest commissioner. The PCT has not published its mental health strategy. However, the PCT has declared its desire to see the Trust become a specialist Mental Health (and possibly learning disabilities) provider only. The PCT has confirmed to the Trust that it wishes to divert current mental health investment in the Trust towards primary care and prevention services. It will achieve this through disinvesting in some of the Trust's core services and reinvesting these funds in predominantly primary care focused services. The PCT has also clearly signalled to the Trust that it wishes to market test a range of mental health services. This commissioner has a significant OAT (out of area treatment) spend and wishes to see the Trust develop services that would facilitate repatriation of these patients. This approach has been reflected in the developments funded by the PCT.

4.5.2 North Staffordshire PCT

North Staffordshire PCT is the Trust's other major commissioner. The PCT is also finalising its strategy. However, indications are that it also wants the Trust to concentrate on specialist mental health services. PCT mental health intentions are driven by the need to conform to national policy on the development of crisis services, move towards community provision and ending of NHS learning disabilities provision for all but complex cases. The PCT has not yet confirmed funded developments for the Trust.

4.5.3 South Staffordshire PCT

South Staffordshire PCT is a relatively small purchaser of the Trust's services (representing only 2.75% of the Trust's income). As with North Staffordshire and Stoke-on-Trent Teaching PCT, the PCT does not currently have a formal mental health commissioning strategy in place. The PCT looks to South Staffordshire Foundation Trust for the majority of its mental health commissioning and would seek to do so for the foreseeable future. To this end, the PCT would look to purchase specialist learning disability services from the Trust rather than general mental health services. Discussions identified that the PCT spends significant sums of money spot purchasing specialist services from the Independent Sector as the IS are perceived to be flexible and responsive in a way NHS providers find difficult to match. If the Trust was able to match the independent sector's prices and flexibility the PCT would look to transfer a percentage of this spend to North Staffordshire.

4.5.4 Shropshire PCT

Shropshire PCT is a very small purchaser of the Trust's services. Commissioning has been primarily focussed on specialist PICU from The Trust. The PCT looks to South Staffordshire Foundation Trust as its provider of choice, primarily on the grounds of geography, though also on the back of strong relationships that have developed over time. The PCT has a Joint Commissioning Strategy place. Within this strategy there is a focus on developing more local 'places of safety' within Shropshire and repatriating PICU placements from the Trust. The commissioner's intentions are to reduce PICU spending.

In the light of commissioning intentions the Trust has developed and reviewed a number of scenarios that consider the impact of a range of commissioning proposals upon the Trust. The Trust is working with commissioners to agree a way forward that will benefit service users and carers across the health economy.

The Trust has considered how the changing market for its services will impact on and shape the development of future plans. The table below shows a summary of anticipated changes and their likely impact on the Trust.

Service	Changing demographic profile	Need/ Prevalence	Technological advances	National agenda/ govt policy	Commissioning priorities, strategies and intentions	Overall position
Learning Disabilities	Greater demand on service as people with LD live longer.	Rising prevalence of LD as survival rates for babies born with LD increase	Diagnoses such as Aspergers are increasing.	Move towards community provision	Reduced funding for NHS service provision	Increased specialist service demand Decreased spend on less complex LD within acute settings
Adult Mental Health	Demand will change with the overall population change.	Greater demand to treat people with less complex illness.	Increased demand for psychological therapies.	Increasing move towards assessment and treatment	Funding shifts from secondary to primary care	Demand is shifting from secondary to primary care mental health services.
Specialist Mental Health	Increase older peoples specialist needs	Demand for brain injury services is increasing with increases in drug abuse.			Overall funding remaining static	Increasing demand for specialist niche services
Older People	Increased demand across the board	Prevalence of dementias increase with age, therefore an ageing population will lead to increased demand	Linkage of dementia with cardio-vascular conditions	Move towards community provision	Withdrawal of acute older people's facilities and services Divestment of respite facilities	Demand will increase as the population ages; however, commissioners are disinvesting in secondary care services.
Children	Baseline demand will alter with population change.	Increasing demand within particular conditions, e.g. Aspergers		Possible impact of development of Children's Trusts	Non-Staffordshire PCTs are likely to develop local alternatives to in-patient admission	Increasing specialisation, offsetting the affect of development of alternatives to admission

Potential implications of demand drivers upon future Trust activity

4.6 External environment and competition

There are potential risks for the Trust in the future due to possible new and substitute providers entering the market. The Healthy Minds network tendering exercise led by Stoke-on-Trent PCT has demonstrated to the Trust how substitute providers can find their way into the market and directly compete with historical providers from both the NHS and the local Voluntary sector. Inpatient services are expected to become less important as commissioners drive for more community and home-based services. The Trust can expect to face increased competition as a result of national policy initiatives, indeed recent evidence has already demonstrated the threats to markets the Trust has historically seen as 'secure'.

Each of the Trust's operating units has completed a SWOT and PESTLE analysis. The results of the SWOT can be found in Section 5 and have been used to influence service developments.

A high level PESTLE analysis developed from the Operating Units planning day's supports a detailed understanding of the factors influencing the market environment. This PESTLE analysis will be reviewed during 2008/09. The high level PESTLE is presented below;

Political	Economic	Social
Section 75 partnership arrangement with local authority Booking and Patient Choice agenda Integration of health and social care Foundation Trust status Competition – NHS and Independent Sector Changing commissioning intentions towards disinvestment in some areas Regulations and inspections NICE guidance Implementation of <i>Our health, our care, our say</i>	Efficiency savings Financial position of overall health economy, including constraints on commissioners' funding Complexity of costing episodes of care Below national level of funding e.g. LD services PbR/tariff Lack of funding for equipment, e.g. IT Changing commissioning intentions	Housing – crisis/short term housing issues Aging population Increasing cultural/ethnic diversity Rising public and patient expectations and demands Gender specific issues Dual diagnosis Rising substance misuse across society Areas of socio-economic deprivation
Technological	Legal	Environmental
Advances in medical, pharmaceutical and clinical practice, e.g. new therapies and treatments Increasing need for IT systems to support the business, especially for integrated services Increasing number of children with complex needs as a result of advanced technology	Mental Health Act 2007 Mental Capacity Act Deprivation of Liberty Safeguards Section 75 Substance misuse legislation Regulations and inspections	Lack of appropriate, fit for purpose accommodation for services users, carers and staff in some areas Teams operating from split sites Lack of physical capacity for delivery of some therapeutic interventions e.g. Harplands Poor geographical accessibility for some services e.g. EMI

4.7 Competitive Factors

In preparing its plans the Trust has considered and is responding to the wide range of factors that are increasingly influencing the competitive environment within Mental Health services.

The lack of provision for many health services and the associated long waiting times give much power to service providers although this is being countered by an increase in customer power through increasing regulation (the Healthcare Commission and Mental Health Act Commissioners) and the publication of guidelines on service provision by National Institute for Clinical Effectiveness (NICE). The Trust is seeking to work closely with users and carers to ensure that services are increasingly responsive to their needs.

Mental health services have been excluded from the national Choice agenda in terms of 'Choice' of provider although work is being undertaken by the Department of Health to find ways of applying choice to mental health. Locally, the Trust has responded to the choice agenda through the development of pilot project linked to electronic choose and book for date and time of appointment. The pilot at Hazelhurst Older Person's Mental Health Day Unit has been running for three months and is due to be extended to a broader catchment area.

'Payment by Results' has not been extended to mental health which means that price competition exists for services. However the Trust is participating in the West Midlands Strategic Health Authority 'Mental Health and Learning Disability Productivity Project' which has as one of its aims the dovetailing of work being undertaken on the Yorkshire Care Pathway Project. This in turn will link to work being undertaken to influence mental health contracts and PbR tariff readiness.

The development of better commissioning and especially practice based commissioning (PbC) will, in effect, introduce a form of referrer choice into mental health as PbC clusters have the ability to move activity between competing providers. Although there has not been significant progress in the local development of PbC and commissioner, the Trust has established a Mental Health Pathway group to develop an effective interface through which we can work with GP referrers in order to respond to primary care needs. Throughout the year the Trust will seek to work with commissioners to understand and support, where appropriate, the commissioning agenda.

There is an increasing focus on plurality and choice, even though neither of these initiatives technically applies to mental health and an expansion of capacity within the private sector means that the NHS is no longer always the local monopoly supplier. Specialist services operate in the most competitive environment found within UK healthcare e.g. over 50% of medium and low secure, eating disorder and adolescent psychiatry beds in England are provided by the private sector This is coupled with moves in some counties to tender some core mental health provision. As a result, the Trust is strengthening its marketing intelligence systems and skills in tendering for service provision.

4.8 Summary of how the Trust performs against competitors

4.8.1 Emerging competitors

The North Staffordshire PCT and Stoke-on-Trent PCT account for 94% of the Trust's clinical services income, with neighbouring PCTs and specialised commissioning accounting for most of the remaining 6%.

Although the Trust holds almost 100% of the activity across key inpatient areas for both of the local commissioners there are a range of existing NHS Trusts and non-NHS emerging as competitors.

There are a number NHS providers of mental health services in the area including; South Staffordshire and Shropshire Healthcare NHS Foundation Trust, Cheshire and Wirral Partnership NHS Foundation Trust and Derbyshire Mental Health Services NHS Trust. These providers are in a position to compete with the Trust for most of its service areas.

In addition, there are a number of independent sector providers, who are in a position to compete with the Trust for a range of services including;

- CAMHs in-patient
- Eating disorder services (adult and adolescent)
- PICU
- Adult psychiatry
- Rehabilitation
- Acute services
- Detox, Neuro-psychiatric services Learning disabilities/residential services

The level of competition varies across services and the main independent sector providers are located in: - Stafford, Cheshire, Leek, Altringham and Northampton.

There are also a number of relevant third sector providers. While these providers do work co-operatively with the Trust in a number of ways, they also represent an element of competition for the Trust in the development of community services.

4.9 How the Trust compares to NHS competitors

4.9.1 Health Care Commission Standards

The Health Care Commission publishes 'self declarations' made by trusts for core standards and in 2006/7 the Trust's performance was comparable to the three local NHS providers against all criteria which include safety, clinical and cost effectiveness, governance and public health.

The Healthcare Commission also undertake specific surveys of patients using adult mental health service users. The most up to date report is the Community Mental Health Patient Survey 2007. The survey compared all the Trusts in England and the results for the Trust show that its performance falls in the top 20% of trusts for 12 out of 38 questions and in the bottom 20% of trusts for 5 out of the 38 questions

The Healthcare Commission also rate overall provider performance in relation to quality and use of resources using a scale of 'weak, fair, good or excellent'. The Trust's results and those of neighbouring Trusts are shown below.

Healthcare Commission ratings 2006/07

Trust	Quality of services	Use of resources
North Staffordshire Combined Healthcare NHS Trust	Excellent	Good
South Staffordshire and Shropshire Healthcare NHS Foundation Trust	Excellent	Excellent
Cheshire and Wirral Partnership NHS Foundation Trust	Excellent	Good
Derbyshire Mental Health Services NHS Trust	Excellent	Good

The table demonstrates that the Trust is able to compete with other local providers in terms of the Healthcare Commission assessments.

4.10 Risk Summary

The Trust's strategic objectives are to be the provider of choice for mental and develop, market and successfully deliver a range of innovative new services alone and in partnership with organisations.

The Trust faces significant challenges in responding to PCT commissioning intentions and potential competition from other providers. However, there are opportunities to build activity and income through the development of specialist services and services to repatriate expensive out of area placements.

The Trust has considered the risks it faces and has identified the following areas for development;

- The need to develop relationships and work with commissioners in order to influence proposed PCT commissioning intentions from specialist mental health services.
- The potential to increase the range of services offered by the Trust in new niche areas and to assist the PCT to repatriate patients placed with out of area providers including rehabilitation, autistic spectrum disorders, learning disabilities, and neuropsychiatry
- The need to improve the Trust's reputation with some referrers in response to increased choice and plurality of provision
- The need to respond with a strong marketing plan and message aimed at maintaining and developing a market share

- The need to develop a customer facing culture throughout Trust services which includes a willingness to engage with, listen to and plan with partners throughout the health economy
- The need to review costs and exploit opportunities that represent the largest financial gain and which have been assessed, through the development of business cases, as being most likely to succeed.

In the context of the market assessment and the 5 year strategic objectives the Board has identified the following annual objectives related to the market assessment for 2008/09.

Objective Number	Annual Objectives 2008/09
1	To establish an effective local system to measure patient satisfaction
10	To establish an effective local system to measure stakeholder satisfaction
11	To develop and approve a five year Trust business plan and financial model
12	To develop a five year estates strategy
13	To monitor and respond to the Trusts annual Market Assessment

5. Service Developments

This section describes the service changes and developments the Trust expects to achieve over the next year, reflecting priorities highlighted in our Market Assessment (including PESTLE analysis), SWOT and commissioner intentions. It is clear about the developments the Trust intends to make over the next year and introduces longer term aspirational developments.

So far this plan has outlined the Trust's vision and strategy and considered our market position. This chapter continues to build on this intelligence and identifies specific changes to services, both in terms of current commitments and future aspirations.

5.1 Summary of SWOT analysis

The Trust has undertaken a high level SWOT analysis which highlights the challenges we face and the strengths the Trust can build on. The SWOT analysis is part of our market assessment which along with our strategic objectives has driven the identification of a number of service developments and change programmes. This SWOT will be reviewed within 2008/09 to reflect changes in our market.

The key themes from the Trust SWOT analysis are as follows:

Strengths	Weaknesses
<p>Quality of clinical services</p> <p>Financial performance</p> <p>Loyal workforce and low levels of staff turnover</p> <p>Business systems innovations using technology, people and processes to bring about change</p> <p>Governance and performance management systems</p> <p>Partnerships (Social Services, Voluntary Sector)</p> <p>Good involvement of users and carers</p> <p>Taking opportunities to enhance and develop services, often at the leading edge</p> <p>Developing and using available intelligence to inform business decisions</p>	<p>Organisational self-promotion</p> <p>Lack of shared IT between health and social care organisations</p> <p>Ageing workforce and low levels of staff turnover</p> <p>Limited capacity and skills for workforce planning</p> <p>Limited experience of competing for contracts</p> <p>History of challenging relationships in the local health economy</p> <p>Limited skills and experience of business development</p>
Opportunities	Threats
<p>Specialisation in areas where the Trust has high levels of clinical and management expertise</p> <p>Growth in demand for psychological therapies</p> <p>Build on strong partnership working within voluntary and statutory sector</p> <p>Create value and income through novel and mutually beneficial partnerships within independent sector</p> <p>Liaison between physical and mental health services</p> <p>Interface with primary/community care</p> <p>Provide social care</p> <p>Service response to national initiatives</p> <p>Growth in the needs of older people</p> <p>Respond to expectation around prevention and positive health</p> <p>Increased patient, carer, staff and public involvement in governance and service development within Trust and across health and social care economy</p> <p>Practice Based Commissioning</p>	<p>Increased contestability and competition</p> <p>Capacity of workforce to embrace change in light of service line management and devolved accountability.</p> <p>Delays in implementing funding system (PbR or equivalent) for mental health and learning disabilities</p> <p>Contracts that inhibit or slow change</p> <p>Insufficient financial flexibility for investment in service developments</p> <p>Lack of skills to support business</p> <p>Unanticipated regulatory or political change</p> <p>Higher unit costs than other providers make us less competitive in this market.</p> <p>Impact of contestability on collaborative commissioning processes (Partnership Board)</p> <p>Practice Based Commissioning</p>

5.2 Service Development Overview

In 2007/08 the Trust received a clinical income of c. £75 million. In 2008/09 the Trust predicts that its clinical income will be c. £81 million.

The major changes to clinical income are the full year effect of the transfer of the 3 Elderly Care wards (Springfield Unit) to UHNS and other service redesigns that took place in 2007/08. The impact of these is to reduce clinical income by c. £1.7 million.

Income from contracts from commissioners outside North Staffordshire is also expected to reduce by c. £134K.

In future the Trust will not provide Older People's Physical Health Services. A staged transfer of these services is underway and further transfers will take place in October 2008. PCT's are also proposing the commencement of a series of service changes during 2008/09 and, while the detail and timescales of these changes will be the subject of agreement during 2008/09, the financial plan assumes that services such as tissue viability and community occupational therapy services will transfer to PCT provider arms during the forthcoming financial year. In accordance with national policy, the first phase of the transfer of learning disability campus services will be implemented in January 2009. The full year impact of these changes is a reduction in clinical income of c. £8 million.

However, formal partnership agreements for the provision of integrated community mental health services will generate additional clinical income of c. £5 million. In addition, in conjunction with the Stoke on Trent and North Staffordshire PCTs the Trust has been involved in a process of service redesign which has enabled the PCTs to identify funds for specific developments. The Trust is also in the process of extending its inpatient base for children's services. The combined effect of these developments is an increase in clinical income of c. £1 million in 2008/09, with a full year effect of c. £1.4 million.

A breakdown of the developments accounted for in the above summary are as follows:

5.3 Service Development Overview and priorities 2008-2009

5.3.1 Stoke on Trent and North Staffordshire PCT investments

For 2008/09 the Trust has assumed, based on the contracts it has agreed with Stoke on Trent and North Staffordshire PCTs an investment of c. £0.7 million. This reflects that a number of these services will be starting mid year and therefore the full year effect of this investment will c. £1 million.

As part of its business development planning the Trust identified a range of opportunities for the development of services. These were based on market intelligence and liaison with commissioners about their priorities. Commissioners have prioritised, from the list of potential developments identified by the Trust, and a number of specific services for investment. These are detailed below.

5.3.1.1 Specialist Mental Health

i. Expansion of psychological services for older adults, specifically those with mental health needs

The Trust will appoint a Consultant Clinical Neuropsychologist and an Assistant Psychologist to work across all local Old Age Psychiatry teams. These appointments will enable specific neuropsychological expertise to be available to older people and their carers with dementia, possible dementia or other forms of cognitive impairment. This will contribute particularly to the earlier detection and differential diagnosis of dementia, enabling appropriate services to be put in place in a timely manner.

ii. Specialist Mental Health Occupational Therapy Service

The Trust will increase the coverage of specialist community mental health occupational therapist services for older people with mental health needs. At the current time some sections of the Trust's local communities do not receive a service.

Clients will receive specialist holistic assessment. Depending on client need, this may be in isolation or as part of a specialist multi disciplinary assessment working alongside staff from health, social care and the voluntary sector

iii. Develop a specialist older people mental health liaison team to work with the University Hospital of North Staffordshire NHS Trust and private sector nursing and residential homes.

Expert staff will provide a liaison function, including advice and recommendations on treatment, move-on and requirement for ongoing input from older people mental health services. This is expected to improve the care management of older people with mental health problems within acute wards and enable a reduction in the number of delayed discharges as well as reducing the number of admissions into acute wards from nursing and residential homes.

iv. Stay at Home Scheme (Stoke)

The Trust will provide a Community Psychiatric Nurse and OT to work alongside Social care staff in enabling clients to be discharged earlier from hospital or alternatively avoid hospital admission. This is part of the development of the Stoke integrated older adult community mental health service.

5.3.1.2 Older People Services

i. The provision of an Early Supported Discharge (ESD) Team for stroke Patients

The Trust piloted this development during 2006/07. The success of the pilot has resulted in a recurring investment. The development has three main elements:

Day Placements

The Abbey View Rehabilitation Unit at Bucknall Hospital will provide a number of day placements for stroke patients to access specialist rehabilitation.

Domiciliary Services

This service will be expanded into the community by an outreach clinical team that provides a stroke rehabilitation service to patients in their own homes

Patient, Family & Carers Stroke Information Provision

The National Stroke Strategy, 2007 states that quality information and education, provided at the right time can improve opportunities for choice and levels of independence. This development ensures that adequate information is provided to patients and their carers and that targeted information around prevention is available.

In response to the Trust's vision, strategy and commissioning intentions it is expected that the management of this service will transfer to UHNS in October 2008.

ii. Specialist Tissue Viability Input to Nursing Homes

The Tissue Viability Service will promote safe discharges into nursing homes and to prevent admission and re-admission into hospital. Many hospital admissions are related to infected pressure ulcers or low limb ulceration and with the predicted increase of elderly patients suffering with these types of problems, we will be able to prevent this group from unnecessary admission to hospital.

In response to the Trust's vision, strategy and commissioning intentions it is expected that the management of this service will transfer to Stoke PCT in October 2008.

5.3.1.3 Adult Mental Health

i. Outpatient and Community Service for patients with an eating disorder

The Trust will provide a community eating disorder service, supporting individuals in the community and offering early intervention. This will reduce the need for in-patient admission and reduce the disruption to individual's lives.

The service will provide:

- Common sense approaches to diet and meal planning
- Monitoring of mental state and physical well being
- Access to CBT
- Education and Training.

ii. Repatriation of out of area clients

This Trust will establish a team of clinicians who, with support and input from PCT Commissioners will review all patients currently placed in mental health facilities outside of Stoke-on-Trent and North Staffordshire. The project team will establish the feasibility of repatriation to existing local facilities and identify how the needs of the client group can be met by local service development. The team will support local services in engaging with clients for whom local repatriation is feasible and to develop business cases for Commissioners.

This is a 12 month project and the costs of this team will be funded through the savings generated from repatriation.

iii. Specialist service for people diagnosed with a Personality Disorder.

The Trust is developing a specialist service that will provide a holistic programme of therapy for people with a sole Personality Disorder diagnosis, or where the Personality Disorder forms a constraint to treating a co-existing psychiatric diagnosis.

5.3.1.4 Learning Disabilities

i. To develop a specialist Forensic Service to support people with a learning disability across North Staffordshire

The Trust will provide a service to support people with a learning disability who offend, or who are at risk of offending. The service will consist of a community based forensic disability team working in partnership with the criminal justice system, Social Services and the mentally disordered offender's team. It will also provide a low secure community support 'home/service' for people with a mild Learning Disability who pose a continuing forensic risk.

ii. Specialist acute hospital liaison service

The Trust will provide a specialist acute hospital liaison service for people with learning disabilities (all ages). It will provide advice and support, improved access, easy to read information for patients and a rolling programme of training for acute health care staff.

5.3.2 Partnership agreements for the provision of integrated adult mental health teams

The Trust is currently in the process of developing two Adult Mental Health Partnership Agreements; one with Stoke on Trent local authority and the other with Staffordshire local authority. Both arrangements will see the Trust managing services which build on already extensive partnerships and will create opportunities to more effectively coordinate service delivery and improve productivity and efficiencies. These agreements will be implemented over the next year, and the Trust will be working, with its partners, to develop agreements for the management of learning disability services.

The Trust expects the Stoke on Trent Section 75 agreement to be in place in April 2008 and North Staffordshire Section 75 agreement will be in place later in the year.

5.3.3 Other planned developments

i. Out of Area Treatments (OATs)

The Trust will offer the PCTs a range of services that will enable them to repatriate patients placed with out of area providers. This will include rehabilitation, Autistic Spectrum Disorders, Learning Disabilities and Neuropsychiatry.

ii. Extension of the regional Tier 4 CAMHS at the Darwin Centre

The Trust will expand the specialist service for eating disorders to meet demand from outside North Staffordshire. This will include the development of an eating disorder outreach service that supports the appointment of a second inpatient service consultant.

iii. Service Transfers

2008/09 will see the continuation of the transfer of Older People services and the first phase of the transfer of learning disability campus services.

The transfer is in line with the local commissioning intentions for care of older people in North Staffordshire (including Stoke on Trent) which situates the rehabilitation care of older people with physical ill health within the management of local PCTs.

The care of physically frail older adults whose predominant health care needs are physical rather than associated with the spectrum of organic brain syndromes do not form part of future Trust business. The transfer of the rehabilitation wards at Bucknall Hospital will take place in 2009/10.

In line with Valuing People (DH, 2001) and Our Health, Our Care, Our Say (DH, 2006) the Trust will reduce the level of NHS Learning Disability continuing care beds as a result of the PCT tendering these services to other providers. The first phase of this transfer will take place in January 2009.

North Staffordshire OT service and the Paediatric OT service will also transfer out of the Trust this year.

iv. Tenders and New Business Opportunities

The Trust has recognised the need to strengthen its ability to respond to market opportunities and the duty on commissioners to introduce greater contestability around services that the Trust already provides.

The Trust intends to compete for new business opportunities in existing and new niche areas as they arise. Over the course of the next year we anticipate that substance misuse service provision will be tendered by both Stoke on Trent and Staffordshire Drug and Alcohol Action Teams (DAATs) and the Trust intends on submitting a tender application. The Trust intends to respond to other opportunities as they arise.

5.3.4 Internally supported developments

The Trust has also agreed to a number of internal developments that will support the delivery of effective clinical services. These include the development of a Clinical Effectiveness Support Unit, education and training programmes to support new models of care within learning disabilities services, clinical information systems, corporate, estates and IT strategies and a review of shared services.

5.4 Risk Summary

The Trust's strategic objectives around business development are to be the provider of choice for mental health and specialist learning disability services in the area and develop market and successfully deliver a range of innovative new services alone and in partnership with organisations.

The Trust has considered the risks it faces and has identified the following areas for development

- The need to establish good project management arrangements and agree with commissioners and other stakeholders an effective processes for service transfers and developments
- The need to develop and the ability to implement contingency plans in response to changing circumstances and emerging opportunities
- The need to ensure the Trust develops and implements workforce plans in response to service development initiatives.

- The need to continue to develop planned developments and seek further service development opportunities.

In the context of our service development planning and the long term objectives the Board has identified the following annual objectives for 2008/09.

Objective Number	Annual Objectives 2008/09
3	To establish a coordinated clinical outcome measurement process that supports benchmarking.
5	To implement Service Line Management and continue to develop the Trust's approach to team based working.
6	To improve the Trust's capacity for workforce planning
9	To develop information systems that fully supports the objectives of the Trust including tariff readiness
10	To establish an effective local system to measure stakeholder satisfaction.
12	To develop a five year estates strategy
13	To monitor and respond to the Trusts annual Market Assessment
16	To develop a five year cost reduction strategy

6. Financial Plan

6.1 Financial Background

The Trust has, since its establishment, had a strong record of financial management and has continually achieved its key financial duties being:

- Breakeven on the Income and Expenditure Account;
- Operating within both the External Financing Limit and Capital Resource Limit; and
- Achieving the Capital Cost Absorption Rates.

The table below highlights the key financial performance targets for the four years ending 31 March 2008 together with the plan for the year ending 31 March 2009.

Financial Operating Summary	2008/09 Budgeted	2007/08 Projection	2006/07 Actual	2005/06 Actual	2004/05 Actual
Clinical Income	81083	75,508	78,537	77,560	73858
Other Operating Income	11340	12,383	11,555	13,516	13109
Income (Turnover)	92,423	87,891	90,092	91,076	86,967
Expenditure	-91012	-86,790	-89,084	-89,617	-86,354
Operating Surplus	1,411	1,101	1,008	1,459	613
Profit/(loss) on disposal of fixed assets	0	0	3	-1	504
SURPLUS BEFORE INTEREST	1,411	1,101	1,011	1,458	1,117
Interest receivable	135	311	186	122	121
Other finance costs - unwinding of discount	0	0	0	-18	-54
SURPLUS FOR THE FINANCIAL YEAR	1,546	1,412	1,197	1,562	1,184
Public Dividend Capital dividends payable	-1,296	-1,212	-1,117	-1,057	-969
RETAINED SURPLUS FOR THE YEAR	250	200	80	505	215

The Trust has a strong underlying financial position and has achieved its financial targets without any non-recurring financial support from commissioners. During this period the Trust has also consistently delivered an efficiency and cash releasing cost improvement programme to ensure that financial targets are achieved.

The Trust's clinical services income relates predominantly to Service Level Agreements with the two local PCT's which account for approximately 93% of the Trust's income.

The financial environment within the Local Health Economy has improved significantly during 2007/08 with the two PCT's and two North Staffordshire Trusts all projecting to deliver their financial surplus targets. This has enabled an investment programme to commence in the Trust's clinical services in 2008/09 following two years of service redesign and disinvestment.

The Trust's contracts for 2008/09 with local PCT's remain on a block contract basis with discussions to be held during 2008/09 to consider alternative future contracting arrangements. The Trust is involved in a SHA Productivity Improvement Project which will look at existing performance and also potential future contracting currencies which will help inform the debate with PCT's. In addition to contract currencies the Trust will be working with PCT's to rebase existing contracts to move away from the current ADS derived activity allocations to reflect actual activity levels which will probably require rebasing of financial and activity baseline profiles across the local PCT's.

With the proposed introduction of Service Line Management in-year, the Trust will be seeking to match income and activity at a local level internally and thus seek to devolve income and expenditure accounts to Operating Unit and clinical team level. This will support the drive by Monitor to move towards Service Line Reporting. This will help teams identify and take ownership of the relationship (albeit on a notional basis initially under the terms of the block contract) between activity and income and how changes to activity will, in future, impact on their budgets in advance of introduction of cost and volume contracts, where it will become real. This will require a change of thinking at team level particularly in respect of:

- Teams gaining a clear understanding and ownership of activity requirements and the direct links to income and costs;
- Ensuring that teams are suitably recompensed and incentivised for improved activity performance within a Trust-wide financial and management framework, which will ensure the continued overall financial viability of the Trust.

The Trust is also undertaking in 2008/09 a series of benchmarking exercises covering corporate, estates and clinical services using information from national exercises such as the Estates Information Returns and Reference Costs together with benchmarking with other West Midlands Mental Health Trust's with a view to improving efficiency either through increased productivity or reduction in costs. These exercises are at an early stage and are not reflected in the initial financial plan.

6.2 Financial Plan: Methodology and Key Assumptions

The financial plan is based upon a roll forward of the Trust's existing financial position to reflect the financial consequences of service change and modernisation (either through PCT investment or transfer of services to alternative providers), projected activity changes together with infrastructure changes.

The key assumptions underlying the financial model are discussed under the following headings:

- Income and expenditure account;
- Activity; and
- Capacity and infrastructure changes

6.3 Income & Expenditure Account

The existing block contract model with local PCT's is assumed to continue through 2008/09 whereby it is anticipated that any investment, disinvestment or service transfer will be on a marginal cost basis. This methodology is already reflected in the proposed investments by the PCT's in the 2008/09 contractual agreement.

The contracts with West Midlands Commissioners include a net tariff uplift of 2.3% being 5.3% over inflation and various service reform issues less 3% for cash releasing efficiency savings. The Trust is in the process of finalising its plans to deliver the 3% efficiency target. Operating budgets will be uplifted to reflect the appropriate inflationary allocations within the 5.3% tariff allocation.

The financial plan reflects the proposed service investments to be made by commissioners although the detail of these investments will not be finalised until April 2008. PCT's are also proposing the commencement of a series of service changes during 2008/09 and, while the detail and timescales of these changes will be the subject of agreement during 2008/09, the financial plan assumes that services such as tissue viability and community occupational therapy services will transfer to PCT provider arms during the forthcoming financial year. Discussions will be held on the timing of the transfer of management of certain older people's services to PCT provider arms but this has currently been excluded from the plan. The financial plan will need to be flexed in year when the timing of service transfers becomes clearer.

The Trust will be addressing further its overall management costs in year to ensure that its corporate functions represent value for money whilst ensuring that the Trust is fit for purpose for its proposed FT application.

6.4 Activity

The current contracts with the two local PCT's are based on assumptions about activity that were made when the PCTs were established. The Trust is continuing to work with PCT's to develop robust long-term activity projections linked to revised baselines (based on actual activity splits between PCT's rather than assumed splits) and LDP proposals relating to service change and modernisation. Given that our contracts are block in nature, activity levels have generally been used to explain what is happening in the contract rather than directly drive payments. In addition, there has not been a period of stability where we could distinguish long-term trends in activity from the effects of modernisation and changes to capacity.

We have steadily reduced our available bed days and reduced lengths of stay across all services other than learning disabilities. As the reduction of length of stay has more than compensated for the loss of available bed days, the number of FCE's has increased. This change needs to be reflected in the debate with PCT's over appropriate contract currencies for the future. The activity for 2008/09 is effectively a roll forward of prior year activity changes adjusted for agreed service changes.

6.5 Capacity and Infrastructure Changes

The Trust has no immediate plans for major capital expenditure in 2008/09. Indeed the services transfers together with a certain proposed property disposals will see a reduction in the Trust's estate during 2008/09. The Trust is currently working on a revised estates strategy and while the principal estates issue will be the consideration of the future of the Bucknall site following the projected transfer of three wards to local PCT's the overall estate will be assessed for its functional

suitability and on-going usage. A summary of the initial capital programme for 2008/09 is as follows:

	£000
Completion of 2007/08 approved schemes	80
2008/09 Investment:	
Replacement vehicle	25
Ashlands boiler replacement	30
Lymebrook single sex accommodation	100
Dragon Square additional bedroom	40
Harplands Social area / recreation room	100
Energy Efficiency Schemes (DoH funded)	160
Drubbery Lane upgrade	300
Various Trust Infrastructure Schemes (to be determined by CIG)	200
Disposal:	
Regent / Eversley / Weston LD properties	(830)
Wall lane House and Cedars	(525)
Net Cash Inflow	(320)

NB. Excluded from the above is a Team Base for the Newcastle South Mental Health team and potential alternative facilities for HQ functions and options to be reviewed in year.

The majority of the proposed capital investment is to maintain and refurbish the existing estate. While this investment does not directly contribute to the development of additional capacity, the Trust considers this to be a vital supporting component if additional activity is to be delivered and quality standards maintained. The capital programme will however need to be reviewed in year as the new estates strategy is developed.

The capital plan as it currently stands can be delivered through a combination of income generated from disposals and internally generated cash. Accordingly there is no requirement to seek external funding sources.

6.6 Cash Flow

The Trust has historically had a strong liquidity position with payment for the majority of its clinical services income being received on the fifteenth day of each month in line with the terms of the block contracts. This certainty of cash receipt will continue in 2008/09 as there are no significant cost and volume contracts in place.

As an NHS Trust, the Trust has to operate within the national cash regime overseen by the Department of Health. The level of cash that an NHS Trust can retain at a financial year end is determined by the External Financing Limit. During early 2008, the EFL regime was changed for 2007/08 as the NHS organisations were holding significant cash balances which reflects the underlying surpluses that were being achieved across the NHS. This change provided Trust's with greater flexibility in

respect of cash holdings, thus moving it closer to the FT financial regime. As at March 2008 it is unclear what the EFL targets will be for Trust's in 2008/09 and therefore the cash plan, which is summarised below, may need to be amended in year to reflect revised guidance issued by the Department.

In overall terms however the Trust has significant projected cash balances carried forward at the end of the 2007/08 financial year which combined with the projected surplus for 2008/09 indicates that the Trust has adequate cash resources for 2008/09.

CASH FLOW FOR THE PERIOD APRIL 2008 TO MARCH 2009

	Full Year Total £000
Operating Activities	
Total Operating Surplus/(deficit)	1,264
Depreciation charge	1,269
Fixed Asset impairments & reversals	0
Transfer from Donated Asset Reserve	-4
Transfer from Government Grant Reserve	-2
Sub-Total	2,527
Working Capital Movements	
(Increase)/decrease in stocks	-2
(Increase)/decrease in debtors	405
Increase/(decrease) in creditors	-686
Increase/(decrease)in provisions	-310
Sub-Total Working Capital Movements	-593
Net Cash Inflow (outflow) from Operating Activities	1,934
Returns On Investments & Servicing of Finance	
Interest received	282
Interest paid	0
Dividends Payable	-1,296
Capital Expenditure	
(Payments)to acquire tangible fixed assets	-2,635
Receipts from sale of tangible fixed assets	1,355
(Payments)to acquire intangible assets	0
Receipts from sale of intangible assets	0
Net Cash Inflow/(Outflow) before financing	(360)
Financing	
Public Dividend Capital Received	0
Public Dividend Capital Repaid	0
Loans Received	0
Loans Repaid	0
Increase/(decrease) in cash	(360)

6.7 Balance Sheet

A summary of the projected balance sheet for 2008/09 is detailed below:

BALANCE SHEET FOR THE PERIOD 1ST APRIL TO 31ST MARCH 2009

	Balance Sheet Period End Dates		
	31-Mar-08 £000	31-Mar-09 £000	Movement £000
FIXED ASSETS			
Intangible assets	19	11	8
Tangible assets	35,898	35,934	(36)
Investments	0	0	0
	35,917	35,945	(28)
CURRENT ASSETS			
Stocks and work in progress	123	125	(2)
Debtors			
NHS debtors Due within one year	2,640	2,290	350
NHS debtors Due after more than one year	0	0	0
Provision for irrecoverable debts	(62)	(42)	(20)
Other prepayments and accrued income	942	895	47
Other debtors	1,695	1,667	28
Sub Total Debtors	5,215	4,810	405
Cash at bank and in hand	1,610	1,250	360
	6,948	6,185	763
CREDITORS:			
Bank overdrafts	0	0	0
NHS creditors	(1,015)	(940)	(75)
Non - NHS trade creditors - revenue - other	(447)	(460)	13
Non - NHS trade creditors - capital	(110)	(120)	10
Tax and social security costs	(557)	(1,420)	863
Obligations under finance leases & hire purchase	0	0	0
Other creditors	(1,339)	(1,200)	(139)
Dividends Payable	0	0	0
Accruals and deferred income	(2,400)	(1,059)	(1,341)
Sub Total Creditors	(5,868)	(5,199)	(669)
NET CURRENT ASSETS (LIABILITIES)	1,080	986	94
TOTAL ASSETS LESS CURRENT LIABILITIES	36,997	36,931	66
PROVISIONS FOR LIABILITIES AND CHARGES	(688)	(378)	(310)
TOTAL ASSETS EMPLOYED	36,309	36,553	(244)
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	8,435	8,435	0
Revaluation reserve	14,482	14,482	0
Donated asset reserve	80	76	4
Government grant reserve	32	30	2
Other reserves	0	0	0
Income and expenditure reserve	13,280	13,280	0
In year Income and Expenditure Position		250	(250)
TOTAL TAXPAYERS EQUITY	36,309	36,553	(244)

6.8 Shared Services

The Trust currently provides to and, to a lesser degree, receives a number of shared services from PCT's. These largely relate to non-clinical services such as Health and Safety and Estates Management (although certain therapy services are also provided on a shared basis). The Trust is assessing whether it should continue with the current arrangements or significantly reduce the number of agreements in place and provide more services purely in-house. The Trust has recently brought the management of pharmacy services, clinical coding and clinical audit arrangements in house.. No change to the status quo has been assumed at this stage. The financial risk arising relates to dealing with any fixed costs that cannot be released upon service change.

6.9 Risk Summary

The Trust has considered the risks it faces and has identified the following areas for development;

- The need to develop a cost improvement programme
- The need to address the projected deficits within the Learning Disability and Specialist Mental Health units
- The need to release costs to match the income reductions from the potential in year service transfers to PCT provider arms and the commencement of the Learning Disability Campus changes.
- The need to assess the impact of the rebasing of clinical and non-clinical contracts which may result in either an income reduction or cost increase not currently included within the financial plan.
- The need to manage the consequences of inflationary pressures over and above the tariff allocation together with currently unidentified internal cost pressures arising in year.

The Trust has considered the risks and has identified the following areas for development.

Objective Number	Annual Objectives 2008/09
8	To improve the Trust's governance arrangements in the areas of internal control and value for money.
11	To develop and approve a five year Trust business plan and financial model
12	To develop a five year estates strategy
14	To successfully deliver the 2008/9 financial plan
15	To prepare the Trust for the implementation of cost and volume contracts
16	To develop a five year cost reduction strategy

7. Risks

The Trust has a Risk Management Strategy which is aligned with its strategic direction, key priorities and milestones. This Risk Management Policy Document supports the vision and sets out the Trust's approach to the management of risk and implementation of ongoing processes, which systematically identify, measure and enable the management of risk. It also clearly defines the roles and responsibilities of key managers and Committees and sets out the specific responsibilities of the directors for the effective management of risk.

The Board has defined its 2008/09 annual objectives these will be monitored and reviewed along with the principle risks in accordance with the Strategic Planning Cycle as defined within the Risk Management Strategy and Policy

The following section, which will be managed within the risk management strategy framework, outlines the key risks faced by the Trust in delivering its strategic objectives.

No	Strategic Objectives	Risks to attainment	Mitigations
Customer Focus			
1	To achieve annual increases in patient and customer satisfaction and quality of care	<ul style="list-style-type: none"> • Failure to use patient feedback to inform local service and quality improvements • Deficiencies in care planning affect the quality of care 	<p>The Trust will continue to develop its patient feedback processes and ensure through effective team based working and service improvement methodologies that this feedback informs future service changes.</p> <p>In addition effective care coordination systems will continue to be developed in accordance with national guidelines.</p> <p>These mitigations are reflected in the Trust's annual objectives, 1,2 and 3</p>
Workforce			
2	To attract, develop and retain a high quality workforce that delivers our purpose, demonstrating strong leadership and team based working.	<ul style="list-style-type: none"> • Poorly trained staff • Poor engagement and involvement of staff • Failure to develop responsive workforce plans e.g. aging workforce and population profile 	<p>Effective training needs analysis and support systems will be further developed to assess and evaluate the impact of training and development with a specific focus on statutory and mandatory training.</p> <p>The Trust will further develop Team Based working to ensure staff involvement and will incorporate the principles of New Ways of Working (NWW).</p> <p>In addition the Trust will seek to invest in workforce planning tools to enhance the Trust's ability to produce effective workforce plans.</p> <p>These mitigations are reflected in the Trust's annual objectives 4,5 and 6</p>

Governance			
3	To ensure the Trust has a system of integrated governance which is supported by evidenced based practice and continuing professional development	<ul style="list-style-type: none"> • Failure to demonstrate good governance and compliance with national standards leads to a lack of public confidence in the leadership of the Trust • IT systems are not fit for purpose • Failure to have a strategy for the development of research and clinical effectiveness. 	<p>The Trust will respond to quality assessment outcomes. It will develop an implement action plans for improving performance in relation to the Standards for Better Health, Auditors Local Evaluation (ALE) and Information Governance. The Trust will share the results of these assessments and its action plans with key stakeholders.</p> <p>The Trust will develop its systems in readiness for the introduction of payment by results and will improve the accuracy of primary and secondary diagnosis coding as measured by independent audit.</p> <p>The Trust will develop an approved clinical effectiveness strategy.</p> <p>These mitigations are reflected in the Trust's annual objectives 7, 8 and 9.</p>
Business Development			
4	To be the provider of choice for mental health and specialist learning disability services in the area	<ul style="list-style-type: none"> • Inability to attract continuing and new service investment • Performance variations against contracts • Inability to reconcile local commissioning strategies and service development plans • The Trust fails to review the compatibility of its clinical and shared services. 	<p>Through interface meetings the Trust is working with commissioners, partners and referrers to build confidence, gain commitment and measure feedback.</p> <p>The Trust will respond to quality assessment outcomes, ensure effective implementation and share results with key stakeholders.</p> <p>The Trust will develop a five year business plan and financial model that builds capacity and organisation capability to gain new business.</p> <p>The Trust will review its shared services.</p> <p>These mitigations are reflected in the Trust's annual objectives, 10 and 11</p>

5	To develop, market and successfully deliver a range of innovative new services alone and in partnership with other organisations.	<ul style="list-style-type: none"> • Inability to reconcile estates and service development strategies • Failure to maintain and develop the Trust's Market Assessment • Ineffective response to the Trust's Market Assessment • Inability to identify effective partnerships and new business opportunities 	<p>The Trust is in the process of developing its estates strategy in collaboration with internal and external stakeholders</p> <p>The Trust is developing systems to capture market intelligence and to develop and maintain an up to date market assessment which will continue to be integrated into the Trust's business plan.</p> <p>The Trust is further developing its business systems, enhancing its skills to build capacity and to further develop its capability to work effectively with commissioners, partners and referrers.</p> <p>These mitigations are reflected in the Trust's annual objectives 12 and 13</p>
Finance			
6	To deliver financial targets and value for money, invest in the development of new services and ensure that financial systems support patient level reporting	<ul style="list-style-type: none"> • Unaffordable business model and plans. • Ineffective financial and activity management controls • Inability to secure permanent funding for some existing services (e.g. First Steps) • Inability to prioritise and target resources to support redesign, new service development and service line management. • Financial instability resulting from service transfers and partnership agreements. • Lack of matched funding for developments across North Staffordshire • Inability to sell surplus capacity 	<p>The Trust is developing business plans for corporate services that reflect strategic objectives and service development plans which will contribute to the successful development of the Trust's long term financial model.</p> <p>The development of service line reporting will seek to ensure effective financial and activity management controls in order build capacity and organisation capability</p> <p>Working with commissioners, partners, internal stakeholders and referrers the Trust will seek to review how it secures permanent funding for some at risk services and successfully deliver against our 2008/09 financial plan.</p> <p>During 2008/09 the Trust will develop a comprehensive 5 year integrated cost improvement and redesign programme that is committed to and driven by all levels of the Trust. It is in the process of implementing a Voluntary Early Retirement</p>

		<ul style="list-style-type: none"> • Inability to reduce reference costs in order to be competitive. • Failure to achieve cost improvement programmes 	<p>(VER) programme and is actively participating in the West Midlands Strategic Health Authority Productivity Improvement Programme (PIP) project.</p> <p>These mitigations are reflected in the Trust's annual objectives 14, 15 and 16.</p>
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8. Governance, Leadership and Workforce

8.1 Introduction

Over the next year the Trust will be facing a period of extensive change as services are developed to meet the vision of the Board and the needs of our main commissioners. However the Trust faces these challenges with confidence, drawn from our successful management of significant strategic changes in recent years.

There is a history of strong financial management and the Trust has consistently achieved its statutory financial duties. This is coupled with effective governance arrangements and a sound system of internal control. There is enormous loyalty and commitment from all staff and an enthusiasm for innovation and service improvement. We have been able to recruit and retain highly skilled clinical and managerial staff, frequently against national and local shortages.

8.2 Workforce and Organisational Development

The Trust's confidence about delivering our business plans is based on our track record to date. Some of our key achievements have been verified through both internal and external assessments which measure the quality of our management of people:

- holding Investors in People (IIP) for the last nine years;
- gaining 'Practice Plus' level in Improving Working Lives (IWL);
- winning many national awards for health and safety; and
- scoring highly in both local and national staff surveys as a good employer.

Furthermore, the Trust has a full range of modern flexible employment policies and practices and there is a strong record of working effectively with trade unions.

8.2.1 Workforce Information and the Electronic Staff Record

The ESR is a human resource and payroll management system that is being implemented across the whole of the NHS. It will replace a wide variety of systems used in the NHS and will pay approximately 1.2 million employees when fully rolled out in spring 2008.

The Trust began to use ESR in 2007, and is currently using the 'core' elements of the system for establishment control and payroll. A pilot project has been established to explore how the manager and self service tools, which allow staff to view and maintain records, will be introduced. Over the next twelve months the Trust will evaluate the pilot and develop a work plan for potential roll out across the organisation.

The Trust intends, through the use of ESR, to enhance the workforce information that is provided to the Board and to managers, with a particular emphasis on information that will help the Trust to respond to and deal with sickness absence.

8.2.2 Statutory and Mandatory Training

A principal objective for 2008/09 is to ensure that all staff are up to date with statutory and mandatory training. The Trust will continue to ensure that responsibilities rest at the most appropriate level and that staff receive appropriate training and support to carry out their duties safely and effectively. The Trust will be making greater use of

the learning management tools within the ESR system, which will allow training and development of all staff to be managed and monitored.

8.2.3 Workforce Planning

A principal objective for 2008/09 is to improve the Trust's systems and processes for workforce planning. This is essential if the organisation is to be effective in developing and delivering long term plans. The Trust's workforce is ageing and in the medium term the organisation is likely to face difficulty in recruiting to some specialist roles as current post holders retire. Furthermore, the need to develop staff with new skills to support the delivery of service development plans is essential.

The Trust is confident of our ability to recruit and retain the specialist staff we will need, based on our success to date. We will continue to use existing approaches and where necessary to use innovative ways to attract staff to the area. However, the Trust needs to develop its approach to workforce planning and a review of the resources required to support the workforce is underway. This review will consider the resources currently deployed in the areas of personnel and organisational development, as well as the need to invest in workforce planning skills.

The Trust is committed to New Ways of Working and changing the practice of the current workforce. This will help the Trust to deliver its business plans by developing extended roles beyond the scope of current professional practice and bringing in new people to the workforce in new roles, at assistant and practitioner levels. This will help the Trust to make the best use of the skills in the workforce to meet need in a cost effective way.

8.2.4 Impact of Service Changes

The Trust's service development plans and local commissioning intentions mean that some of the services provided for older people and people with learning disabilities will in future be managed by other organisations within the local health economy. In each case the transfers will be managed in a sensitive way and through a process which involves both the staff themselves and their trade unions. The effect of these changes will be a reduction in the overall numbers of staff employed by the Trust.

The Trust is not solely a provider of clinical services; it also provides a range of non clinical shared services to other NHS organisations. The Trust will be reviewing the extent to which it is a provider of shared services to other organisations as well as the extent to which it receives such services.

8.2.5 Knowledge and Skills Framework

The Knowledge and Skills Framework (KSF) is a key part of the NHS Agenda for Change pay system. It applies to all staff employed on Agenda for Change terms and conditions and meets equal pay requirements. It is an organisational tool for describing the knowledge and skills staff need to apply at work in order to deliver high quality services. The KSF includes an annual system of review and development for staff and provides a single agreed system of pay progression.

The Trust has begun to implement the KSF, but acknowledges that further progress is required. Over the coming twelve months the Trust will develop and implement an action plan for the full application of the KSF within the Trust.

8.2.6 Productivity

The Trust is committed to researching effective methods of measuring workforce productivity. To support this the Trust has applied and been selected as one of two pilot sites for the mental health services phase of the Productivity Improvement

Programme in the West Midlands. Over the next year the Trust will take forward the development of productivity improvement methodology.

During the pilot project, which will take place between March and August 2008, the Trust will work with external advisors to review workforce productivity in mental health and learning disability services. The review will help the Trust to identify areas for improving productivity and reducing costs, whilst maintaining or enhancing quality and performance.

The programme has three phases. The first phase, scoping and project design will be complete by mid April. The second phase, analysis and benchmarking will be complete by mid May. The final phase of work will involve in depth work with clinicians and service managers and detailed data analysis. At the end of the project the Trust will have identified a range of options to improve efficiency.

The programme will help the Trust to develop capacity for service line management and will be developed alongside the Yorkshire Care Pathway Project, which is developing a methodology for the implementation of a tariff for payment by results for mental health services.

8.3 Service Line Management and Team Based Working

A principal objective for 2008/09 is to implement service line management and continue to develop the Trust's approach to team based working.

8.3.1 Service Line Management

Service lines are the equivalent of a company's business units. Each service line is a semi-independent clinical business unit that delivers services to patients. Clinicians play a prominent role in leadership and developing services.

Introducing service line management is an important step in demonstrating that the Trust is well governed and financially viable, improving efficiency, guiding investment decisions and improving clinical engagement. When Monitor, the Independent Regulator of NHS Foundation Trusts, considers our application to become an NHS Foundation Trust they will expect to see management information segmented by service line.

Service line management will mean much greater delegation of key decisions to senior clinicians. The introduction of service line reporting, one element of service line management will focus frontline teams on the management of both income and expenditure. Teams will have greater freedom to make changes and improve services, provided this is in accordance with the Trust's strategy. Business units will be expected to generate income to cover their costs and make a contribution towards the overheads of the organisation.

The Trust's current management structure is not organised on a service line basis. It is therefore necessary to develop a new structure.

The Trust Board has agreed that there will be four clinical business units (reducing to three when older people's physical health services are transferred out of the Trust). The clinical business units will be grouped around the services provided to specific groups of patients.

<u>Business Unit 1</u>	<u>Business Unit 2</u>	<u>Business Unit 3</u>	<u>Business Unit 4</u>
Learning disability, neuropsychiatry and organic mental health services	Adult and older adult mental health services (including addiction services and liaison mental health services)	Child and adolescent mental health services	Older people's physical health services

Each clinical business unit will have a new leadership structure, with a Clinical Director as the point of accountability for clinical, financial and operational performance. The four Clinical Directors will be senior clinicians (including doctors, nurses, psychologists, or occupational therapists) and will be supported by business managers, who will manage the business unit on a day to day basis.

The challenges facing mental health trusts in developing service line management are different and in many ways more complex than for an acute trust. Many of our teams are integrated, with health and social care staff working together to deliver care, so the Trust will need to consider how this affects the way in which clinical business units are established. Furthermore, there is no nationally agreed way of costing mental health services, which means that the Trust will need to define a local solution to the problem of allocating income and costs to service lines.

The Trust will begin to advertise and recruit to the new posts of Clinical Director in May and the transition to the new structures will be complete by September.

8.3.2 Team Based Working

The Trust has a long commitment to team based working and the Trust Board has recently reaffirmed its commitment to the concept of team based working as the vehicle for delivering and improving best outcomes for patients. Teams that have a greater understanding of who they are, their shared goals and values and that have determined the steps needed to develop team effectiveness, maturity and well being are more likely to achieve their "must dos", be innovative and creative in meeting patient needs.

For a number of years the Trust has had a process for team development known as Team21. The Team21 process has helped our clinical teams to improve services for patients and gained external recognition. The Director of National Workforce Programme at the National Institute for Mental Health in England (NIMHE), Roslyn Hope, has said that the Trust is years ahead of many other organisations and beyond the national project Creating Capable Teams.

The Trust has evaluated the Team21 process and has agreed that in future the process should be more flexible and able to meet the changing circumstances of the Trust. The Board is committed to ensuring that in future the process will enable the Trust to meet national drivers and be based on an evidence base (where one exists).

Over the next twelve months the Trust will also consider how our way of working compliments current national initiatives for team based working. Our success in developing team based working will be measured by the number of clinical teams that can demonstrate they have:

1. Up-to-date team directions and workforce plans that support the development of clinical business unit plans;
2. Effective systems to engage service users and carers in their own care and to influence how services change and develop;
3. Conducted a self assessment against the core Standards for Better Health; and
4. Ensure that there is training needs analysis and personal review of all team members at least annually.

8.4 Leadership and Governance

The Trust Board wishes to create an environment which has;

- Appropriate and effective leadership;
- Excellent decision making processes;
- Effective systems and processes (such as risk and performance management);
- Quality information and challenge;
- Clear roles, responsibilities and accountabilities;
- Effective community engagement; and
- Contingency plans and risk management strategies.

The Board has demonstrated effective governance of the Trust in the past, with a particularly strong record in clinical governance and financial stability. This is a strong platform for leading the next phase of development both of the Board and the Trust.

The introduction of NHS foundation trusts represents a profound change in the history of the NHS and the way in which hospital services are managed and provided. The shift of accountability from central government means that local communities and staff are being given a bigger say in managing NHS services in their area

The Trust wants to become an NHS foundation trust so that patients, their carers, staff and local people have a formal way to become involved in how we are governed and in developing plans for the future.

The Trust Board has not set a timetable for becoming an NHS foundation trust. Instead the Board has set targets to demonstrate that the organisation is well governed and financially viable. This work requires the Trust to reach agreement with partners in the local health economy about a range of issues. In 2008/09 the Board has set objectives to:

- develop and approve a five year Trust business plan and financial model;
- develop a five year estates strategy; and
- develop a five year cost reduction strategy.

Over the coming months the Trust Board expects to complete this work and to set out its medium term plans and demonstrate that the Trust is ready for authorisation.

8.4.1 Standards for Better Health and National Targets

The annual health check is the performance rating system for NHS organisations. The assessment is carried out by the independent Healthcare Commission. The system measures performance within a framework of national standards and targets set by Government. The annual health check has replaced the old star rating

assessment system and looks at a much broader range of issues than the targets used previously. It seeks to make much better use of the data, judgements and expertise of others to focus on measuring what matters to people who use and provide healthcare services.

The second and most recent annual health check results were published in October 2007. They cover the year to 31 March 2007. The annual health check is scored in two parts:

- Quality of Services – The Trust received a score of ‘excellent’; and
- Use of Resources – The Trust received a score of ‘good’.

Each year the Trust makes a public declaration about how well it is meeting the core standards set by Government. This declaration is used by the Healthcare Commission in their assessment of the quality of services.

The Healthcare Commission’s assessment is also based on the Trust’s achievement of national targets which are set by Government. In 2008/09 the Healthcare Commission is proposing to use a more rounded set of indicators that will incorporate national targets and other priorities as set out in the NHS Operating Framework.

For 2008/09 the Trust Board has the objective of being compliant on an ongoing basis with the Standards for Better Health and meeting national targets and indicators. The Trust will develop an action plan for improving performance and the Board and its committees will monitor progress in implementing this plan.

8.4.2 Governance

Governance is defined as systems, processes and behaviours, by which trusts lead, direct and control their functions in order to achieve organisational objectives, safety and quality of service and in which they relate to patients and carers, the wider community and partner organisations.

The governance agenda pushes trusts to re-examine their arrangements to make them more effective. This starts with assessing the role of the Board and its committee structure and the flow of information to the committee and the Board. The Trust has not been complacent in this area:

- there are annual cycles of business for the Board and its committees;
- there is enhanced performance management reporting with a balanced scorecard aligned against the principal objectives and the ongoing development of the management information pack; and
- there is an effective assurance framework, which is the system used by the Board to ensure that all principal risks are effectively managed, that the effectiveness of those key controls has been assured, and that there is sufficient evidence to support the statement on internal control.

For 2008/09 the Trust Board has set a target of improving the Trust’s governance arrangements in the areas of internal control and value for money. This will be measured by the Auditors’ Local Evaluation (ALE). ALE assesses how well NHS organisations manage and use their financial resources and highlights areas for improvement. ALE provides the ‘use of resources’ element of the Healthcare Commission’s ratings for NHS organisations. In 2006/07 the Trust received a rating of ‘Good’ for its use of resources across five key areas:

- Financial reporting;

- Financial management;
- Financial standing;
- Internal control; and
- Value for money.

The Trust Board has targeted improvements across all five areas and specifically in relation to internal control and value for money. The Trust will develop an action plan to improve performance in these areas.

8.4.3 Board Development

The composition of the Trust Board has changed considerably in the last twelve months. In January 2008, Fiona Myers was appointed as Interim Chief Executive. Fiona and the Executive and Non Executive Directors have made considerable progress in the development of the Trust's purpose, vision and objectives and will be taking this work forward into the new financial year.

The Board has recognised its own need to develop and is working to ensure that the directors continue to enhance their skills and competencies to deliver the Trust's vision. The Board has worked with external consultants on Board development to audit the way it works and is engaged in a development process. Directors will be working to implement their own development plans, which have been informed by the development process and other Board development activities.

The Board will continue to reassess and debate its agenda to ensure it spends its time effectively. The Board aims to dispatch their operational oversight tasks as efficiently and thoroughly as possible thus ensuring a strong strategic focus.

8.4.4 Information Systems

Developing information systems that fully support the objectives of the Trust, including tariff readiness, is one of the principal objectives for the Trust in 2008/09. The Trust completes the Information Governance Toolkit self assessment on an annual basis and will develop a plan for improving performance in 2008/09.

The implementation of payment by results for mental health services is on the horizon, but, at the present time, there is not a nationally agreed tariff for the services the Trust provides. This makes it difficult to plan specific work to support the introduction of payment by results. However, tighter controls on data quality are being developed around key areas such as clinical coding. Clinical coding is now performed in house by our own staff. This helps to ensure accurate and timely coding. A Clinical Coding Policy has also been developed to ensure standardisation and understanding Trust-wide. The Trust aims to improve the accuracy of primary and secondary diagnosis coding and will monitor performance as measured by independent audit.

8.5 Patients and the Public

The Trust is committed to ensuring equitable access to all across its range of services. To do this the organisation ensures that such access is inclusive, fair, personalised and responsive to the diverse needs of all groups and communities served. The Trust also has a strong record of involving and consulting with patients, carers and service users. The Trust's strategy is expressed in the document *Improving the Patient Experience, A Strategy for Patient and Public Involvement*. Copies of this document are available by contacting the Public and Patient Involvement Team on 01782 275026.

The organisation is fortunate in having two well established adult mental health user groups and one adult learning disability independent advocacy group operating within its catchment area. These partners combined with the feedback from patients, carers and commissioners provide healthy challenge to the Trust and enable continual review and improvement to services.

8.5.1 Patient Satisfaction and Clinical Outcomes

The Trust has a dedicated Patient Advice and Liaison Service (PALS) office that provides on the spot help to service users and their carers. All staff are expected to respond to requests, concerns and feedback, whilst members of the public can contact the PALS office directly for information and support. The Trust also has a procedure for service users to make complaints about the services they have received. Feedback from PALS, complaints and other sources (such as patient / carer story telling, community meetings, surveys) is collated and used to inform the development of services.

The Trust takes part in the annual survey of mental health service users, which is organised by the Healthcare Commission. The survey provides useful information about service users' views of the Trust and the services it provides. This national survey also allows the Trust to compare its performance against that of other NHS service providers across England. However, the survey questions are defined by the Healthcare Commission and there is no scope to include local issues.

The Trust Board has therefore decided that in 2008/09 the Trust will establish an effective local system to measure patient satisfaction. A process has been piloted and information from this activity will inform the roll out of the patient satisfaction system across the Trust.

The Trust Board has also identified the need to establish a coordinated clinical outcome measurement process that supports benchmarking. This is one of the principal objectives for 2008/09. Developing the way the Trust assesses clinical outcomes will support the development of services.

8.6 Research and Development

The Trust has a history of involvement in research and development activity associated with its clinical services. This has supported the development of clinical services and provided an evidence base for the introduction of new therapies and treatments. Changes to the national funding arrangements in research in the NHS means that the Trust will need to review its continued involvement in research activity and the arrangements for research governance.

8.7 Health Promotion

The Trust has a Clinical Effectiveness and Clinical Audit Strategy which addresses public health elements, essentially from a NICE clinical guidelines perspective. The Trust has a plan in place that during 2008/9 onwards, the Trust will review the Clinical Effectiveness and Clinical Audit Strategy to ensure that the public health content is more explicit. In addition, the Trust will, in its role as a provider service, further develop public health strategy, public health policy and operational plans across a range of work streams. Examples of the work stream areas are as follows: reducing obesity and improving diet and nutrition; improving sexual health; improving mental health; reducing the numbers of people who smoke; increasing exercise; encouraging and supporting sensible drinking; physical health checks in mental health; access to psychological therapies; and assessment of occupational / vocational status.

8.8 Mental Health Legislation

The Mental Health Act 1983 was revised in 2007. The government plans to implement the majority of provisions in October 2008. In addition, the implementation of the Deprivation of Liberty Safeguards is expected in April 2009. The new legislation will significantly impact on the Trust over the next year. The challenges faced by the Trust and its partners will be complex, with new approaches required in the areas of service delivery, governance, commissioning and Mental Health Act administration.

The Trust has developed a project plan for the implementation of the new mental health legislation. This plan sets out the key activities required to implement the legislation and takes into account those actions required by the Department of Health. Utilising this framework the Trust Board can be assured that it addresses the challenges of implementation.

8.9 Care Coordination

Care Coordination, also known in mental health services as the Care Programme Approach (CPA), is a key element of the care provided by the Trust. The purpose of Care Coordination is to improve the delivery of care. There are four key elements to Care Coordination:

- a thorough and systematic assessment of the patient's health and social care needs;
- a detailed written care plan developed with the patient's involvement and with the involvement of all those involved in their care;
- the appointment of a care coordinator / key worker who is responsible for monitoring of services delivered under a care plan and is usually the main point of contact with services; and
- regular reviews of the patient and their care plan so any changes needed can be made.

The Trust Board has identified improving systems for care coordination as one of its objectives for 2008/09. The current documentation that supports the CPA process has been in use since January 2004, and requires review to ensure that it meets the requirements and standards defined by a number of local and national initiatives in mental health services. There is currently a national review of the CPA and the Trust will be expected to implement any recommendations and guidance that is issued following this review.

Furthermore the Trust has identified the need to improve the way in which care plans are recorded and to ensure, where possible, that care plans are stored electronically and can be accessed by all health and social care professionals that need them. An action plan will be developed to improve performance in this area. The Trust Board and Clinical and Information Governance Committee will monitor progress in implementing the plan throughout the year.

8.10 Membership & Involvement

The Trust is committed to involving our local communities, service users, their carers and staff in the planning and delivery of services. Effective engagement of local people, service users, carers and staff is essential in achieving the Trust's purpose of working to improve the health and welfare of local communities. The Trust has a long history of working with service users and their carers.

This commitment has been further strengthened by the introduction of the principles of team-based working, which involves service users and their carers in decisions

about how services are delivered and developed.

The Trust has plans for developing and maintaining an active membership community to achieve engagement of local people, service users, carers and staff and in support of our plans to become an NHS foundation trust. The Trust has established and will maintain a membership community which is representative of local communities, the people that use our services now and have done so in the past and the staff that provide them. The Trust's commitment to establish a membership community is not dependent on the application to become a foundation trust. However, the Trust has ensured that the membership community is established so that it is compliant with foundation trust legislation.

The Trust current has c. 7,000 members and will continue to build and maintain the membership community in the future so that it is and remains representative of local communities. A Council of Governors has operated in shadow form since April 2006. The Council of Governors will be formally constituted, and terms of office will commence, when the proposed new foundation trust is authorised. Over the coming year the Trust plans to review its membership strategy and to review the way in which members views and comments are represented to the Trust.

8.11 Risk Summary

The Trust's strategic objective for leadership, governance and workforce are:

- To achieve annual increases in patient and customer satisfaction and quality of care;
- To attract, develop and retain a high quality workforce that delivers our purpose, demonstrating strong leadership and team based working; and
- To ensure that ensure the Trust has a system of integrated governance which is supported by evidenced based practice and continuing professional development.

The Trust has considered the risks it faces and has identified the following areas for development

- The need to ensure that patient feedback informs service developments and leads to quality improvements.
- The need to ensure that patients are clear about the care they will receive and that they are involved in the planning of their own care.
- The need to ensure that there is a well trained workforce and that the Trust has the right staff in the right place at the right time to deliver its services effectively.
- The need to demonstrate that the Trust is well governed and that it is compliant with national standards, targets and expectations.
- The need to develop the Trust's people and systems for the introduction of payment by results in mental health.
- The need to develop a five year business plan and financial model that sets out the medium term strategy for the organisation and communicate the objectives to stakeholders.
- The need to review the Trust's continued involvement in research activity and the arrangements for research governance

In the context of our service development planning and the long term objectives the Board has set the following annual objectives for 2008/09.

Objective Number	Annual Objectives 2008/09
1	To establish an effective local system to measure patient satisfaction
2	To ensure the Trust has effective systems for care coordination that operate in accordance with national guidelines
3	To establish a coordinated clinical outcome measurement process that supports benchmarking
4	To ensure all staff are up to date with Statutory and Mandatory Training
5	To implement Service Line Management and continue to develop the Trust's approach to team based working
6	To improve the Trust's capacity for workforce planning
7	To be compliant on an ongoing basis with Standards for Better Health and meet national targets
8	To improve the Trust's governance arrangements in the areas of internal control and value for money
9	To develop information systems that fully support the objectives of the Trust including tariff readiness
11	To develop and approve a five year Trust business plan and financial model
12	To develop a five year estates strategy
16	To develop a five year cost reduction strategy.

9. Glossary

Term	Meaning	Function / Description
ALE	Auditors Local evaluation	The ALE process introduced in 2005/06 assesses how well Primary Care Trusts (PCTs) and non-foundation Trusts manage their financial resources
CAMHS	Child and adolescent mental health services	Provides range of targeted mental health services for children and young people up to the age of 16 years.
CCT	Creating Capable Teams	A clear and simple five-step approach with a defined workforce focus , developed to support the integration of NWW. It was designed to be used in all areas of mental health, across health and social care, for all ages , in statutory, voluntary and private sectors, including in all staff disciplines.
Clinical Governance	Quality improvement and accountability framework.	Implemented by professionals across a range of clinical disciplines. Ensures that care provided to patients is clinically effective and that clinicians and allied health professionals are accountable for their practice.
CESU	Clinical Effectiveness Support Unit	Trust and Keele University partnership established to facilitate the development of a clinical effectiveness programme and interface between various aspects of research and development, evidence-based practice, care pathway development and clinical audit.
CHOICE	Government strategy to give patients more choice about where and when they receive NHS services	Giving more choice about how, when and where, treatment is provided; access booking and choice forms part of the initiative.
CPA	Care Programme Approach	The acknowledged process for co-ordinating mental health care and aspects of learning disabilities services. In adult services CPA is integrated with

		social services care management, creating care co-ordination.
DAAT	Drug and Alcohol Action Team	Responsible for commissioning drug services across Staffordshire and Stoke on Trent (two organisations).
ESR	Electronic staff Record system	The ESR is a human resource and payroll management system that is being implemented across the whole of the NHS. It will replace a wide variety of systems used in the NHS and will pay approximately 1.2 million employees when fully rolled out in spring 2008.
Healthcare Commission	Independent regulator for the NHS and private nursing homes that reports direct to Parliament.	Assesses NHS performance, reviews formal complaints about the NHS that have not been resolved locally and investigates serious failures in services.
IIP	Investors in People	Business improvement tool designed to advance an organisation's performance through its people.
ISO	International Organisation for Standardisation	Sets standards for products and services.
IWL	Improving Working Lives	Organisations are kite-marked against their ability to demonstrate a commitment to improving the working lives of their employees.
KSF	Knowledge and Skills Framework	Developed through a partnership approach between NHS management and staff side representatives for managers working with individual members of staff to plan their training and development and review their work.
LIFT	Local Improvement Financial Trust	NHS LIFT is a major new initiative from the Department of Health which has entered a national joint venture with Partnerships UK plc (PUK). Its aim is to develop and encourage a new market for investment in

		primary care and community based facilities and services.
MHAC	Mental Health Act Commission	Established under the Mental Health Act, 1983 as a regulatory body responsible for keeping under review the implementation of the Act as it relates to patients who are detained or are liable to be detained.
MHMDS	Mental Health Minimum Dataset	Developed by the Department of Health to improve information on mental health services usage and need.
NIMHE	National Institute for Mental Health in England	Responsible for supporting the implementation of positive change in mental health and mental health services. Part of the Care Services Improvement Partnership sponsored by the Department of Health.
NSF	National Service Framework	National strategy that sets out quality requirements, including markers of good practice. They describe the services the NHS and Social Services need to provide. They aim to reduce differences in the treatment, care and support people receive now, because of where they live or because of their cultural background.
NWW	New Ways of Working	New ways of working is about changing the practice of current workforce; developing extended roles beyond the scope of current professional practice and bringing in new people to the workforce in new roles, at assistant and practitioner levels. There is no single model for NWW; it is simply about making the best use of the skills in the workforce to meet need in a cost effective way.

OAT	Out of Area Treatments	When patients require health assessment or treatment they can be referred to a number of key local and national specialist providers. The PCT has agreements with these providers for our patients to be referred directly to them by the GP or hospital consultant. If a patient requires assessment or treatment at a hospital or other healthcare provider that the PCT does not have an agreement with, this is called a non-emergency OAT
PALS	Patient Advice and Liaison Service	PALS act on behalf of service users when handling patient and family concerns. They liaise with staff and others to negotiate speedy solutions and to help bring about changes to the way that services are delivered.
KPI	Key Performance Indicator	Key performance Indicators are quantifiable measurements that reflect the critical success factors of the Trust.
MINI	Mental Illness Needs Index	
PESTLE	Political, Economic, Socio-cultural, Technological, Legal and Environmental Analysis	This is a technique for looking at the environment the Trust is working in to identify factors that will affect its plans.
PbR	Payment by Results	New NHS financial system that rewards efficiency, supports patient choice and encourages payment linked to activity.
PCP	Person Centred Planning	A mechanism introduced in 'Valuing People' for reflecting the needs and preferences of a person with a learning disability. Where needs are complex and/or the person has co-morbidity it is used in conjunction with CPA.

PCT	Primary Care Trust	PCTs work with local authorities and other agencies that provide health and social care locally to make sure that the local community's needs are being met. They have a service commissioning role as well as providing primary health care services.
PFI	Private Finance Initiative	Term used for privately funded finance schemes for capital developments in the NHS including the building of new hospitals.
PICU/HDU	Psychiatric Intensive Care Unit/ High Dependency Unit	Psychiatric intensive care is for patients compulsorily detained usually in secure conditions, who are in an acutely disturbed phase of a serious mental disorder. There is an associated loss of capacity for self control, with a corresponding increase in risk, which does not enable their safe, therapeutic management and treatment in a general open acute ward.
PIP	Productivity Improvement Programme	A pilot project working with external advisors to review workforce productivity. The review will help the Trust to identify areas for improving productivity and reducing costs, whilst maintaining or enhancing quality and performance.
Recovery	A belief about the management of mental health and illness.	A set of agreed principles believed to aid the journey to mental health wellbeing. Recovery is not just about what services do to or for people...recovery is what people experience themselves as they become empowered to manage their lives in a manner that allows them to achieve a meaningful life and a positive sense of belonging in their community (Department of Health/NIMHE, 2004).

SLM	Service Line Management	Service Line Management was developed for the NHS by Monitor , the independent Regulator of NHS Foundation Trusts. Service lines are the equivalent to a commercial company's business units and the aim is to devolve ownership for the management of the organisation to the front line.
StBoP	Shifting the Balance of Power	Government strategy published in 2001 setting out a programme of changes that is reforming the way the NHS works. Puts patients and staff at the heart of the NHS and gives greater authority and decision-making power to patients and frontline staff.
SfBH	Standards for Better Health	The 7 domains of SfBH (safety, clinical and cost effectiveness, governance, customer focus, accessible and responsive care, acre environment and amenities and public health) make up the performance framework for the NHS which sets out the level of quality all Trusts will be expected to meet or aspire to meet.
Star Rating	NHS Performance Rating System since 2002 and replaced by Annual Health Checks in 2005-06	A performance measure based upon high-level indicators set nationally and the use of a balanced score card to weight results. Published in the public domain on an annual basis; ratings are from 0 to 3 stars (3 being the highest).
SWOT	Strengths, Weaknesses, Opportunities and Threats	This is a technique to help the Trust to identify internal factors it needs to take into account in making its plans.
TTB	Tipping the Balance	An international network made up of organisations which are concerned with developing primary care.

Glossary of Financial Terms

TERM	MEANING	FUNCTION / DESCRIPTION
ADS	Attribution Data Set	A dataset which identifies the weighted needs population for each Primary Care Trust.
CIP	Cost Improvement Programme	An internally generated programme of unit cost reductions within the Trust.
CRES	Cash releasing efficiency saving	A reduction in unit costs that releases cash
CNST	Clinical Negligence Scheme for Trusts.	An accreditation scheme run by the NHS Litigation Authority. Handles all clinical negligence claims against member NHS bodies where the incident in question took place on or after 1 April 1995.
CRL	Capital Resource Limit	Capital limit set by the Department of Health for NHS Trusts.
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	A commonly used method of measuring the profitability of an organisation.
EFL	External Financing Limit	Cash limit set by the Department of Health for NHS Trusts.
LDP	Local (Health) Delivery Plan	Sets out how the local health economy (LHE) intends to achieve key targets set out within the NHS Plan and National Service Frameworks by identifying how annual funding allocations are to be used to achieve that delivery.
LIFT	Local Improvement Financial Trust	NHS LIFT is a major new initiative from the Department of Health which has entered a national joint venture with Partnerships UK plc (PUK). Its aim is to develop and encourage a new market for investment in primary care and community based facilities and services.

PBL	Prudential Borrowing Limit	Allows NHS foundation trusts to access capital within a framework of safeguards designed to mitigate institutional or systemic failure. Access to capital is based on an NHS Foundation Trust's ability to service debt and the level of borrowing is governed by the prudential borrowing code.
PbR	Payment by Results	New NHS financial system that rewards efficiency, supports patient choice and encourages payment linked to activity.
PDC	Public Dividend Capital	The Department of Health equity stake in the Trust. This is remunerated by annual dividend repayments to the Department.
PFI	Private Finance Initiative	Term used for privately funded finance schemes for capital developments in the NHS including the building of new hospitals.
PSPP	Public Sector Payment Policy	A Department of Health policy to ensure that the NHS settles its non-NHS debts in line with the CBI Prompt Payment Code.