Operational Plan

for the period 2019-20

3rd April 2019

Contents

		page
Section 1	Introduction	3
Section 2	Strategic and Local Context	3
Section 3	Quality Planning	5
Section 4	Workforce Planning	9
Section 5	Activity Planning	13
Section 6	Membership	15
Section 7	Financial Planning	16

Section 1: Introduction

With an annual projected income of approximately £122 million and over 2,600 members of staff, we provide mental health, learning disability, substance misuse and a range of primary care and specialist services to the people of Sheffield. We also provide some of our specialist services to people living outside of Sheffield. Our integrated approach to service delivery enables us to meet people's mental, physical, psychological and social care needs.

Our vision is to improve the mental, physical and social wellbeing of the people in our communities.

To deliver our vision we have four strategic aims

Quality and Safety Aim	We will provide high quality care and support as early as possible in order to improve physical, mental and social wellbeing.
People Aim	We will promote a culture of collaboration, supporting people to work together to make a difference.
Future Services Aim	We will develop excellent mental, physical and social wellbeing for the communities we serve through innovation, collaboration and sharing.
Value for Money Aim	We will provide sustainable services through ensuring value for money, reducing waste and unproductive time for our staff.

This Operational Plan continues our journey to deliver our Aims in support of our vision as we undertake a review of our longer term five year strategy and plan as part of the local Sheffield Accountable Care Partnership and the South Yorkshire and Bassetlaw ICS.

Section 2: The Sustainability and Transformation Plan

South Yorkshire & Bassetlaw Integrated Care System (ICS)

The South Yorkshire and Bassetlaw area, through the development of the ICS, has agreed that "*Our goal is to enable everyone in South Yorkshire and Bassetlaw to have a great start in life, supporting them to stay healthy and to live longer.*"

The key strategic plans are focussed on

- Putting prevention at the heart of what we do
- Reshaping primary and community based care
- Standardising hospital care

ICS Priority: Mental Health & Learning Disabilities

The ICS priorities for mental health and learning disabilities are summarised below

- **Out of area placements (OAPs)**: eliminating non-specialist acute inappropriate OAPs
- **Perinatal mental health**: developing a specialist service for Doncaster, Rotherham and Sheffield
- **Children and young people's mental health crisis care**: covering all crisis pathways
- **Autistic Spectrum Condition (ASC) pathway**: developing delivering an ICS-wide service pathway
- **Employment**: developing an ICS wide service model to deliver improved individual placement support for people with mental health problems
- **Transforming Care Partnerships**: improving community focussed care and services
- **Crisis care pathway:** Standardise and improve services for adults with mental health problems presenting in crisis
- **Suicide prevention**: focussing on men, support to primary care, self-harm including pathways for people in acute and mental health services, and bereavement support

We are actively engaged and collaborating with the ICS leadership and network across mental health and learning disabilities in support of all of the above priorities and improvement programme. In addition we are making specific contributions in the following areas in respect of ICS priorities,

- Providing the lead provider role, in a partnership with RDaSH to deliver specialist perinatal mental health services across Sheffield, Rotherham and Doncaster, supported by investment in the joint service in the region of £1.5million during 2019/20. 4.5% of women who give birth during 2019/20 will benefit from specialist care and treatment for their perinatal mental health needs.
- Collaborating and developing our plans with provider partners to introduce New Care Models for low and medium secure care across the ICS, which will be progressed through 2019/20
- Forming new partnerships to deliver Individual Placement Support to improve employment outcomes across the ICS area. With an investment of £500,000 across the South Yorkshire and Bassetlaw area during the year, 293 people are expected to benefit from IPS during 2019/20.

Sheffield Accountable Care Partnership (ACP)

The Sheffield ACP has committed to work together for the population of Sheffield to increase prevention, improve care, health and well-being. The priorities of the ACP are focussed on

- Building community resilience through effective neighbourhood working
- Reducing smoking prevalence
- Reducing obesity and promoting physical activity
- Improving the experience of Older people in the care system
- Early years – developing more resilient families and communities

Our key contributions to the city wide plan will be in the following areas

- Supporting the development of effective neighbourhood models of care and delivery
- The development of integrated pathways across physical and mental health,
- The development of primary care mental health services and
- Improving the effectiveness of care and support for older people, with particular focus on the needs of people with complex dementia
- Ensuring effective crisis care pathways and services are delivered and are sustainable

Our focus for 2019/20

To ensure we continue to deliver on our vision and strategic aims during 2019/20 our objectives are summarised as follows. Each objective is supported by delivery plans and the expected benefits over 2019/20 have been defined.

QUALITY & SAFETY	PEOPLE	FUTURE SERVICES	VALUE FOR MONEY
A1 01: Effective governance, quality assurance and improvement will underpin all we do	A2 01: Implement revised OD and Engagement plan	A3 01: Develop Primary Mental Health and Neighbourhood services	A4 01: Ensure financial sustainability of our services
A1 02: Deliver safe care at all times	A2 02: Implement a programme to establish and expand new roles	A3 02: Effective Recovery services	A4 02: Clear procurement lead approaches to reducing costs
A1 03: Provide positive experience and outcomes for service users	A2 03: Revamp and improve our approach to recruitment and retention	A3 03: Develop new care models for secure care	A4 03: An estate plan that meets our needs
A1 04: Timely access to effective care	A2 04: We will prioritise the health, wellbeing of and welfare of our employees	A3 04: Effective crisis care pathways	A4 04: Use technology to deliver new ways of working and new care models

Section 3: Quality Planning

Our Approach to Quality Improvement, leadership and governance

Our approach is set out within our Quality Improvement and Assurance Strategy 2016 - 2022 and the accompanying implementation plan which is in the process of being refreshed for 2019/20 to embed learning from our CQC inspection and findings. The purpose of the strategy is to develop a culture of continuous quality improvement by

- Delivering quality by creating the conditions for all our staff and every team to engage successfully in quality improvement underpinned by effective team governance;
- Ensuring measurable quality objectives are agreed across the organisation;
- Ensuring effective, supportive and responsive Trust governance and assurance systems;
- Having clear arrangements to support delivery and accountability;
- Ensuring we have accurate and appropriate information available about the quality of care provided at all levels;
- Enhancing quality improvement capacity and capability through ensuring maximum numbers of staff are coached in quality improvement methodology.

In support of this, the Trust's quality governance arrangements are summarised as follows:

Team level governance: standardised governance framework under which all teams review performance in respect of quality and safety, identify improvement actions and escalate areas of concern when required. Reports to the Clinical Operations Performance Group

Clinical Operations Performance Group: Performance and Governance committee of the clinical services Senior Leadership team reviewing performance across all services and matters of escalation. Reports to the Executive Directors Group

Executive Directors Group: Oversees the operational functioning and delivery of services and programme management oversight of key transformation and improvement projects. The Medical Director is the Trust's executive lead for quality improvement.

Quality Assurance Committee: Brings together the governance and performance of the Trust in respect of quality. The Committee provides oversight of Trust quality and risk management systems and arrangements. The Committee is informed by the work of a range of committees that oversees Trust key matters and agendas relating to quality and safety.

Board of Directors: Sets the Trust's strategic aims and ensures the necessary supporting strategies, operational plans, policy frameworks and financial and human resources are in place for the Trust to meet its objectives and review its performance. Receives assurance on compliance with CQC standards and the improvements necessary to achieve quality services.

Audit Committee: Reviews the existence and maintenance of an effective system of integrated governance, risk management and Trust-wide internal controls.

Systems of Internal Control: A range of policy and performance management frameworks (at individual, team and Care Network level) as well as internal controls are in place to protect and assure the safety of care and treatment and the delivery of quality care in line with national policy and legislation.

The above governance and improvement structures are supported by a range of Groups that bring a Trust wide focus on key agendas and report into the Executive Management Group and the Quality Assurance Committee. Examples of these are summarised below;

- Service User Safety Group
- Clinical Effectiveness Group
- Service User Engagement Group
- Medicines Management Committee
- Research & Development Group
- BME Strategy Group
- Safeguarding Adults & Children
- Infection, Prevention & Control Committee

Below are key areas we have identified to enable us to improve our quality governance arrangements and will be our focus in 2019/20:

- To continue to build capacity and capability across the Trust and within our services to ensure compliance with quality standards. This will focus on building resilience based on understanding and engagement with the requirements of the Care Quality Commission, Mental Health Act, Mental Capacity Act, Eliminating Mixed Sex Accommodation and other legislative requirements
- To seek new ways to enable service user engagement in our quality improvement projects, such as Microsystems and Always Events ensuring co-production informs change in the Trust
- To develop more robust and purposeful systems to provide real-time quality information at all levels from front line teams up to the Board of Directors.

To deliver our strategy, it is essential that staff have the ability to engage with improvement techniques, supported by the necessary capacity and capabilities. The Trust will implement 'Listening into Action' across the organisation during 2019/20 to ensure that our approach to quality improvement is co-produced with our staff, that the staff voice is clearly heard from Ward/ team to Board and is informing change and improvement. The Trust will continue to use the Microsystems methodology and approach. This will be complimentary to the Listening in Action programme, is well embedded across our services and will enable the Trust to make use of the knowledge and expertise of the Quality Improvement team in broadening our skill set in relation to change and improvement.

Our Quality Improvement Plan

Following the Trust's Well Led CQC Inspection in July 2018 (report published in October 2018) the Trust was rated as 'Requires Improvement' overall, a deterioration from our previous rating of 'Good'. The Trust has developed and agreed a plan to ensure that we continue on our quality improvement journey to 'Good' and then to 'Outstanding'. This work, in conjunction with the implementation of Listening into Action will form a key feature of our improvement plan and effort in the next year.

Key areas identified by the CQC such as staffing and skill mix on our inpatient services, issues with technology such as telephony and refurbishment of our Seclusion facilities have been prioritised for investment, solutions sought and work initiated to address them. We have reviewed our current performance against national requirements and our assessment is that we are performing well and are delivering on most requirements in respect of targets and early requirements from the Long Term Plan.

Our quality improvement framework is focussed on all teams delivering local improvement work to improve the following key areas;

- Access
- Experience
- Outcomes
- Safety

Local plans are being reviewed and developed to ensure each team is clear on its areas of focus during 2019/20, that appropriate support and enabling resources are in place where required and reviews of progress can be undertaken through established governance processes.

Informed by the above reviews and assessments (CQC findings and performance and position against national requirements) areas for improvement work are summarised as follows

- Ensuring an effective and appropriate skill mix within our inpatient services
- Improved performance and experience at the point of initial referral and contact
- Improved seclusion facilities
- Improved access to crisis mental health services 24/7
- Improved workforce engagement and experiences

Robust governance arrangements are in place to ensure that there is pace and focus in relation to delivery of the required improvement actions from the CQC findings. Responsibility and ownership of this improvement activity has been clearly established at team level – the Trust believes this is key to embedding the principles of quality and safety into the everyday business of our frontline clinicians.

We have built on our approaches to the development of this plan with a focus on ensuring staff clearly understand how their work and that of their team is contributing to the delivery of the Trusts quality objectives. It will support the development of a 'golden thread' from frontline to strategic level within the organisation around quality and safety. This is part of our improvement plan and will be an evolving process, as we develop the Listening in Action approach, and in direct response to feedback from our staff that they would like a stronger voice within the organisation.

The Trust has continued to review and refine its processes in relation to mortality and learning from deaths. In addition to internal review, the Trust is engaged with a number of mental health organisations across the North of England to look at standardising the way we define mortality, to improve learning and enable benchmarking across similar organisations. The Trust compares favourably to its peers in terms of the scope of work undertaken by the mortality group, the number of cases reviewed and the robustness of its engagement with families when undertaking reviews. Within this review, issues of medication and prescribing are considered. Following the report from the Gosport Independent Panel, further assurance is received via the Controlled Drugs Accountable Officers Annual Report, robust links with relevant intelligence networks and Significant Assurance from NHSE on our medical appraisal and revalidation.

Our Service User Engagement Strategy commits us to build on existing work and directs future action in a coherent and planned way to extend and maximise impact. We aim to foster a culture of excellence in service user engagement in which innovation, flexibility, and responsiveness are central. The aims within the strategy are ambitious, in line with the Trust's organisational values and underline the Trusts commitment to co-production and partnership.

Our Quality Objectives for 2019/20

Within the framework for quality improvement, summarised above, we have agreed the following specific quality objectives

Objectives	What will we do	Measures and benefits
Improving access to services and treatment	• Effective and consistent measures for reporting waiting times in place • Standardised approach across Trust for referral and attendance management	• All national access standards achieved in respect of waiting times during 19/20 • Increase by 10% the number of people routinely referred to the Single Point of Access accessing treatment within 8 weeks from Q3 onwards, compared to the Q4 18/19 baseline.
Improving service user and carer experience, involvement and engagement	• Service user engagement strategy plan embedded by September 2019	• All inpatient and community teams will increase the feedback received from the FFT and Care Opinion by 30% from Q3 19/20 onwards against their baseline for Q1 19/20
Improving physical, mental and social wellbeing outcomes for all service users	• ReQoL implemented across MH services	• All teams will increase the use of ReQoL or an agreed equivalent outcome measure by 50% from Q3 19/20 against their Q4 baseline for 18/19
Note: To review and agree improvement measures for services not currently using FFT, Care Opinion or outcome measures		

Our Quality Impact Assessment (QIA) Process

The Trust is clear that cost improvements should not impact on quality. All plans relating to clinical and corporate services are developed and approved by the appropriate clinical and service directors after comprehensive engagement with staff and with the support of the Finance team. This process has been reviewed for the 2019/20 submissions of CIPs to ensure consistency of approach across clinical and corporate services. Each cost improvement scheme, with a completed Quality Impact Assessment is submitted to a panel consisting of the Director of Operations, Clinical Director, Director of Quality, and Professional Leads for scrutiny and validation.

The QIA requires services to assess their proposal against the five CQC quality domains and details their plans in relation to deliverability, impact and assurance around how service quality will be maintained. Metrics or methods of monitoring progress and impact are also required. The quality of the scheme and its deliverability are reviewed and approved or otherwise by the panel for submission to the Clinical Executive Scrutiny Panel Chaired by the Trust's Medical and Nursing Directors. Once their agreement has been sought, their assurance is provided to our Quality Assurance Committee, Trust Board and commissioners, NHS Sheffield CCG, to ensure that the Trust's cost improvement plan will appropriately manage its impact on quality.

Ongoing monitoring of all QIA processes is undertaken quarterly and, in exceptional circumstances e.g. if a plan is high risk, more frequently. When undertaking quarterly monitoring, services are advised to provide an honest appraisal of any quality impact which the cost improvement has had on service quality and are requested to refresh the risk rating in accordance with changes to the quality metrics. These updates are provided to Executive Directors Group, Quality Assurance Committee and Trust Board for the purposes of monitoring and managing any risks to quality.

Key risks impacting on quality

Top Three Risks	Key Methods of Mitigation
Failure to deliver safe care due to insufficient numbers of appropriately trained registered professionals	Effective systems for monitoring and review re safer staffing, E-Rostering effectiveness and Use of bank and agency Workforce plan defines the further introduction and development of new roles across services, building on current progress AFE review undertaken to address challenges arising from demands on services, patient need, reliance on agency and bank. Review supported by investment plan to increase staffing capacity across key service areas.
Service efficiency and access to patient information is being put at risk as a result of Insight (PAS) instability. Loss of the system continues to be experienced.	Business continuity plans reviewed and tested on rolling basis across the trust through required governance routes. Business case approval for new patient administration system as part of the NHS Digital Global Digital Exemplar / Fast Follower programme and the Trust's Digital Transformation Strategy.
Demands upon the Mental Health Single Point of Access, Crisis and Recovery services are significantly higher than previously experienced and above planned capacity impacting on timely access to routine care and support and staff experience.	Procedures in place to ensure effective management and prioritisation utilising the existing systems and processes and additional leadership and call handling capacity deployed. Trust contact centre and telephony business case/development being progressed and implemented. Planned investments to increase capacity across the Crisis Hub and crisis and community mental health pathways and services during 2019/20.

How We Triangulate Quality, Workforce and Finance

The Trust triangulates service performance across a range of indicators relating to care standards, quality, workforce and finance at service, Care Network and Trust wide level. A Programme Board will be established to oversee the development of a Performance and Quality Framework.

The Board's monthly and annual performance reporting processes ensure that the Executive Management Team is able to scrutinise and manage the operational performance of services and the Board maintains overall oversight on the performance of the Trust. On an established quarterly cycle, the performance of all services is reviewed through Service Reviews. These reviews consider performance, with particular reference to performance against strategic/business/quality objectives, cost improvement delivery and any over/under spending, clinical effectiveness, service user experience, staffing matters e.g. vacancy control, sickness absence management and patient safety. The Board uses this information to achieve assurance that performance is on track to deliver Trust objectives or to direct improvements where this falls short of expectations.

Section 4: Workforce Planning

'Developing a strategic approach to enable workforce transformation' is one of four strategic objectives within the Trust Workforce and OD Strategy. The associated delivery plan has supported the development of a workforce planning framework, to engage workforce leads and enable robust planning.

The development of the Trust's workforce planning processes is overseen by the Trust's Effective Staffing Group. This is an Executive level constituted Group that brings together the work of Medical Workforce Planning, Workforce Planning, Safer Staffing and Bank and E-rostering and reports to the Executive Directors Group and the Board in respect of workforce planning. In developing our operational plan for 19/20, the Trust has undertaken a Workforce Planning and Learning Needs analysis which has been undertaken in conjunction with professional leads, clinical services and corporate support services.

Workforce challenges

Description of Workforce Challenge	Impact on Workforce	Initiatives in Place
Shortage of mental health nurses	Vacancies which are difficult to fill resulting in workforce gaps and high use of bank and agency staff. Negative impact on existing staff's health and wellbeing and high sickness levels. Increased costs for cover	Nursing apprenticeships and new role development e.g. nursing associates to increase capacity and free up nurses time. Effective recruitment plans focussing on over recruitment and being flexible around where people are placed so we do not lose people, reviewing the offer and attraction of ward management roles, exploring overseas recruitment, rolling band 5 advertising and joint recruitment options, improving our on boarding arrangements.
Aging workforce - increased risk of staff leaving/retiring	Loss of highly skilled and experienced staff. Loss of manager roles which are difficult to replace	Further develop Preceptorship for newly qualified nurses Better understand the barriers to progression for support staff Support for progression into nursing ie bursary, apprenticeships, Open University Incentives to work in difficult areas i.e. building, environment, acuity of patients Focus groups with over 50's workforce
Difficulties in recruiting to posts in psychiatry in particular higher trainees & consultant psychiatrists.	High vacancy levels lead to capacity issues and workforce impact and staffing out of hours. Vacancies which are difficult to fill resulting in workforce gaps and high use of bank and agency staff. Negative impact on existing staff's health and wellbeing and high sickness levels. Increased costs for cover on locum expenditure	New role development e.g. physicians associates, joint posts with primary care, and the use of clinical fellows to increase capacity in teams and free up doctors time. Targeted recruitment for consultant posts and the use of different media for advertising. Exit interviews with core trainees to better understand their choices for progression to higher trainee posts.

Uncertainty created by the EU exit process	Low numbers of EU staff and anticipated minimal impact on workforce. Potential impact due to a lack of clarity on professional qualifications transferability in the event of a 'no deal'.	We have completed an analysis of the potential impact and we have assessed this currently as low risk. Seeking assurance from agencies that they have contingency plans in place for the continued supply of staff. Awaiting national guidance on transferability of professional qualifications after 29 March
NHS long term plan	LTPlan requires new service models to be developed and established to deliver best practice and deliver triple integration aims	Following developments already implemented re new workforce needs • IAPT LTC's • Core24 Liaison mental health services • Specialist perinatal mental health service • Employment and IPS roles Growing experience with new role developments as part of our workforce plan which can be drawn upon in respect of key areas around primary care and neighbourhood working City wide development programme focussing on workforce development in respect of care and support for Older People.
Financial impact of new role development	Whilst the development of new roles is an essential part of our workforce plans this creates a significant cost pressure to the organisation. We take full advantage of HEE funding and training grants where available however there is still a cost pressure to address for backfill. Impact of apprenticeship levy on corporate infrastructure due to increased administrative and contracting burden on employers.	Closer alignment of workforce and financial planning to ensure development costs are factored into budgets. Business case and investment requests in year to secure additional funding. Taking a multi-disciplinary approach to managing the Learning Environment and joint initiatives for training and support to learners e.g. ACP and PA SYREC apprenticeship group and joint contracting and procurement processes
Changes to HEE funding	Uncertainty and variance with HEE funding year on year also impacts on workforce and financial planning. Changes to IAPT funding with a move to including in CCG baseline risking capacity to support trainees backfill costs impacting on numbers of new IAPT trainees.	Limited influence on HEE funding decisions Raise awareness with finance and contracting colleagues to ensure these are factored into discussions with commissioners.

Workforce related risks

The Trust has captured what we consider to be our greatest risks associated with workforce as part of our Trust level risk register and board Assurance framework. These are shown below:

Description of workforce risk	Impact of risk (high, medium, low)	Risk response strategy	Timescales and progress to date
There is a risk that the Trust does not identify and develop new roles to meet current and future workforce needs.	High	Development of revised Trust Workforce plan to direct focus of plans over the next period.	March 2019 with implementation plan for next 1-2 years.
Risk of reduced engagement, productivity and service quality as a result of low morale and motivation	Medium	New appointment of Director of OD Introduction of Listening into Action programme	Recruitment during February 2019. Listening into Action launch in February 2019 for rollout during 2019/20.

Addressing areas of long-term vacancies

Description of long-term vacancy, including the time this has been a vacancy post	Whole-time equivalent (WTE) impact	Impact on service delivery	Initiatives in place, along with timescales
Consultant Psychiatry and SAS Grades	7.00 (10%)	Impacting on service quality, safety, effectiveness and patient experience Impact on rest of medical workforce and effective MDT working	Communications and HR led programme of proactive approaches to attracting consultants and SASs to the area Alternative role development programme covering Clinical fellows, Physician Associates , non-medical prescribing combined with innovative job planning approaches across key areas of interest.
Junior Doctors (Higher Trainees)	2.00 (7.5%)	Impacting on service quality, safety, effectiveness and patient experience Impact on rest of medical workforce and effective MDT working	"Supported and Valued" initiative lead by RCPsych to help trainee recruitment and retention, alongside work with medical school to increase interest in psychiatry amongst students and Initiatives to support & retain part time trainees with med Ed
Band 5 & 6 Nurses (inpatient wards)	18.00 (11%)	Impacting on service quality, safety, effectiveness and patient experience Impact on rest of workforce re cover and effective MDT working	Effective recruitment plans focussing on over recruitment and being flexible around where people are placed so we do not lose people, reviewing the offer and attraction of ward management roles, exploring overseas recruitment, rolling band 5 advertising and joint recruitment options, improving our on boarding arrangements.

Engagement with commissioners and collaborative working to ensure alignment with the future workforce strategy of the local health system, ICS/STPs

The Trust is effectively engaged with relevant workforce strategy programmes across the ICS and local ACP system. This is provided through a number of key forums

- The Trust CEO is Chair of the Local Workforce Action Board (LWAB)
- The Director of HR and a number of other senior Trust managers are actively involved in the future workforce and OD strategy at SYB ICS and Sheffield ACP levels.
- Workforce, OD and practice leads are part of the city wide multi-agency workforce strategy programme of the Older People's strategy focussing on embedding prevention, skill development, training and working practices

Workforce transformation and supporting our current workforce

We are supporting our workforce with the transformation agenda in a number of key ways
Support for nursing: We have developed support roles to nursing and now have 4 trained Assistant Practitioners working in Dementia Care and 7 staff enrolled on the Trainee Nursing Associate (TNA) pathway. Working closely with HEE, Universities, and partners across health and social care and the voluntary sector we have a planned programme of TNA development for the next 3-5 years which includes rotational placement opportunities.

Advance Practitioners: We have taken advantage of ring fenced HEE funding for the development of Advanced Clinical Practitioners (ACP) in mental health and have 4 staff enrolled. The Trust Workforce plan provides for the planned expansion of these roles across all in patient services by 2021. We are a partner in the South Yorkshire & Bassetlaw Faculty for Advanced Clinical Practice and are working closely with other mental health Trusts and the Universities to develop a specific mental health pathway. Physician's Associates are another new development in mental health and we have recruited 4 PA's to work across our inpatient areas. Nursing and medical colleagues are working together to align the preceptor ship, training, and support for Advanced Clinical Practitioners and Physicians Associates to ensure seamless care in teams.

The right skill mixes: We use the Calderdale framework to assess skill mix requirements in teams to meet service needs. This has highlighted skills gaps in our current workforce such as English, Maths and study skills which can be a barrier to progression into higher level roles and training. The plans to address this are recorded in the Trust Learning Needs Analysis and Training plan.

Apprenticeships: We have made good use of the apprenticeship levy to expand the types and levels of apprenticeship on offer. All apprenticeship investment is prioritised according to workforce needs and aligned to areas of workforce shortages such as TNAs and nursing. We use apprenticeships for succession planning for example in our corporate teams with an aging workforce profile such as HR, Estates, and IT Digital skills. Our plans for increasing the use of the apprenticeship levy over the next 3-5 years include an increase in TNA and nursing roles, linking health and social care apprenticeships to support worker vacancies, and the development of the new Clinical Associate Psychologists (CAP) role.

Ensuring effective and balanced workforce supply and managing demands

Skill mix: Nurse rotation is in operation to develop skills and experience across the Trust to support difficult to recruit (ie inpatient areas) and support career progression. Improvements have been made to preceptorship training, and new starter preferences regarding work location are supported wherever possible, to further improve on-boarding and retention.

Bank staffing: SHSC run an established internal Bank service to ensure we are able to provide a level of consistent temporary staffing provision and can determine better the quality and effectiveness of workforce provided. It has been successful in meeting our needs for support worker staff, but less so for registered staff were agency may be called upon. The Bank service targets dedicated bank only staff, existing staff able to work additional hours, student nurses wishing to gain additional experience in different clinical areas across the Trust. We aim to meet our temporary staffing needs on a 4:1 ratio alongside external agency providers. Regular reporting and review of the proportions of Bank and

Agency use in each service have been introduced and a 4:1 ratio introduced as a performance measure.

Agency: When we are unable to provide for our workforce needs through Bank we use Agency staff on the Agency Framework.

Systems: The Trust has a range of technologies in place to support staff management and utilisation that balanced planned and flexible approaches in response to patient and service needs. These consist of a range of systems provided by Allocate in respect of

- HealthRoster – rostering system across our inpatient and bed based services
- eRota – rostering system for junior doctors
- Bank module – for the management of and deployment of flexible staffing

SafeCare is used in conjunction with the above to ensure we understand patient acuity levels across key services and are then able to plan accordingly in respect of workforce requirements.
SHSC is a member of the Working Together ERostering Collaboration (South Yorkshire and Bassetlaw Integrated Care System). Locally within the Trust Key Performance Indicators have been agreed and potential cost savings associated with ERostering efficiencies have been explored.

Section 5: Activity Planning

Contract negotiations have concluded with Commissioners, and the contract for the 2019/20 year was agreed before the 21st March 2019.

Across the Sheffield ACP for mental health we have a well developed and mature risk share agreement in place that supports and encourages a whole system approach to demand and capacity planning. This is underpinned by a contract framework that has clear thresholds for over/ under performance against activity targets based on full and marginal costs. Through the Operational Plan and Contract agreements we have

- Agreed an investment plan for next year in respect of changes in activity and investments required to support service delivery, and this is summarised below.
- Outside of this we are not expecting or planning for any significant shifts in year in activity across our service lines that would unduly impact on or cause financial risks in respect of demands and capacity in year and this projection is shared with our local commissioners.
- Agreed a range of key system challenges in relation to activity, demands and capacity to deliver required standards of care that we will jointly review with Commissioners during 2019/20 to inform future plans.

<u>Investment plan for 2019/20</u>

Key areas of agreed investment to respond to acknowledged changes in patient activity volumes and levels of patient needs are summarised as follows

Investment	Rational	19/20 Value £
Perinatal Mental Health services for Sheffield, Rotherham and Doncaster	Recurrent funding to support full year delivery of new service across Sheffield, Rotherham and Doncaster.	£451,000
G1 Specialist Dementia Ward	Enhanced skill mixes to support care for complex patient group with high acuity needs and support patient flow, reduced LOS and timely discharge.	£170,000

Autism & Neuro-development services	Increased capacity to reduce excessive long waiting. The aim is to reduce the current waiting time from circa 60 weeks to 26 weeks in 2019/20 with a view to re-modelling the service.	£305,000 of which c£150,000 recurrent
Transforming Care Pump Priming developments in community capacity.	To enhance and bolster community intensive support services in Learning Disabilities non-recurrent investments in additional staffing resources during 2019/20 to improve access and responsiveness in the community and as a consequence reduce reliance on inpatient provision and LOS.	£108,000
Nursing Homes	The CCG have agreed to invest a level of income into the nursing homes in order to maintain the current specified service delivery and align the contract values to 2019/20 prices, in line with the bed reconfiguration programmes undertaken in 2017/18 and 2018/19.	£387,000
Waiting lists	Targeted non-recurrent investment to be allocated to support priority areas	£100,000
Decisions Unit	Additional investment to increase the staffing provision and resource at the Decisions Unit following on from the investment provided in 2018/19. The funding will increase staffing levels and levels of safety linked to the wider crisis care offer.	£436,000

Agreed joint system challenges in relation to changing activity for progress during 2019/20

Through the contract schedules for 2019/20 we have agreed a schedule of current areas were we need to undertake further reviews. The review will be a joint process focussed on a review of current capacity, current and expected demand levels, needs arising from changing patient needs and developing national standards. Should the review indicate that increases in capacity or investment above current baselines is deemed necessary then joint commissioning/ provider governance processes will determine the way forward with any necessary stepped costs being funded either via investment or further QIPP.

Areas of focus and resolution through the review have been agreed as

- Aligning the inequalities in waiting lists across relevant services, potentially increasing wait times in well performing areas to release monies and in turn support areas with significant waits only where investment or resources allow.
- Capacity requirements within Community Mental Health services, particularly the Single Point of Access and the Recovery Services, to ensure waiting times and community case-loads are in line with current and expected standards
- The development of agreed models, pathways and service specification and commissioning arrangements to deliver appropriate service to meet the needs of 16 - 18 year olds as part of a broader transitions pathway.
- Requirements to ensure services can deliver new access standards developed and tested by NHS England.

Activity assumptions in respect of key national policy requirements

Service	Activity	Count	Target
Improving Access to Psychological Therapies (IAPT)	Number of people who receive psychological therapies	16,000	Representing 23.8% of target population
	The number of people who have finished treatment having and are moving to recovery	3,013	50% recovery rate

	Number of people who finish a course of treatment who received their first appointment within 6 weeks of referral	5,885	89.7% of people will access treatment within 6 weeks
	Number of people who finish a course of treatment who received their first appointment within 18 weeks of referral	6,489	99.4% of people will access treatment within 6 weeks
Early Intervention in Psychosis (EIP)	Number of people with suspected first episode psychosis or at 'risk mental state' that start a NICE-recommended package care package within 2 weeks of referral.	146	57% of people will access treatment within 2 weeks
Community Specialist Perinatal Mental Health Services	Number of mums to access specialist community perinatal mental health services	292	4.5% of mums who give birth in Sheffield
		586	4.5% of mums who give birth in Sheffield, Rotherham and Doncaster

Section 6: Our Governorship and Membership

In 2018/19 elections were held for 12 vacancies in nine constituencies. Four seats were not filled and four constituencies were uncontested.

- Public - Sheffield North East - 1 seat - not filled
- Public - Sheffield South West
- Public - Rest of England - not filled
- Service Users and Carers - Carer 2 seats – not filled
- Service Users and Carers - Service User 3 seats
- Staff - Central Support 1 seat – not filled
- Staff - Medical and Clinical
- Staff - Psychology
- Staff - Social Worker

With a large Council of Governors (44 seats in total), elections are often large in size and 2019/20 will be no different with 17 seats to be contested.

Governors received a comprehensive Trust induction in 2018/19 which aligns with the good practice guidance from NHS Providers.

The Trust revised and updated the Membership Strategy for in partnership with its governors. The Trust takes membership engagement very seriously and also provides opportunities to facilitate engagement between governors and members. As such the Trust attended and governors participated in a number of community events .

The Trust works closely and proactively with Sheffield Teaching Hospitals in its membership engagement and recruitment. Together we organise joint events to raise awareness of key health issues which have been identified by our members. In 2019/20 this has included an event on medication. Not only do these events provide an opportunity for our members to learn more about health issues, they also provide an opportunity for governors to engage with members and the public.

The next year will focus on engaging governors in delivering the membership strategy, along with facilitating more Health Talks. We will respond to the interests of our current members when determining the subjects of the talks. A continued focus towards BME communities will be a priority.

Section 7: Financial planning

7.1. Financial Strategy

The Trust’s financial strategy is shaped by the environment within which we are delivering our services and the direction of travel for our service developments and quality improvement.

The Trust has played its part and continues to plan on the basis of meeting its control total, (which previously has remained as a surplus due to our relative healthy underlying position). This continues to support our underlying strategy of building up cash reserves to fund the significant capital programme required going forward to meet the needs of ACR and wider capital programme. The over-performance of the Trusts control is resulting in cash bonus’ and thus reducing our borrowing requirement linked to ACR and the subsequent efficiency requirements. Due to the improved Income and Expenditure performance over the last two years and anticipated Capital grant/ Fulwood receipt our borrowing requirements have significantly reduced. Our Capital plan is now all anticipated to be internally funded.

7.1.2. Summary Financial Strategy

Our proposal is to plan as follows.

- To maintain a Use of Resources Rating of at least a 2 and to meet our agreed target I&E surplus.
- To effectively plan capital expenditure and asset disposals in line with a clear Estates Strategy that aims to reduce and rationalise total non-current assets, to reduce capital charges impact and improve the Use of Resources Metric score.
- To effectively and robustly manage our financial ratios over the medium term as we expect to diminish the liquidity ratio as we start to expend our cash holdings in support of our capital expenditure programme. Our reducing income levels will also impact on our capital service cover ratio if our Estates Strategy; to rationalise our estate; is not met.
- Realistic assumptions underpin our strategy in respect of growth, adopting a measured approach to the future. This measured approach to what underpins the financial plan does not detract from our objective of maximising growth opportunities.
- Service improvements will be delivered through efficiency and change as opposed to additional investment to the Trust from outside.
- Maintaining a sound awareness of our cost base across our service and business units as to support our understanding of the services and products we deliver and identify future improvement opportunities. The associated development programmes to continue the production of service line reporting will complement this approach.

7.1.3. Capital Strategy and External Implications

In 2017/18 the Trust developed a five year capital plan which was approved in principal pending the development of the relevant business cases. The £53m plan sought to enable the delivery of key strategies including Clinical services, Quality, Estates and Digital. The key assumptions around the plan included: the sale of Fulwood House; a £14m loan and in the longer term the provisional sale of the Michael Carlisle site. However the 2017/18 and 2018/19 over-performance including associated PSF bonus’ have had a positive impact on cash flow which in turn is reducing our loan requirements, and in addition, at the same time a large part of our Capital Programme has been delayed and resulted in large roll forward of capital expenditure. We are now anticipating no loan requirement.
The capital plan has been refreshed to reflect the impact of the profile delays and revised plans. No material additions have been added. If some new or emerging capital needs/plans are agreed, this will need to come from funds earmarked for other schemes (re-prioritisation etc).

7.1.4. Control Totals

On 15th January 2019 the Trust was issued with the 2019/20 control total. This final plan continues to plan to meet the control total.

7.1.5. ICS Control Total

As the Trust will now be part of the planning process under the ICS, there is a potential requirement to meet a system aggregate control total, this may require a net neutral transfer across our partner organisations. However, such a process is yet to be determined and agreed. This has not been agreed prior final submission. However, we are not anticipating nor recommending agreeing to an increased Control Total or suggesting an increased CIP ask to facilitate contributing more to the ICS collective control total.

7.2. Contract Negotiation & CQUIN

The 2019/20 planning guidance requires a one year contract to be signed by 21st March 2019. The CCG were looking to offer a two year contract to SHSC in line with and as a consequence of the collaborative working which commenced in 2018, which, whilst not a formal alliance model, supports the principles of an alliance and aligned incentive approach that is underpinned by a risk / gain share agreement. We are pleased to report our contract has been signed with our primary commissioner and we have no contract disputes progressing to arbitration. The long term plan in line with current legal frameworks continues to build on Integrated Care Systems, supporting the integration of Mental Health (MH), Physical Health, Primary Care (PC), Specialist Care and Social Care.

The planning guidance and the Long Term Plan are positive for Mental Health services from an investment and growth perspective. There is an emphasis on the Mental Health standards whereby CCGs will be monitored and performance managed on the required investment needed for MH provision and the pass porting of funding to Providers.

In summary and with Mental Health and local service provision in mind, the areas of investment are expected to respond to:

- Primary Care, supporting the integrated MH and PC approach (prevention and promotion agenda),
- Crisis and Urgent Care, which will include an extension of MH Liaison provision (Adults and CYP),
- Perinatal services,
- MH and Employment,
- Autism,
- Suicide Prevention,
- Physical Health in Mental Health Services (improvement in screening).
- Improvements in Dementia Care

Other changes are primarily transacting the tariff inflation and efficiency requirements, in addition to a few isolated investments to meet national and local priorities. These additional investments are in support of the wider Mental Health investment standard and the pass porting of national funding that has been ring-fenced for investment aligned to national targets.

The Trust's primary commissioner is NHS Sheffield CCG (SCCG) with a contract value of c£86m. SCCG continue to experience their own significant financial challenges and large QIPP programme due to continued over-performance in the acute sectors and differential funding allocations in Sheffield as a result of current national methodologies. Although some changes to the CCG funding formulas have occurred, Sheffield CCG have met the mental Health Investment Standard at c6%.

As a result, contract negotiations continued to be collaborative, but challenging, with only national investment priorities coupled with national funding being areas of new investment. Although it should be noted that the partnership working and the contractual aligned incentive approach agreed with SCCG has resulted in the resolution of previous non - recurrent investments which are now pre-committed for 2019/20.

The updated contract investments are detailed with the activity section above. Other changes to the overall plan are minor and/or linked to variations in R & D for example.

Opportunities for Growth / Future Service Developments (Upsides not in plan)

- Social Investment Bond – Severe Multiple Disadvantage (SMD) and Adults with SMD and Alcohol needs. This is a business opportunity which is being commissioned by Sheffield City Council, SCCG and South Yorkshire Police. SHSC intend to bid for this new business in collaboration with Acute and Third Sector partners supported by a social investor. Modelling work has commenced with partners to support a submission, with the aim of successfully securing contract award with effect from 1st September 2019 (subject to change) at a contract value of £1.16m per year (5 year contract). SHSC's proportion of this income is yet to be determined in line with the allocation of responsibilities across the partnership and any risk /gain share to be determined with the social investor.

- Individual Placement and Support (IPS) for Serious Mental Illness. This is a wave two income opportunity to support the expansion of IPS wave one programme. This is an opportunity which is being procured by the South Yorkshire and Bassetlaw ICS. The ICS are still to determine the delivery model and the associated financial envelope for 2019/20.

- A small level of funding has been agreed through the Better Care Fund to extend the hours of the current Street Triage services within SHSC and in order to fund a mental health nurse to work within the Police control room to provide access and support.

Potential risk to downsize which are not in plan

- Gender Identity (GIC) Services – It is the intention of NHSE Spec Comm to re-procure and reconfigure the delivery of GIC services nationally. This includes a revision to the model and associated specification and protocols. SHSC currently deliver the Sheffield Adults GIC service at a value of c£1m per annum. It is the intention of NHSE to continue to procure this service from SHSC, at the current contract value for 2019/20 subject to formal contractual notice in line with re-procurement. SHSC are reviewing models in line with intelligence from NHSE for 2020/21 and beyond.

- SCC is intending to re-procure Opiates, Non Opiates and Alcohol provision in Sheffield (via Public Health) with effect from 1st April 2020. SHSC are the current service provider and will continue to deliver these services in 2019/20 with the aim of securing the revised provision from 2020/21 and beyond. The total value of these services is c£4m.

7.3. Risk Share (NB - this section needs development for the final sign-off of the plan)

2018/19 saw the first year of the Trust working in partnership with Sheffield CCG and the Local Authority with the development of a formal risk share. Due to the complexity of organisational structures, initially the risk share, excluded certain areas such as:

- Older Adult Social Care
- LD Services
- Primary Care
- Overheads

The risk share plans for 2019/20 will be reviewed alongside contracting negotiations but will remain non contractual. Individual Trust performance and the achievement of our control total does and plans to continue to take precedent.

Accepting a continued risk share will inevitably expose the Trust to increased financial risk, the decision will be will whether the benefits of accepting a risk share offset the potential risk. The benefits are considered to be aligned to last year and still valid. These are:

- Influence – do with not done too and closer to commissioners to advocate for our services
- Ownership
- Partnership approach – other benefits including transparency and trust that will mitigate any perception re the Trusts financial performance. Investment conversations have been less challenging due to shared ownership.

7.4. Application of Tariff Inflator

Where the Tariff doesn't apply services are expected to achieve cost improvements to the extent that is required through contract negotiations; usually to fund inflation, including traditional overhead cost increases such as estate costs and other cost increases. Where the Tariff does apply (largely Sheffield CCG and related associates in relation to Health block contracts) the assumptions within the Tariff are applied.

The Trust has rolled a number of uncommitted reserves from 2018/19 into funding pressures associated with the 2019/20 tariff thus reducing the burden on directorates via increased CIPS. This is predominately driven by the pay award funding only being assumed to fund 66% of our cost base, where as a Mental Health provider the Trust operates closer to 83%. The overall pressure driven via the inflation funding have led to increased CIP requirements above the tariff 1.1% efficiency.

7.5. 2019/20 Provisional CIP targets

The reduced tariff efficiency requirement of 1.1% from 2% was welcomed, although the trust has been given an additional efficiency requirement of c0.4%. However, the underlying CIP requirement has historically been closer to double the tariff efficiency due to numerous pressures within the baseline tariff calculations and in order to fund the annual level of cost pressures and investments deemed appropriate in addition to an underlying level of surplus.

Based on current proposals including investments to support the wider strategic need of the Trust, the Trusts CIP targets are c2.5% for the primary clinical directorate and c4% for all others (some element are exempt so this is reduced in terms of overall quantum). Even though this will be challenging to deliver, TOG and EDG support the principle of moving back to a differential approach. This is to ensure front line services are protected as much as possible. The feedback from NHSi on the draft plan did elude to the national benchmarking and model hospital findings eluding to further scope for further saving opportunities from back office and support functions.

The need to provisionally earmark c£1.4m for ward investment results in clinical CIPs remaining closer to the indicative 2.5% and not being reduced further at present. The current position in respect of intended plans is summarised in Table 1.

Table 1: 2019/20 CIP Progress

Status	Fully Developed	Plans in Progress	Plans in Progress	Opportunity	Opportunity	Unidentified	Grand Total (Target)
Directorate / Risk Rating	Low (£)	Low (£)	Medium (£)	Medium (£)	High (£)	(£)	(£)
Crisis & Emergency Care	582,118					265,236	847,354
Scheduled & Planned Care	622,433		100,000			142,328	864,761
Clinical Directorate Management	154,115			41,067		23,217	218,399
Sub-total (Main) Clinical Directorate	**1,358,666**		**100,000**	**41,067**		**430,781**	**1,930,514**
Medical	119,290						119,290
Deputy Chief Exec	43,852						43,852
Nursing Professionals & Care Standards	47,941						47,941
Human Resources	48,759					55,146	103,905
Finance	233,044	38,000		74,419		171,244	516,707
Sub-total Other Directorates (after main Clinical)	**492,886**	**38,000**		**74,419**		**226,390**	**831,695**
Grand Total	**1,851,552**	**38,000**	**100,000**	**115,486**		**657,171**	**2,762,209**

Deputy Chief Exec

Chair / CE Office	34,668						34,668
Strategy & Transformation	9,184						9,184
Total	**43,852**						**43,852**

Finance

Facilities	121,974	38,000		74,419			234,393
IMST	28,187					171,244	199,431
Finance	82,883						82,883
Total	**233,044**	**38,000**		**74,419**		**171,244**	**516,707**

Initial indication from these returns is that there is a potential gap of c.£0.431m in 2019/20 across Clinical Directorates. The current Corporate gap is £0.226m. Inclusive of the CIP gaps b/f from the current year the potential cumulative gap stands at £0.657m as in table 1.

CIP Plan Status

Between draft and the final submission on the 4th April, a significant amount of work has been carried out to close the current CIP gap and reduce the level reported as unidentified or high-risk schemes. This includes the completion of a quality impact assessment. Internal processes are scheduled to firm this up over the remainder of March and early April.

All CIP schemes continue to go through a thorough Quality Impact Assessment (QIA) process which aims to be concluded before the end of April where plans are identified to date.

Stage	Timetable
Current proposed CIPS to be reviewed and confirmed in respect of intended CIP plans from each department and Directorate as part of initial plan submission	Up to Plan submission on the 12th February 2019
Review by the CIP Working Group re financial assurance, recurrent nature, viability of proposal and implications on other services	February through to late March
Quality Impact Assessment review and sign off	During March and April prior to submission where possible
Final CIP plan confirmation	April Plan submission to Board and NHSi

Alternative Methodology

Work remains on-going with regards to the longer term objective to develop further CIP plans. National agendas such as the Lord Carter productivity work, model hospitals and NHSi agency usage review, all point to an opportunity for review and re-consideration. This is in addition to the results of various Corporate and clinical benchmarking results produced by the NHS Benchmarking club and more recently NHSi.

CIP Challenge - Procurement

In order to periodically review how the Trust achieves its Value for Money objectives, we have considered different approaches in how we accomplish this. In this respect, it's proposed that the Trust looks to implement a procurement led target which would focus on cost avoidance and cash releasing activities.

It is envisaged that this would firstly look at Trust-wide savings across expenditure categories; these savings would be realised at a transaction level by individual Directorates but then at a Trust level in the achievement of closing recurrent CIP gaps. The Trust is aiming to deliver up to c£0.25m of savings from procurement led saving schemes.

7.6. Disinvestments

The number of post remaining on redeployment and/or in unfunded roles has reduced. The disinvestments identified for 2019/20 are slightly more than the £0.333m planned from 2018/19 and will have a direct impact on clinical service provision across both the crisis and scheduled care pathways. In addition, this will also have implications for corporate service as a result of associated overheads.

Assumed Disinvestments

- Liaison and Diversion services – Contract Value c£450k – Loss of Business as a result of re-procurement and award of contract to alternative provider. (TUPE assumed to apply; in the main this is low risk)

- Buckwood View Nursing Home Staffing Provision – to be reviewed in 2019/20 but planning for disinvestment in 2020/21 as a result of reconfiguration of services by commissioner. SHSC will no longer be considered core provider. (TUPE assumed to apply; in the main this is low risk). Can insist on 12 months formal notice and not received as yet.

Where possible, risk sharing arrangements are being established to minimise the financial impact of the disinvestments; in particular relating to associated potential termination costs where redeployment or TUPE doesn't apply.

7.7. Investments

In the 2018/19 planning round the focus was on continued investment to deliver on the Trust strategic objectives and the continued progress to addressing of the CQC findings. This included delivering on the CQC action plans which remained a priority, particularly related to safety.

Where previously approved investments were made in 2018/19, these have been converted to full year effect where appropriate and where previously non-recurrent, have been considered for extensions in line with all other new investment needs. Investments have been agreed where they meet the Trusts strategic objectives.

Within Clinical Directorate there are a variety of issues which will need action to be taken to mitigate pressures developing next year.

During 2018/19 there has been a significant review of the current funded establishments in warded areas. Warded areas have been costed based on current activity and acuity and gone through verification process within senior leaders within the Directorate. This has highlighted a potential £1.4m disparity between that, and what is deemed an affordable rota. The result of this review has realised that the staffing establishment required to manage baseline activity is currently under funded. A provisional £1.4m investment fund has been earmarked but it subject to CIP delivery.

There are also significant pressures within regards to:

- Out of town budgets.
- The partnership with PCS around primary care.

7.8. Reserves

Contingency

The Trust holds a modest contingency reserve to enable some in year decision making and the ability to invest to respond to risks which develop in year. In the short term, this offsets CIP gaps whilst the final plans are developed.

Contract/Income Risk Reserve

The Trust holds a modest contract risk reserve to enable the mitigation of some key risk areas. This includes the on-going overspend in primary care and other services such as Forest Lodge and in-patient staffing generally.

CQUIN reserve

The CQUIN risk reserve held has been halved following the reduction in CQUIN income which is now at risk of non-achievement. Past performance indicates despite best intentions, aspect are lost under penalties.

7.9 Capital

In the previous financial year, a significant 5 years' capital programme was approved to cover financial years 2018/19 to 2022/23. For various reasons, significant delays occurred with regards to the progression and sign off of the individual schemes within the plan.

The total revised capital investment proposed for the period 2019/20 – 2022/23 now amounts to £52.194m over the next 4 years with a provisional £7.577m earmarked for financial year 2019/20. In

many cases, formal business cases are still required to be produced as in line with Trust internal and external governance reporting requirements.

A number of upsides also existed in last year plan from a cash and capital funding source perspective. This additional external funding was being targeted to reduce the level of Trust cash required to underpin this. To date the main schemes include:-

Longley Acute Care Reconfiguration Phase 2 c£33.547m (from 2019/20 to 2022/23)

Further to Board outline business case approval, enabling works have started in November 2018 with the deadline for completion to be February 2019 at a cost of £1.649m; with an upside in the form of PDC funding of £416k; this project is on target for financial year 2018/19. Other costs foregone on previous financial years including enabling works are related to fees for design and project management totalling cost foregone of £3.533m.

The total for the whole ACR II project as approved at the OBC stage adds cumulatively to £37,080m which included enabling works and PDU. This figure is however subject to uncertainty due to 9 to12 month's delay to start Phase II as a result of the ECT reconfiguration, followed up by the tendering and award process. The timing of future cash flows has now changed, and it is expected some impact on pricing in line with changes in the market/industry sector in relation to "Brexit".

Such delay means that completion of the project will take place over financial year 2022/23 rather than year 2021/22 as originally planned. In consequence, ACR II impairment and depreciation charges are delayed for a full year; in contrast disposal and capital receipt of MCC will also suffer a year's delay. Running cost and backlog maintenance requires further analysis to identify unexpected costs whilst a healthy cash balance of around £10m is still forecasted by end of financial year 2022/23

Insight II – DIMHP c£7.279m

Conversations with NHS Digital are well advanced in order to secure funding of £3m over a 3 years' period to support this project. NHS Digital agreed a proposal which includes £2.676m of capital funding and £0.324m of revenue funding. However, this is subject of a "go-no-go" assessment in May-June 2019 in order to secure NHS Digital's sponsorship.

It is important to understand that originally DIMHP was meant to produce a "data warehouse", however this is out of the scope of the project and more resources might be required to fund this asset in the near future. Given the resource intensive nature of the primary IMST projects, only minimal other schemes are anticipated to be deliverable during 2019/20. There is a high risk associated with the financial element of this project in relation to high levels of unplanned revenue charges; this could have a negative impact on the match funding agreement. In the worst case scenario, SHSC could procure an "off-the shelf" solution within a reduced £4.2m envelope. This is being monitored between Finance and IMST whilst negotiations with key stakeholders are taking place.

Other Estates schemes HQ Relocation - Leaving Fulwood £1.5m / Wardsend £0.5m

This includes the relocation of our HQ from an owned estate to new rented HQ. This will be delivered in two parts. It is planned that Finance and IMST will move first to an existing Trust premises at Wardsend Road. This will reduce the size of the new HQ accommodation for the remaining departments, and the relocation will facilitate the disposal of our existing estate for a significant capital receipt which will contribute to funding our ACR development above and off-set some of the relocation charges.

Linked to leaving the Trust HQ there are few further IMST investments required/proposed.

- New Build - Data Centre £1.3m (Wardsend Road, £0.380m for Estates works and £0.920m for IMST)
    - Strategic (10GB) network infrastructure for new computer room.
    - Server/Storage Investment to support data centre migrations.

There are a number of facility schemes that fall outside of the primary ACR Longley Phase 2 project. These include

- Potential Rivermead investment c£3m (F/Y 2020/21). (however this does not include "Pharmacy" relocation which in turn might delay decant of another Trust site MCC following the ACR development)

New Community Hubs and other Estates projects including “garden and ground works”, nursing control/alarm system with an allocation of c£3m for years 2019/20 to 2020/21 (would generate a disposal receipt across three old existing sites). However, these are also being analysed in line with the full portfolio of investments. Chances are that due to ACR II developments taking priority, some projects like Community Hubs might be delayed from an affordability angle until ACR II is completed.

Following an exercise to review and refresh the plan in line with the Estates Strategy, the Capital Plan has now been updated and the revised totals fed into the annual planning process. This will be refined further as part of the draft ad final submission throughout end of March/beginning of April 2019.

The plan assumes a baseline modest increase and growth in IMST investment as a key enabler of efficiency and automation. External funds are becoming available for IMST within the ICS patch which for financial year 2019/20 amounts to £0.5m. The Trust also continues to support the role out of E-rostering and job planning software in support of the NHSI Long Term plan and IMST and digital focus.

Areas of potential capital investment still to be resolved (Could increase need)
The strategic direction of our future Pharmacy services and the data warehouse needs will also need prioritising.

Increases to capital spend such as these will also increase the depreciation and capital charges figures within the I&E plan, and therefore could require additional CIPs in future years.

The Trust is not proposing to ratchet down deprecation budgets as funding will need to be transferred to cover the new HQ rental costs from 2021/22, Thus whilst some short term flexibility may exist, in the long term funding requirements remain and it is essential we don’t have to increase future CIPs to cover this pre-commitment.

Some further refinement is needed with regards to capital profiling. This is likely to push costs back and create some minimal short term flexibility which will be finalised as part of the final plan submission.

However, the biggest risk to timing and Capex profiles was around the NHSi delays in seeking approval re ACR which was caught up in the sector pressures around capex funding. This issue has now been resolved with confirmation from NHSi enabling this to progress following this now being a material transaction.

<u>Other NHSi Feedback</u>

We have made further progress on reducing our CIP gap and continue to close this further as referenced above.

Our Agency expenditure is planned to reduce, quite substantially. This is in part due to the Trust no longer being responsible for procuring GP locums on behalf of our partnership with Primary Care Sheffield Ltd. These are now employed outside the Trust and will not be part of our expenditure base going into 2019/20. Although this reduction therefor looks ambitious in terms of plan reduction its correct. The rests of our agency expenditure is being managed collectively in line with national initiative and mandates that are fully supported. The only areas of significant agency usage and/or consultancy remains linked to IMST projects and the national GDE FF project.