SEPT

There is a slightly odd notion in business today that things are moving so fast that strategy becomes an obsolete idea. This is a mistake. If you do not develop a strategy of your own, you will become part of someone else's strategy. Alfred Toffler

Strategic Direction

2011-15

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1.0 Foreword

Our Vision

Our Values

People who use the service	VALUES	Colleagues (including partners)
In tune with me		**In tune with me**
We believe you can live a fulfilling life	**OPTIMISTIC**	Everything we do - every intervention - is focused on helping you feel better
We respect you as an individual, and expect you to respect us too	**RESPECTFUL**	We value each other's contributions
We listen to your point of view, and think about things in the context of your life	**EMPATHISING**	We consider each other's perspective
We will give you choices	**INVOLVING**	We work together as teams, within our organisation and with partners
We help you to take control of your life	**EMPOWERING**	We all have permission to innovate
We'll help you to play an active part too	**ACCOUNTABLE**	We want to be judged by our results

optimistic respectful empathising
involving empowering accountable

Our vision of **"providing services that are in tune with you"** and our organisational values were developed and designed to describe the Trust's intention of and commitment to responding to the strategic, as well as operational and day to day challenges that we face. Being **"in tune with"** national and local policy developments and requirements; the complex and competitive environment in which we operate; commissioning intentions and public expectation, means that we will achieve our strategic and operational priorities.

The NHS is facing the most radical structural changes and financial challenge in it's history. Whilst SEPT is able to demonstrate a history of being able to respond to changes around us; the scale of the changes and challenge is such that we will need to use every ounce of our experience, enthusiasm and commitment to high quality patient care to make sure that SEPT is in a good position to continue to provide the services that people we care for want and deserve.

SEPT's Board of Directors and senior management team has spent considerable time and energy over the past 18 months developing a strategy that will ensure that SEPT is as successful in the future, as it has been in the past.

I am delighted that we are now in a position to present our strategic direction and vision for the Trust for the next three to five years. In light of the scale of change and challenge that the NHS is facing, it is not practical for us to develop a comprehensive and detailed five year plan like that which we had for the planning period covering 2006 to 2011. We have instead developed this strategic direction and vision document as a framework within which we plan to continue to deliver high quality health and social care services **in light of what we know now.** We will work with our staff and partners each year going forward to develop detailed Annual Plans that reflect the aspirations set out in this strategic direction and vision where it remains appropriate, but will also adapt our priorities and plans where required in light of future developments.

I would therefore urge all of our staff, our governors, our members, our service users and our partners to take 5 minutes out of your very busy lives to read this document. Having a strategic direction and vision that we all understand and support will enable us to have a shared sense of purpose, shared objectives and actions and a shared responsibility for delivering what is needed in the very difficult times that are ahead of us.

2.0 Executive Summary

SEPT is proud of the many achievements it has had over the past 5 years. We have modernised services; our patients enjoy high levels of service; we can evidence improved efficiency and productivity; our staff satisfaction levels are amongst the best in the NHS and the Trust has grown significantly. We have a very firm foundation on which we can build future success, but we must not be complacent.

Going forward, the Trust is faced with complex structural changes in the health and social care system which has the potential to create instability and delayed decision making; radical new policy developments that will require significant response; increased demand for services that will need to be met; increased public and government expectation in respect of the quality of services provided and a financial challenge that will result in the Trust not being viable within a short period of time if radical action is not taken.

"Doing nothing" is not an option as we believe that SEPT must be sustainable as a provider of health and social care services in the future.

The Board of Directors has agreed that SEPT will pursue a strategy of growth, through the acquisition of additional contracts for services, over the next three to five years. Growth will be achieved through competitive tendering for new and existing services; development of new services that respond to the changes in the landscape of provision; strategic alliances with other providers of care services and merger or acquisition of other provider organisations.

The Board of Directors has identified that SEPT will need to take action in four specific areas of activity that are identified as our strategic priorities for 2011/12 and beyond:

Priority 1
Delivering high quality and safe services
Priority 2
Transforming services
Priority 3
Creating an efficient and effective organisation
Priority 4
Clear plans for the future

These strategic priorities will provide a framework for action in each of the 5 years in the planning period covered by this strategy.

By 2015 it is our vision that SEPT will become an integrated care organisation, providing a range of care services, not just mental health or traditional community health services.

By 2015 SEPT will have developed effective partnerships or strategic alliances that have contributed to the overall strategy.

As a result of implementing the changes required, we believe that SEPT will have survived and thrived during the period of radical and complex change and financial downturn, and will be a market leader in the provision of health and social care services.

By 2015 SEPT will be of sufficient size to enable financial and organisational stability going forward. We believe that SEPT could potentially have a turnover of £500 million and a workforce of 5000 plus as a result of pursuing the growth strategy described previously. This will mean that the Trust will have to pursue acquisition of additional community health service contracts in each of the next 5 years and will have to consider a merger with or acquisition of an existing provider organisation of a similar size to SEPT, as well as pursue other opportunities to generate additional income.

By 2015 SEPT will have developed and implemented clear fully integrated health and social care pathways that are primary and community care facing. There will be a radically different model of service in place that effectively gate-keeps secondary care services and provides a one stop shop approach to meeting the health and social care needs of a defined population, that is not based on traditional organisational or service boundaries and constraints.

By 2015 SEPT will have implemented a locally responsive management structure and will be at the forefront of having an efficient infrastructure that effectively supports all of the Trust's activities, in multiple locations.

By 2015 SEPT will enjoy a reputation for employing the best staff, who are leading clinical, social care and support service innovation.

3.0 Introduction

SEPT developed it's last 5 year plan in 2006 as an integral part of the application process associated with becoming one of the first 3 mental health NHS Foundation Trusts (NHSFT). At the time, the plan set out a challenging programme of action that would fully embrace the opportunities and freedoms that being an NHSFT offered and would ensure that SEPT remained as a strong, financially viable, provider of the highest possible quality services for people with mental ill health and those with learning disabilities.

Since 2006, SEPT has demonstrated that it is capable of delivering the priorities, objectives and actions that were set out in the original 5 year plan and it has demonstrated that it is capable of adapting and responding to an ever changing and complex environment through effective planning; good governance and sheer hard work. Today, SEPT enjoys a reputation of being one of the top providers of NHS and social care services in England.

Our key achievements since 2006:

Modernisation

Successful completion of Runwell Hospital closure programme, which required building of two continuing care facilities; complete refurbishment of Rochford Hospital, building of Brockfield House, building of Brentwood Resource Centre and development of two further community resource centres and two day hospitals.

Efficiency

Establishment of a Mental Health Assessment Unit as part of the crisis pathway which includes provision of Crisis and Home Treatment Teams that has enabled the closure of a 24 bed adult acute admission ward; closure of a 12 bed psychiatric intensive care unit (PICU), closure of a 20 bed ward for older people with organic mental illness and the transfer of adult and older peoples acute admission beds for residents of Brentwood from a provider in north east London.

Productivity
Substantial improvement in access to all of our community based services through the introduction of a Central Assessment Service and achievement of stretch targets for reductions in waiting times from referral to assessment and referral to treatment in excess of nationally required targets.

Experience
There have been significant improvements in the quality of patient experience since 2006 as a result of both environmental improvements and changes to service models and practice.

Workforce
Staff satisfaction rates have consistently remained in the top 20% of performance nationally and the Trust has achieved a number of awards in the Healthcare 100 awards scheme for being the top employer in a number of categories and also the best employer in 2009.

Governance
The Trust has achieved financial risk ratings of a minimum of 4 (out of 5) and governance risk ratings of green since Authorisation as an NHSFT in 2006. This means that SEPT has consistently achieved it's financial and quality targets over the past 5 years.

Growth
The Trust has secured additional contracts for services (e.g. employment services and IAPT (Improved Access to Psychological Therapies)); generated additional income from the sale of spare capacity and developed new services to respond to new demand (CAMHs in-patient services and carer support). From 1 April 2010, the SEPT family was substantially increased through the acquisition of the former Bedfordshire and Luton Partnership NHS Trust. Our contract income grew by approximately £70 million and we now have a total staffing complement of approximately 4000. During 2010/11 the Trust also successfully participated in competitive processes that resulted in being identified as the preferred acquirer of community health services currently provided by NHS South East Essex, NHS West Essex and NHS Bedfordshire. Monitor (independent regulator of NHSFTs) is due to risk rate these transactions during the summer of 2011 and subject to satisfactory risk assessment, it is anticipated that SEPT will formally acquire these additional contracts for services (total value approximately £110 million) by October 2011.

SEPT is proud of the many achievements it has had over the past 5 years. We have modernised services; our patients enjoy high levels of service; we can evidence improved efficiency and productivity; our staff satisfaction levels are amongst the best in the NHS and the Trust has grown significantly. We have a very firm foundation on which we can build future success, but we must not be complacent.

3.0 Strategic Context

If SEPT is to be successful and viable in the future it has to understand the changes to the environment that have happened in the past and the impact of changes that are planned, or may happen in the future. In this section, we have identified the past changes; the planned changes as a result of the new Coalition Government's health and social care policy commitments; the commitments we have made locally to "doing the day job" well; potential changes to demand for services that we provide and the financial challenges facing public services generally (and our organisation specifically) as a result of the economic downturn.

3.1 Changes to service provision over the past five years

There has been a radical transformation of health and social care services over the past five years, which has lead to significant improvement in the quality and outcomes of service provision locally and nationally:

- There has been a shift in emphasis on where care is provided from being a hospital, bed based service model to one where care and treatment in the community in people's homes and in community based resource centres is a priority. We can expect this priority to remain going forward and for it to be extended further and faster in the future.
- There has been a shift in emphasis related to where the focus of care is. In the past the focus was on services; now it is on the individual and how personalised and individualised care will really make the difference. We can expect further developments to take place in relation to personalisation and greater choice and control by the individual consumer in the future that we will need to respond to.
- There has been a shift in emphasis from inputs, outputs and targets to a new focus on outcomes. We can expect there to be particular focus on outcomes in mental health in future as there has been relatively slow progress made nationally in developing agreed outcome measures.
- There has been a shift in emphasis on treatment to service models based on prevention, early intervention, condition management, compliance with treatment and recovery. We can expect the focus on new models of service aimed at these parts of the patient pathway to continue in future in order to reduce the demand for secondary care services. Integrated care, directly accessed in a primary care setting, backed up by more focussed and efficient systems of specialist care and advice will be the model of care required in future.
- There has been a shift in emphasis in respect of the payment mechanisms in contracts for health service with most services now paid for by commissioners based on an agreed tariff per case instead of block contracts for a range of activity. We can expect an expansion of the payment by results principles to many more services in the future.

3.2 Structural Changes Planned In the NHS

The Coalition Government published it's plans for the NHS in the consultation document "Liberating The NHS" in July 2010. The Coalition Government has set out radical changes to the structure of the NHS which are aimed at improving the quality and efficiency of the NHS over the next 5 years. The proposed reforms are currently the subject of national debate as they pass through Parliament and may be subject to further change as a result. However, some of the proposals are already filtering into policy, through for example, publication of the Operating Framework for the NHS for 2011/12. Full details of the proposed plans (as they currently stand) are available on the Department of Health website www.dh.gov.uk. The key proposed policy commitments are set out below, but it will be the capacity and capability of the health and social care system to manage the scale of change in the coming years that will also be the key challenge:

3.2.1 Putting Patients and the Public First

- Shared decision making: "no decision without me" as basic principle of care. In successive national patient surveys, SEPT's service users have indicated that their involvement in care planning can be improved and this must be a priority for the future.

- An "information revolution" will be facilitated to provide patients with improved access to the information they want and need to make the right choices about their health and healthcare. This will require a rethink of the way in which SEPT provides information. Services cannot rely on traditional information leaflets and traditional ways of communicating with patients in the future and we will need to continue to find new ways, using technology, to empower people who use our services.

- Extension of patient choice arrangements to include choice of provider in increased range of specialities (including mental health and community health services), consultant led team, GP practice and treatment. Linked to the development of tariff for services provided by SEPT, this policy has the potential to have a significant impact in the future. We have to ensure that services fully meet patient expectation or risk our patients choosing an alternative service provider and the funding for their care following them.

- Continued focus on experience of receiving services and use of real-time feedback systems is encouraged. Our focus has to be on understanding what our patients think about all of our services in a regular and consistent way and that we use their feedback to change service provision. As the range of services provided by SEPT grows and the geographic areas in which services are provided changes, we must develop a new focus on engaging with minority groups. A "one size fits all" approach will no longer be appropriate.

- Increased focus on personalisation; including extension of pilots of individual health budgets. Continued increasing personalisation of service provision will be key to meeting future patient expectation and has to be integral to our strategy.

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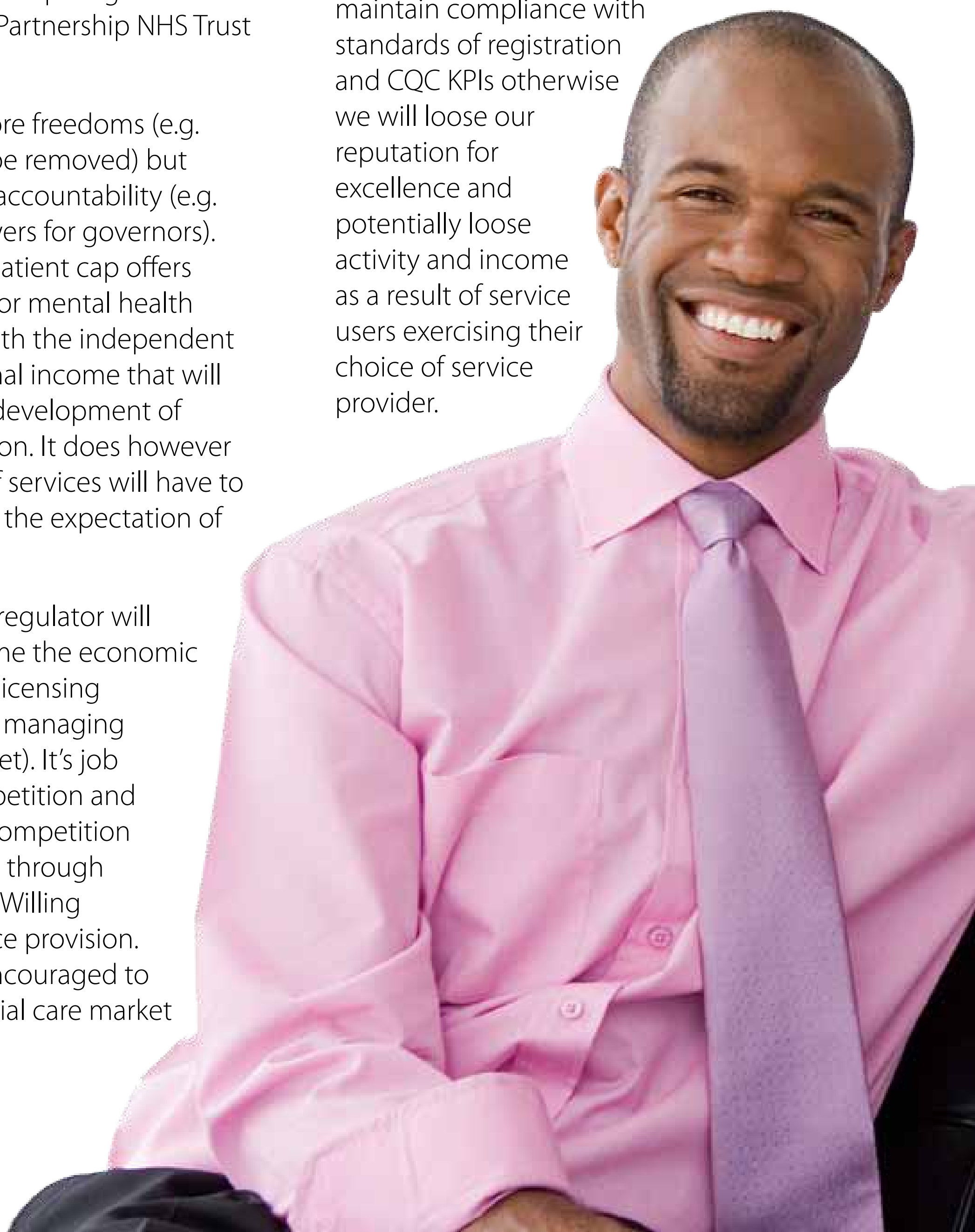
3.2.2 Improving Healthcare Outcomes

- Quality of NHS services remains the top priority for the NHS, but there will be a renewed focus on reducing mortality and morbidity, improving patient safety and improving patient experience. Reported patient experience is a potential challenge going forward. Although SEPTs in-patient results are some of the best in the country, at best, community survey results suggest average satisfaction levels. There will need to be significant improvement in reported satisfaction if the Trust is to remain as the provider of choice for commissioners and service users in the future.
- A new outcomes framework is to be introduced based on evidence based outcome measures not process based targets. Outcomes measures are not well developed nationally in mental health and community health services and there will need to be a great deal of work undertaken to respond to this agenda to ensure that the Trust's success in relation to managing process targets is not undermined by delays in progress with measuring outcomes.
- Quality standards developed by NICE will inform commissioning of all NHS care and payment systems (the DH is aiming for 150 services to be covered by these standards). We will need to ensure that all services provided meet NICE guidance going forward.
- There will be an extension of "payment by results" to additional services (including mental health and community health services). Development of a tariff for services provided by the Trust will require a thorough review of the systems in place to collect activity and identify the costs associated with it. Every service will have to ensure that care pathways are clear, that they are efficient and that they are effective.
- Provider payments will be linked to improved outcomes through best practice tariffs, increased sanctions and incentives such as CQUIN (Commissioning for Quality and Innovation) schemes. Our past performance suggests that this policy development could really benefit SEPT in the future. We have to continue to strive for top performance; being average is not an option.

3.2.3 Autonomy and Accountability

- Responsibility for commissioning local NHS services will be devolved to new GP consortia. Commissioning of specialist services like mental health are potentially at risk as a result, as GPs may not always value the specialist service provision that has been provided historically and a focus on acute hospital demand management may dilute the focus on mental health issues. However, developing new models of service for community health and social care provision could offer significant opportunities to encourage care provision out of acute hospitals and into community and home based services.
- Well-being Boards will be established by Local authorities to promote joined up health and social care and health improvement. Responsibility for public health will transfer to Local Authorities.

- A new NHS Commissioning Board will be established to oversee commissioning of services and to reduce political interference in NHS decision making
- All NHS Trusts will become NHS Foundation Trusts (NHSFTs) in their own right or as part of an existing NHSFT. This could offer SEPT additional opportunities for growth if we are able to demonstrate successful delivery of the pledges made when acquiring the former Bedfordshire and Luton Partnership NHS Trust in April 2010.
- NHSFTs will be given more freedoms (e.g. private patient cap will be removed) but will also have increased accountability (e.g. potential additional powers for governors). Removal of the private patient cap offers significant opportunity for mental health providers to compete with the independent sector to attract additional income that will contribute towards the development of local NHS service provision. It does however mean, that the quality of services will have to improve further to meet the expectation of paying patients.
- Monitor's role as NHSFT regulator will change and it will become the economic regulator of healthcare (licensing providers, setting prices, managing competition in the market). It's job will be to promote competition and there will be increased competition in the healthcare market through development of an "Any Willing Provider" model of service provision. New providers will be encouraged to enter the health and social care market and will be used by commissioners to drive up quality and reduce costs. SEPT will have to demonstrate that it is able to compete on price and quality going forward if it is to retain existing contracts and attract new ones.
- The Care Quality Commission (CQC) will be the primary quality regulator of health and social care services, with increased enforcement powers to ensure compliance with Registration Standards. The Trust must maintain compliance with standards of registration and CQC KPIs otherwise we will loose our reputation for excellence and potentially loose activity and income as a result of service users exercising their choice of service provider.



3.0 Strategic Context

3.2.4 Cutting bureaucracy; improving efficiency

- The NHS will be required to reduce it's management (running) costs by 45% over the next 5 years. Primary Care Trusts (PCTS) and Strategic Health Authorities (SHAs) will be abolished to contribute to this target which could lead to chaos in health systems and delayed decision making as a result. The Trust will also be required to ensure that overhead costs are kept to a minimum but that the infrastructure and back office functions are sufficient to support quality and sustainability.

- There will be a maximum management cost identified for the new GP consortia. The provision of back office support to GP consortia could be a potential opportunity for the Trust to attract additional income. Back office services will need to offer excellent quality and extraordinary value for money to be able to offer the consortia a viable alternative to in-house provision or private sector support.

- There will be a substantial reduction in the number of Arms Length Bodies currently associated with healthcare (such as the National Patient Safety Agency (NPSA)) and fees will be introduced to cover the running costs of some of those that remain that the Trust will be required to pay.

3.3 Meeting SEPT's Existing Commitments

Our Annual Plan 2010/11 set out our continued commitment to providing high quality services and to remain financially secure going forward. We remain committed to:

- Delivering the service transformation plan that we agreed with commissioners in Bedfordshire and Luton by April 2012. We have a detailed plan to deliver improvements in the environment for patient care, to modernise service provision and improve service quality. Delivering our plan successfully will enhance the Trust's reputation and position it well for future potential acquisitions.

- Achieving all key targets, standards and best practice requirements currently associated with the range of services provided. If SEPT fails to achieve key requirements, it will not be able to retain existing contracts for services.

- Supporting our staff and service users through the changes. We recognise that the changes to services, to ways of working, to funding arrangements and levels and to the structure of our organisation will have major implications on our staff and our service users. Our staff remain our greatest asset and our programmes of organisational and personal development; workforce well-being and engagement will remain as a key priority. Staff satisfaction and morale, measured by the annual national staff survey indicates that despite the challenges being faced , our staff do feel engaged and supported and that they are committed to tackling the future challenges. We will continue to take action to ensure that this remains the position going

forward. We are also committed to continuing to undertake the extensive engagement activities in place with our service users and local communities that ensure we listen to our stakeholders through our Board of Governors, our FT member meetings, planning events, focus groups and individual consultation opportunities.

3.4 Need for Services

Despite rapid scientific progress in diagnosing and treating illness, health needs and need for services are increasing. These needs are driven by lifestyle changes - obesity and physical inactivity; a rapidly aging population; and wider environmental effects on health. In addition, much is known about what causes ill-health and health inequalities but these factors are not adequately addressed by a treatment focused NHS. Recent policy changes have shifted service focus to include prevention and early intervention, and to engage people fully as partners in their own healthcare. 'Well-being' is an important concept influencing both policy and the provision of services. Recognition of the inter-relationship between physical health, mental health, lifestyle and wider social determinants of health, and their impact on health inequalities, alters both how health needs are defined, and the service response required.

3.4.1 Deprivation and health

The population served by SEPT is very diverse. The population is growing and ageing, with rapid increases in the proportion that are very elderly. The population includes some of the most affluent and some of the most deprived districts in the country. There are major differences between urban and rural areas, and the proportion of the population from black and minority ethnic (BME) populations varies widely.

Life expectancy is an important measure of overall life chances and can indicate where health is likely to be poor. It is influenced by economic and social determinants as well as access to health care. Life expectancy has been increasing in the East of England and is slightly better than nationally. But this hides big variations between affluent and deprived areas, where the life expectancy gap can be up to 9 years. Life expectancy has been improving faster than healthy life expectancy, leading to greater levels of illness and disability in an increasingly aging population.

Mental health and mental illness is very strongly influenced by socio-economic disadvantage and differences in population deprivation will have a significant impact on the need for services. Deprived areas don't just have more people with mental health disorders – the disorders are also more complex and tend to have poorer outcomes from care. Access to other forms of support – private, personal and community – is also more likely to be limited and fragmented in deprived areas. Social opportunities will be rare. It is not surprising therefore that there is higher demand for and use of specialist mental health services in areas with poorer deprivation scores and higher rates of benefits claimants due to mental illness in the underlying working age population. SEPT provides services to some very deprived localities, such as Bedford, Luton, Basildon, Thurrock and Southend. Measured deprivation can sometimes be masked when relatively affluent neighbouring districts form part of the same PCT or locality.

3.0 Strategic Context

3.4.2 Early years support.

The foundations for health and well-being are laid in early childhood. The health and well-being of children today is one of the greatest influences on the future need for health and mental health services. Those born in poor circumstances tend to experience more than their fair share of disadvantage. It is therefore not surprising that research shows that around 50% of lifetime mental illness starts before the age of 14. The impacts are wider than on mental health services alone. There are consequences for the criminal justice system, the social capital of whole communities and for the next generation of children who experience poor parenting and an enhanced cycle of deprivation and health inequalities.

The most significant gains in life expectancy and health inequalities will be made by focusing on young children. Health visitors have a significant role in delivering universal programmes to the whole population, as well as supporting vulnerable individuals or families with more targeted interventions.

Data from children's surveys estimate that around 10% of children aged between 5 and 16 years will have a mental disorder, 4% being anxiety or depression and around 6% being conduct and behavioural disorders. These are average values, the estimates being much higher in lone parent families, or in families experiencing unemployment, poor educational attainment, low income, or poorer housing. Focusing on the wider determinants of health will impact not just on future mental health but on the prevalence of many long term conditions.

3.4.3 Long term conditions

Long term conditions are increasing in prevalence, in part due to the aging population, but also because of increases in obesity and sedentary lifestyles. Long term conditions affect 6 out of 10 adults but more than two thirds of people aged over 75 years, 45 percent of whom have more than one condition. Eighty percent of primary care consultations and two thirds of emergency hospital admissions in the UK are related to long term conditions.

In the Health Survey for England 2009, over 40% of men and women reported a longstanding illness and over 20% reported an illness that limited their activity in some way. However, three quarters of people reported that their health was good or very good which suggests that some people can feel 'well' despite their physical illness. Optimal care will include measures to support resilience and coping as well as direct treatment for the specific illness.

The most common long term conditions (% of patients registered with primary care) in the East of England include hypertension (12%); asthma (6%), diabetes (4.5%); chronic heart and lung conditions (5%), and cancer (1%). The prevalence of obesity (9%) is a significant contributor to the burden of long term conditions.

Although not a diagnosable condition, falls, especially in the elderly, merit attention from community and primary care services. Falls occur for many reasons – such as environmental conditions at home, side effects of medication or illness, general frailty. A significant proportion is predictable and preventable.

3.4.4 Mental health

Mental health problems and mental illness are very common in the population. Primary care registers focus on those with the most serious diagnoses so these data underestimate the true prevalence. Mental illness generally occurs at a younger age than other health problems and the long duration has adverse effects on many areas of people's lives.

The National Psychiatric Morbidity surveys have provided consistent estimates of the prevalence of mental health problems in the population over the last decade. This shows that around 16% of the population are likely to experience a common mental health problem such as anxiety and depression in any two week period. Around half of these people have symptoms severe enough to warrant treatment. Most people are treated solely within primary care. A much smaller proportion of the adult population – around 0.5% - will suffer a serious mental illness such as schizophrenia or bipolar disorder each year. Most of these people require a range of specialist mental health services, such as those provided by SEPT, as well as primary care and other social supports.

Mental illness is also common among older people with around 6,000 people in the SEPT area aged over 65 years estimated to have severe depression, and around 15,000 older people with dementia.

3.4.5 Medically unexplained symptoms

Up to 20% of consultations in general practice are for physical symptoms for which no firm diagnosis can be made. A physical cause is eventually found in around 10% and a psychological cause in a further 10%. However, 75% remain unexplained a year later, despite the symptoms persisting in around a third of these people. People with unexplained symptoms have high rates of use of secondary health care, where the prevalence of medically unexplained symptoms is around 50%. Despite a strong suspicion that there is no serious underlying problem, worry about missing something leads to extensive, expensive and unproductive investigations, and uncertainty and dissatisfaction for patients. Effective interventions do exist, including psychological support and positive risk management. The Improving Access to Psychological Therapies (IAPT) service has a significant potential role to prevent unnecessary use of secondary care.

3.4.6 Environmental circumstances

The current economic recession has impacted on all levels of society, introducing poverty, increased debt, job insecurity and fewer employment opportunities. Citizens Advice Bureau data suggest a new trend of poverty among the traditional middle income population. This group has taken on high levels of debt and job losses are resulting in a big demand for debt advice services among people not on benefits. This group may have little previous experience in dealing with hardship and consequently may be at greater risk of stress and mental health problems than those used to financial insecurity. Prolonged stress results in physical changes that increase the risk of long term conditions, such as diabetes and coronary heart disease.

3.0 Strategic Context

3.5 Financial Challenges

As a result of the economic downturn in the UK, all public services will be subject to funding reductions. Whilst NHS funding is of particular concern to SEPT, we must not forget that real and substantial reduction in local authority funding for adult and children's social care could also have widespread implications on local health and social care economies where partnership is required to meet the needs of local populations.

Although publically, the NHS has been "protected" from funding cuts and is not seen to have been affected by the recent recession, in reality all NHS services are facing severe funding constraints in order to achieve the national £15-20 billion efficiency target required to cover the cost of increased demand and demographic changes.

The Operating Framework for 2011/12 details an underlying efficiency requirement of 4% including a real reduction in income of 1.5%. In addition the NHS is also required to internally address all inflationary pressures, anticipated to be in the region of 2.5%.

In addition to these national challenges, NHS South West Essex, with whom SEPT has a contract for services, has identified a significant financial deficit as a result of over-trading in previous years that is now required to be addressed. This will result in all providers with whom the PCT contracts, being required to contribute a greater level of savings including service divestment.

If the Trust does not take any action, the impact of these financial challenges will be significant. There will be a shortfall of income from commissioners against the expenditure required to continue to deliver the level and range of services currently provided. As a result, the Trust's Financial Risk Rating, set by Monitor, will also deteriorate significantly to a level that could result in intervention. SEPT would be considered not to be financially viable and its contracts for services would ultimately be acquired by or transferred to other providers.

The scale of the financial challenge facing SEPT can be summarised as follows:

	2011/12 £m	2012/13 £m	Over 5 Years* £m
1.5% Reduction on block contract	2.6	2.5	12.3
Additional Efficiency / Turnaround for South Essex MH	3.5		3.5
Pay and Price Pressures (including local cost pressures)	4.8	4.6	22.9
Delayed CIP Bought Forward	.4		.4
Total Planning Gap	11.3	7.1	39.1
Financial Risk Rating	2	1	1

* Non Cumulative

The Trust has developed a comprehensive financial plan covering the period 2011/12 – 2015/16 which was approved by the Board of Directors in March 2011. This will require continued review over the planning period in light of local and national developments. It is clear however that to respond to the challenges faced and to remain financially viable, the Trust will be required to implement challenging cost improvement plans (CIPs) and potential service divestments in each of the 5 years going forward. The Board of Directors has identified detailed plans that will deliver the efficiency savings for the first three years and has also identified broader savings targets for the following two years that will be developed into more specific initiatives in due course. These are set out in the Trust's Annual Plan 2011/12 and in the Financial Plan 2011/12 – 2015/16.

Although the Trust has an excellent track record of delivering CIPs, with only minimal CIPs in 2010/11 not proving to be deliverable (0.2%), the level of efficiencies now required to be recurrently delivered year on year is significant. This will require considerable management expertise and input to be successfully delivered.

The acquisition of BLPT in 2010/11 has enabled a significant contribution to the CIP plans for the Trust to be made from the integration of management and back office functions. The acquisition of community health services in 2011/12 will also contribute to the CIP plans going forward.

In developing the CIP plans, the Board of Directors has adopted a number of principles that it uses to minimise the impact of the CIP:

- Proposals should maintain existing service levels wherever possible
- Proposals must be achievable and deliverable in the year
- Proposals should be assessed to ensure that any adverse impact on clinical risk is minimal.
- Proposals should be sensitive to staff interests and minimise impact as far as practicable
- Proposals should consider all management and administrative functions before impacting on clinical services while acknowledging that an acceptable level of management must be maintained at all times.

However, without growth in overall contract value, the Trust's CIPs are not sufficient to address the total planning gap over the planning period. In addition, the CIP demonstrates that if the current level of planning gap continues into future years, that front line services will begin to be affected more significantly from year 2.

It is clear that going forward, the Trust is faced with complex structural changes in the health and social care system which has the potential to create instability and delayed decision making; radical new policy developments that will require significant response; increased demand for services that will need to be met; increased public and government expectation in respect of the quality of services provided and a financial challenge that will result in the Trust not being viable within a short period of time if radical action is not taken.

4.0 Our Response to the Challenges Identified

One of the key strengths of SEPT's Board of Directors and senior management team is that collectively we have a great deal of experience of anticipating and successfully managing complex change. We have therefore considered the options that the Trust could pursue in light of the challenges that are faced.

There are many organisations that are choosing to do nothing. There are so many unknown factors that could lead to potentially very different outcomes that it may be right to wait until there is some further certainty about the future.

We considered this option in some detail and came to the conclusion that doing nothing is not an option. The Board strongly believe that being prepared; anticipating the challenges and having an agreed plan to respond is the right action to take.

Without effective planning and taking a range of actions now to mitigate the financial and market related risks that are faced, it will be too late to respond when the impact of the current reforms do materialise. Even if SEPT is able to identify and deliver programmes that will achieve the 2011/12 efficiency savings of £11.3 million, it is unlikely that the required levels of efficiency savings for 2012/13 and beyond can be delivered, as the infrastructure required to support continued service delivery will be unaffordable. Doing nothing could mean that services are decommissioned; contracts are awarded to other providers; that more jobs are lost as a direct result of contract changes or of having to reduce overhead costs to reflect a smaller organisation. In the worst case scenario, there is the potential that the Board of Directors will be removed and SEPT will be acquired by another provider.

In all of the strategic discussions that the Board of Directors and senior management team have held, there is a shared belief that SEPT should continue to be a provider of health and social care services in the future. SEPT staff have the experience, the energy and the reputation for excellence that will make a valuable contribution to the health and social care system of the future and the Board of Directors is therefore committed to finding solutions to the problems faced and most of all, being in control of the Trust's destiny.

"Doing nothing" is not an option as we believe that SEPT must be sustainable as a provider of health and social care services in the future.

The Board of Directors has considered in detail the range of actions required to ensure that SEPT is financially viable in the longer term and is therefore able to continue to deliver high quality services in the future.

The first key decision required, related to the financial plan for the Trust, with the key question being: "How do we afford the overhead costs associated with delivering safe, high quality service provision?"

SEPT could plan to contract (reduce) its service provision. To deliver the required levels of efficiency savings we could plan to reduce services and centralise remaining provision onto

fewer key sites in each locality. This will release savings through concentrating overhead costs on fewer sites and services.

However it was identified that:

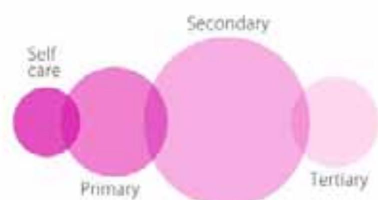
- our financial plans already include some estate rationalisation (so anything that we do would have to be in addition to plans already developed);
- this option would severely impact on access to services and would be considered as a significant service change that would be subject to external scrutiny and public consultation;
- any reduction in overhead would have to be greater than the value in reduction in service to ensure that there is still a contribution to surplus. For example a 25% reduction in service must be matched by a 35% reduction in overhead in order to achieve a 10% contribution to the Trust's surplus;
- this level of reduction in overhead potentially undermines the ability of the Trust infrastructure to support delivery of safe and quality services;
- the savings achieved would only be possible as a "one off" and would require an extraordinary effort to achieve, the cost of which may outweigh the resulting benefits. It is believed that this solution would not realise the long term efficiencies required and would only defer concern regarding viability of the Trust for one or two years.

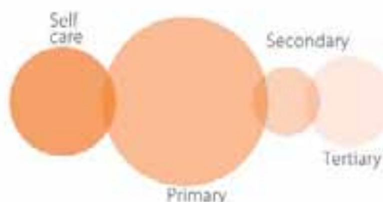
If contraction is not a viable option, further growth of the Trust could contribute to it's sustainability because:

- acquisition of additional contracts for service offers the ability to maximise contribution to surplus as a result of maximising service synergies;
- increasing the quantum of service provided can be achieved with growth in the cost of the overhead at marginal cost. For example, 25% growth in service with just a 10% growth in overhead costs will result in a 15% contribution and an infrastructure that is capable of supporting safe and high quality services.

The Board of Directors has agreed that SEPT will pursue a strategy of growth, through the acquisition of additional contracts for services, over the next three to five years. Growth will be achieved through competitive tendering for new and existing services; development of new services that respond to the changes in the landscape of provision; strategic alliances with other providers of care services and merger or acquisition of other provider organisations

5.0 Our Strategic Vision





Trends in the health and social care environment are starting to drive changes in the market structure of the NHS and wider local government.

- Vertical integration is seen by many as the route to creating the necessary incentives to drive activity out of hospitals and into local communities.
- New models of clinical services often require providers to work together to combine skills and capabilities.
- Existing structures often make it difficult to unlock value from assets and estates.
- The need to create critical mass is driving the argument for consolidation.
- The efficiency and quality agenda will require consideration of the configuration of back office and support service arrangements.
- Smaller organisations will be increasingly called upon to justify their continued independence.
- New partnerships and strategic alliances will drive change.
- There will be partnerships between the NHS and the independent and voluntary sector. These partnerships will introduce the innovation needed to drive efficiency and quality in clinical and back office functions.

It is envisaged that in the future, the structure of the NHS will be very different. It is likely that there will be fewer, larger provider of secondary care organisations, with the potential to be more efficient because of the economy of scale they are able to offer. The providers may not be traditional NHS providers but will instead be integrated care organisations; potentially operating in partnership with others; perhaps providing acute, specialist and community health care services as well as social care services covering care pathways for specific care groups such as older people or children. These new types of organisations will have critical mass and will be able to respond to the new environment by having an efficient infrastructure; multi skilled staff who are organised and work in different ways and effective leadership.

We have considered the changes that are required to create the type of organisation, or organisational model that will be capable of achieving the growth strategy agreed by the Board of Directors.

"Providing services that are "in tune with" all of our stakeholders needs will never be more appropriate. Being "in tune with" means that SEPT has to fulfil it's obligations to stakeholders and to fulfil these obligations will require an organisation that is very different to the SEPT we recognise in 2011.

Type of organisation

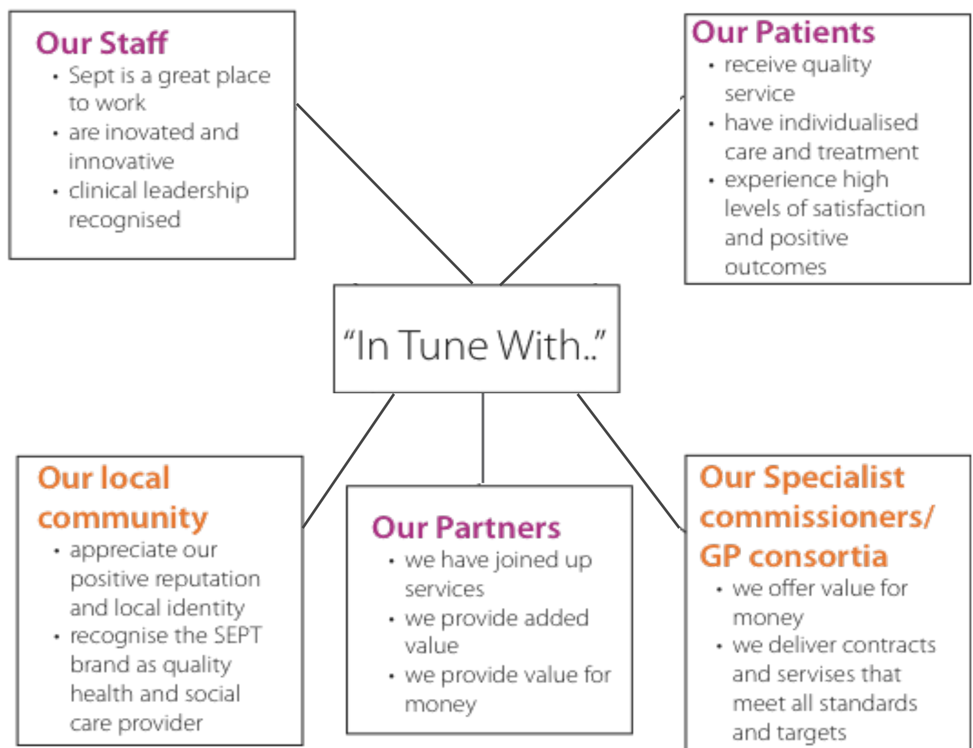
Characteristics	NHS Trust	NHS Foundation Trust (in current form)	Community Service Provider	Social Care Provider	Integrated Care Organisation
Excellent patient experience	✓	✓	✓	✓	✓
Delivers effective outcomes	✓	✓	✓	✓	✓
Good levels of community engagement	?	?	?	?	✓
Innovative	✗	✓	✗	✗	✓
Synergies between services	✗	✗	✗	✗	✓
Integrated care pathways	✗	✗	✗	✗	✓
Business support infrastructure that equals private sector	✗	✗	✗	✗	✓
Ability to deliver financial efficiencies	✗	✗	✗	✗	✓
Sustainable in the longer term	✗	✗	✗	✗	✓

By 2015 it is our vision that SEPT will become an integrated care organisation, providing a range of care services, not just mental health or traditional community health services.

By 2015 SEPT will have developed effective partnerships or strategic alliances that have contributed to the overall strategy .

As a result of implementing the changes required, we believe that SEPT will have survived and thrived during the period of radical and complex change and financial downturn, and will be a market leader in the provision of health and social care services.

By 2015 SEPT will be of sufficient size to enable financial and organisational stability going forward. We believe that SEPT could potentially have a turnover of £500 million and a workforce of 5000 plus as a result of pursuing the growth strategy described previously. This will mean that the Trust will have to pursue acquisition of additional community health service contracts in each of the next 5 years and will have to consider a merger with or acquisition of an existing provider organisation of a similar size to SEPT, as well as pursue other opportunities to generate additional income.



5.0 Our Strategic Vision

An indicative financial plan is shown below to illustrate how our vision is achievable:

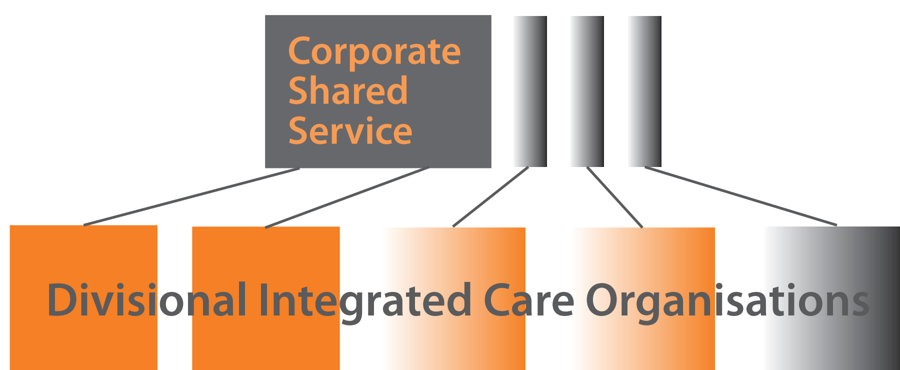
	2011/12	2012/13	2013/14	2014/15	2015/16
Baseline	200	312	321	326	494
Efficiency/ reduction		-31	-32	-16	-25
Community services	110	30	25	20	15
Merger				150	
Care closer to home		5	7	9	11
Other growth	2	5	5	5	5
Income	312	321	326	494	500

By 2015 SEPT will have developed and implemented clear fully integrated health and social care pathways that are primary and community care facing. There will be a radically different model of service in place that effectively gate-keeps secondary care services and provides a one stop shop approach to meeting the health and social care needs of a defined population, that is not based on traditional organisational or service boundaries and constraints.

By 2015 SEPT will have implemented a locally responsive management structure and will be at the forefront of having an efficient infrastructure that effectively supports all of the Trust's activities, in multiple locations.

By 2015 SEPT will enjoy a reputation for employing the best staff, who are leading clinical, social care and support service innovation.

Integrated Care Organisation



Infrastructure grows at marginal cost

Growth at full cost through acquiring new contacts for services and offering new model of service delivery

Intergrated care provision maximises synergies and efficiencies; responds to new agenda and new markets e.g. demand management

Inputs provided separately cost more; integrated care offers safety, quality, innovation and better experience

Our Strategic Priorities 6.0

To achieve our aspiration of creating an organisation that is capable of responding to the challenges faced, significant changes will be required to SEPT's portfolio of services and the way in which it delivers them.

The Board of Directors has identified that SEPT will need to take action in four specific areas of activity that are identified as our strategic priorities for 2011/12 and beyond. The strategic priorities will provide a framework for action in each of the 5 years in the planning period covered by this strategy.

We will work with staff and stakeholders to identify key actions that will be taken each year to achieve our vision and will set out the key actions required in our Annual Plans and in our annual corporate objectives. The Annual Plan for 2011/12 will be published 31 May 2011 and this, and subsequent Annual Plans will be circulated to staff and stakeholders and available on the Trust's website.

6.1 Priority 1
Delivering High Quality and Safe Services

Providing services that are "in tune with you", requires a continued focus on day to day service delivery that meets and where possible exceeds targets, standards and expectation and has patient safety as a priority, regardless of the challenging and ever changing environment in which the Trust operates.

The Trust will be required to take a range of actions that will ensure all services it provides meet applicable existing targets (levels of ambition); issues of concern are addressed; patient experience is regularly and consistently monitored and levels of reported satisfaction improve and new stretching goals for quality improvement are achieved in relation to access to services, experience and support provided to carers.

We will need to further improve the culture and systems that support a cycle of continuous improvement and have a renewed focus on identifying and achieving effective outcomes.

6.2 Priority 2
Transforming Services

In the past we have focussed on transformation being estate related and service specific. Going forward we need to develop more innovative and visionary approaches to changing the way that services are delivered. Major challenge is best addressed via a small number of large changes, not a multitude of small ones and this has to happen across a whole health and social care economy. Quality failure, delay and waste frequently occur at hand off points between organisations. This will require identifying new ways of working; designing and implementing new care and treatment pathways; and ensuring that our focus is on fully integrated and multi-disciplinary pathways and services with health and social care partners. We will develop models of care that empower and equip carers to care for their family members and will build new models of support around the individual.

The key to achieving major service transformation is the engagement and incentivisation of frontline leaders and teams who genuinely own change initiatives and ensure that improvement is sustainable and sustained. We will need to ensure that targeted investment in workforce

6.0 Our Strategic Priorities

development encourages greater clinical leadership and prepares staff to respond to the challenges faced and that there is an on-going programme of engagement activities that ensure staff understand SEPTs vision and share responsibility for it's delivery.

6.3 Priority 3 Creating An Efficient and Effective Organisation

A range of activities will be required to ensure SEPT remains fit for purpose. We have to have an efficient and effective infrastructure that supports the delivery of high quality and safe services wherever they are provided in the future. The Board of Directors and senior management team will need to identify new ways of working that ensure a clear focus on strategy, without taking the "eye off the ball" when it comes to delivery of front line, operational services. We want to create an organisation that is "healthy", with great leadership, a positive culture and robust governance systems. New ways of working will also be required at all levels of the organisation. SEPT must continue to embrace new technology to reduce duplication and the administrative burdens associated with delivering healthcare. New technology must also be used to enhance clinical and social care service delivery that keeps people in their own homes for as long as possible. We want to develop staff who have the right skills to deliver truely integrated care and we want those staff to lead the way in developing new care pathways and service developments.

6.4 Priority 4 Clear Plans For The Future

This document has set out the context within which SEPT is required to deliver services and has identified that the future landscape of care provision will be challenging in terms of the financial restraints imposed on it, the scale of organisational change required to deliver it and the continued increasing demand for high quality services. SEPT must have clear plans for tackling the scale, scope and speed of change required and must be prepared to make tough decisions along the way. Our fourth priority confirms the SEPT Board of Directors commitment to continuing to focus on the longer term plans for the organisation and making sure that patients and local communities benefit from the focus on the future, not just the here and now. We will ensure that change is managed appropriately and that the transformation into an integrated care organisation happens incrementally. We will take action to ensure that growth is pursued in line with our strategic vision. All opportunities for growth will be fully assessed to ensure that the SEPT brand is protected; there is sufficient capacity and capability to achieve success; that the opportunity contributes to overall strategy; there are financial benefits and ultimately that the opportunity offers a better, higher quality solution than existing provision. All pursuit of growth will be planned, rather than opportunistic and any growth will be in line with the vision of sustainability in the long term.

7.0 Conclusion

SEPT is proud of what it has achieved; proud of what it is currently achieving and is confident that it can and should remain as a provider of high quality NHS and social care for the foreseeable future. The vision as set out in this document should provide everyone working for, or with SEPT, with a clear understanding of the Trust's aspirations and a shared sense of purpose about the actions that will be required in the future. The effort and energy required to achieve the vision is not under-estimated. There will be very difficult decisions to make along the way which not everyone will like. I would therefore want to thank our staff and stakeholders for your help and support in advance. It is very much appreciated.

Dr Patrick Geoghegan OBE
Chief Executive

On behalf of the Board of Directors
April 2011

South Essex Partnership University NHS

NHS Foundation Trust

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