

Integrated Business Plan Summary

2007/08 – 2011/12

12th February 2007



1. Introduction

This integrated business plan sets out the strategic direction and plans for Central and North West London Mental Health NHS Trust (CNWL) for the next five years. It makes the case for why we believe Foundation Trust (FT) status will equip us to deliver our vision and sets out the work we are undertaking to ensure that we are fit for purpose to operate as a FT.

2. Profile

CNWL provides mental health services for a highly diverse population of 1.85 million across a total of eight boroughs. Within the catchment area are some of the most affluent and some of the most deprived areas in London. CNWL's service portfolio covers:

- Adult mental health services for people aged 18 to 65 years living in Brent, Kensington & Chelsea, Westminster, Harrow and Hillingdon.
- Older adult mental health services for people aged over 65 living in these boroughs.
- Child and adolescent mental health services for children and families living in Brent, Harrow, Hillingdon, Kensington & Chelsea and Westminster. The Trust also manages a specialist regional mother & baby unit and a residential & day placement child and family psychiatric unit.
- Eating disorders services for people living in Kensington & Chelsea, Westminster, Ealing, Hammersmith & Fulham, Hounslow, Harrow and Hillingdon, as well as other areas outside north west London.
- Specialist substance misuse services for people living in Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Kensington & Chelsea and Westminster. CNWL also provides substance misuse and mental health services to HMP Wormwood Scrubs and HMP Holloway, as well as substance misuse services to HMP Pentonville.
- Residential facilities for adults and older adults with severe and enduring mental health problems at the Horton Haven site, Epsom, Surrey.
- The Trust also currently manages a small learning disabilities medical team within both the Westminster and Hillingdon adult services, and has also recently agreed in principle with Brent tPCT to take over the management of inpatient learning disabilities services for Brent, Harrow, Kensington & Chelsea and Westminster at Kingsbury Hospital, as well as Brent's community outreach team.



3. Vision, Strategic Objectives and Rationale for FT Status

Trust Vision

We will work in partnership to provide responsive and dependable mental health and substance misuse services for the communities we serve, encouraging recovery, well being and social inclusion, individual choice and independent living through high quality care.

Strategic Objectives

The strategic objectives underpinning this vision are:

- To provide integrated, high quality, timely services based on the need of the individual.
- To engage meaningfully with service users, carers and the local community to improve and align our services to meet needs.
- To improve and maintain to a high standard the physical environments in which we provide services.
- To recruit, retain and develop a skilled and motivated workforce that is proud to work for the Trust.
- To provide a financial base that is robust for the future development of the Trust and to provide economic and efficient services.
- To improve Trust information systems to support improvement in patient care and performance management.
- To seek and develop new business opportunities consistent with our vision.

Rationale for FT Status

- Local Ownership and Relationships – the new proposed governance arrangements will give local people, staff and our partners an opportunity to have a greater influence on how their mental health and substance misuse services are run.
- Stronger Planning Processes Aligned with the Needs of our Local Community – Members and Governors will have an integral influence in shaping the strategic direction of the Trust and will be positioned to hold the Board of Directors to account for the delivery of high quality, locally focused services.
- Primary Purpose to be Part of the NHS - Our primary purpose will continue to be the provision of NHS care to NHS patients within our existing catchment area. This will be based on the founding principles of the NHS care based on need, not the ability to pay.
- Integrated Services Delivered in Partnership - An effective response to this agenda requires strong collaborative working. Stakeholder representation on our Board of Governors (known as the Council of Members) will enhance existing joint working arrangements and support development of new partnerships in order to ensure that services are delivered how, when and where people need them.
- Financial Freedoms - The Trust will have greater flexibility over the management of cash, free from many of the current NHS restrictions. The ability to carry forward planned surpluses at the end of each year, borrow money more easily and flexibility with capital and revenue budgets will enable the Trust to respond more effectively to service development opportunities.
- Financial Security - The formalisation of the arrangements between commissioners and the Trust as a FT through legally binding contracts will provide much welcomed financial stability for the Trust as well as clarity and assurance to commissioners. It is envisaged that this stability will be of benefit to both mental health services and to the wider local health economy.

4. Performance Overview - Historical and Future

Two key factors contributing to CNWL's achievements to date have been our financial stability and our leadership strength. Historically the Trust has achieved financial balance and met its financial

targets for 11 consecutive years (both as CNWL and as its predecessor organisations). Its planned turnover for 2006/07 is £183.7m, showing a growth of £18.0m from the previous year due to the successful integration of services from Hillingdon and Harrow PCTs.

There has been stability in the Executive Board throughout this period and the Trust's reputation for strong clinical and non-clinical management capacity has been a crucial factor in it attracting opportunities for further service growth and expansion. From this strong base, a range of high quality, innovative services, assured by effective governance arrangements, has grown. A new Chief Executive appointment was made in November 2006 following the resignation of Dr Peter Carter, who had been the Trust's Chief Executive for the past 12 years. The recruitment process was geared towards ensuring that the post holder was equipped for the challenges of leading a Foundation Trust, and following a national recruitment campaign Ms Claire Murdoch, previously the Trust's Director of Operations and Nursing was appointed, with effect from 6 January 2007. The Board was delighted with Ms Murdoch's appointment and is confident that this will provide much needed continuity at this critical point in the organisation's history, as well as offering invigorated strategic leadership.

CNWL has historically been proud of its achievements in meeting key performance targets, which included being awarded three star status in the 2005 Healthcare Commission performance ratings. The Trust was therefore disappointed with the Annual Health Check 2005/06 rating published in October 2006, which indicated ratings of 'fair' for both Use of Resources and Quality of Services. In spite of this, we remain confident of being able to learn from this valuable feedback, and have put in place action plans to improve performance and to achieve an improved rating for 2006/07. Nonetheless the 2005/06 Annual Health Check included a number of positive elements, including a rating of 'excellent' for the community mental health services improvement review, the only mental health provider in London to achieve this.

5. Market Assessment

5.1 Competitive Factors

The move towards Foundation Trust status clearly signals a shift to a more competitive and commercial environment, with an increased focus on demonstrating value for money. CNWL's primary focus is on 'core' mental health provision and as such does not have a significant portfolio of highly specialist provision. None of the neighbouring mental health trusts are in a strong position to compete with CNWL for our core business and no independent sector provider currently has the capacity in terms of estate or workforce to make inroads into CNWL's core provision. This places CNWL in a relatively strong market position, with no realistic major competitors in the medium term. CNWL has a limited portfolio of services attracting referrals from a wider London catchment area such as the eating disorder service at Vincent Square, and the children's service at Collingham Gardens. Although these services may be expected to be more vulnerable to competition, service demand and commissioner commitment suggests that these are in fact growth areas for CNWL.

There are two main suppliers of mental health services from the independent sector that are present within north west London: Catio Nightingale and Cygnet. With one of the Trust's key initiatives being the re-provision of inpatient Tier 4 Substance Misuse Services and the planned improvement in quality of care, the Trust would be in the position to compete for these Tier 4 Substance Misuse Services currently provided by Catio Nightingale.

The voluntary sector is also well placed to compete in areas such as talking therapies and substance misuse. CNWL will seek to ensure it maintains its market share in those areas viewed as core business and will compete with the voluntary sector in terms of service quality, outcomes and cost effectiveness. CNWL has established effective partnerships with voluntary organisations in the past and will continue to cultivate such opportunities for joint working in the future.

The Trust cannot afford any complacency in this environment. Sustained effort will be required to ensure that services are efficient and of high quality, combined with an active marketing strategy to ensure services reflect the needs and priorities of users, referrers and commissioners.

5.2 Practice Based Commissioning

The five local PCTs are in the process of establishing Practice Based Commissioning (PBC) clusters. It is clear that as PBC arrangements become more firmly established, local commissioning clusters will seek to control expenditure on secondary mental health provision, and to influence service configuration. Some may also wish to test the market to identify alternative providers, particularly in relation to provision of counselling services. The Trust will address this threat through improved marketing and closer working between secondary and primary care to ensure that CNWL is fulfilling the requirements of practice-based commissioners and to ensure that practice-based commissioning intentions are informed by an in-depth understanding of the quality and cost effectiveness of CNWL's services. The Trust is already reconfiguring CMHTs in Brent to be aligned with the PCT's commissioning clusters, to ensure greater synergy with the needs of primary care.

6. SWOT Analysis

In order to maintain our market position as the preferred provider of services within our catchment area, we have carried out an analysis of our Strengths, Weaknesses, Opportunities and Threats in order that we may better understand ourselves and how we may need to adapt;

<p>Key Strengths</p> <ul style="list-style-type: none"> • Financial performance • Leadership of Trust Board and senior management • Reputation as a Trust which invests in staff development and training • Service user involvement in service development & delivery • Partnership working • Implementation of Adult Mental Health NSF developments to-date • Service quality and innovation 	<p>Key Weaknesses</p> <ul style="list-style-type: none"> • Some parts of the Trust estate • Patient Information Systems • Integration of services with partners • Links with diverse communities • Service user feedback in 2005/06 • High costs associated with service provision in central London sites
<p>Opportunities</p> <ul style="list-style-type: none"> • Proposed transfer of learning disabilities inpatient services with potential for future growth • Anticipated service growth over the next few years in substance misuse services • Demand for CAMHS Tier 4 in-patient provision • Potential opportunities to take on directly managed services currently provided by PCTs • Services for people with challenging behaviour • Potential growth with increasing demand for psychological therapies • Repatriation of high cost out of area non-NHS activity • Further expansion of mental health care in London's prison population 	<p>Threats</p> <ul style="list-style-type: none"> • Financial environment of North West London sector • Transfer of services from Hillingdon PCT • Recruitment & retention – the 'London Effect' • Public perceptions of mental health and SMS services • Psychological therapies subjected to contestability

Summary of Key Initiatives

As part of the business planning process there were a number of directorate and Trust-wide workshops to identify service objectives over the next five years. Below is a summary of the key initiatives agreed by the Trust, and consulted on with stakeholders.

Initiative	Brief Description
The development of early intervention in psychosis services (EIS) across all five boroughs	There is currently a team established for Kensington & Chelsea and Westminster operating in the north of the two boroughs. There is a very limited service operating for Brent and for Hillingdon. The realisation of the objective would support the development of evidence based, quality care, with there being evidence that early intervention following a first episode of psychosis can improve clinical outcomes. It would also enable the Trust to meet national targets relating to EIS.
Development of service at the Horton Haven site for people with challenging behaviour	The Trust has developed a proposal to develop a new 30-bed intensive rehabilitation service for people with challenging behaviour, based at its Horton Haven site in Epsom. This scheme aims to repatriate clients from more expensive non-NHS placements and therefore has support from commissioners. It would also offer more cost effective alternatives for patients inappropriately placed in more expensive specialist forensic provision. The Trust already has premises for this development, with opening planned for 2008/09.
Development of a Tier 4 adolescent 12 bedded inpatient service for 14 to 18 year olds	Currently, this represents a gap in local NHS provision, with the only beds currently available provided in the private sector. The effect of this development would be to reduce the number of private sector placements currently commissioned by PCTs. The CAMHS commissioning consortium has indicated that an alternative provider to the current private sector service would be welcomed as there is known dissatisfaction with service quality from commissioners. CNWL currently provides inpatient services for children aged 5 to 13. This development would open in late 2008/09 subject to identifying suitable accommodation.
Reprovision of Tier 4 drug and alcohol detoxification service	This service is currently provided at the Max Glatt Unit on the Ealing Hospital site. The aim of this initiative would be to improve clinical provision in accommodation fit for purpose. New accommodation offers opportunity to extend market share. Option proposals are currently being progressed. The new unit would open in 2008/09 subject to identifying suitable accommodation.
Development of learning disabilities services	Currently, the Trust manages a small learning disability service within two of its adult services (Hillingdon and Westminster). Increasingly, the Trust is being approached to become more involved in, and in some cases manage, learning disability services. The Trust has agreed in principle with Brent PCT to take over the management of the inpatient learning disabilities service at Kingsbury Hospital, for which the PCT is host, as well as its community outreach service. This development assumes that the transfer will take place and relates to better utilisation of the Kingsbury site and the possible further development of learning disabilities services. The new service will be operational during 2007/08.

7. Finance

7.1. Overview

The sound financial base that has been built up over the last 11 years underpins the Trust's financial plans for the next five years from 2007/08 to 2011/12. The Trust has over the last four years taken on the management of services for two London boroughs - Harrow and Hillingdon - which were operating to financial deficit at the time of transfer. The Trust has proved able to manage those changes, has not been de-stabilised and in the case of the Harrow service has moved it from a £1m deficit to surplus in 2005/06. The Trust has also, over that period, successfully taken on the management of other services, including a number of Prison Mental Health and Substance Misuse services.

7.2. Cost Improvement Programme (CIP)

The Trust delivered a CIP in 2005/06 of 2.15%, equating to £3.4m. The CIP programme required for 2006/07 is £6,151m (3.34%). This is comprised of the 2.5% national target and 0.69% to achieve the increased surplus and 0.15% for supporting the PCTs. The Trust also has to manage

reductions in service agreements by cutting expenditure to match. This is a further reduction of £1.3m in expenditure. In achieving this level of CIP and absorbing the activity increases mentioned above, the Trust will reduce its reference cost index of 98.

The financial modelling under-pinning the Foundation Trust application has a projected CIP delivered for 2007/08 to 2011/12 of £22.379m. The main areas of focus within the programme over the five year period will be:

- Reduction in agency costs
- Estates rationalisation, especially towards the end of the period
- Improved procurement
- Reduction in the cost of IT and communications structure
- Re-structuring community-based services
- Developing more locally based solutions for high cost patients, currently placed out of borough, thereby also reducing the PCTs expenditure

7.3. Balance Sheet Five Year Projections

The steady growth in income, £35.9m over the five-year plan, is mainly related to inflation of £22.7m, from 2007/08 to the end of the plan. The remaining income growth of £13.2m is specifically concerned with the key initiatives. These are off-set by reductions in R&D and educational income. Expenditure has growth for inflation and the key initiatives, but the planned Cost Improvements will deliver funds to invest in new and improved services.

Financial Performance historical, current and planned;

Normalised position	Historical	Current	Plan				
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Income £m	157.8	183.3	195.0	201.1	210.1	214.8	219.2
Balance Sheet							
Fixed Assets £m	169.2	188.9	208.0	213.3	243.0	245.4	247.9
Current Assets (Incl. Cash) £m	12	15.9	19.9	16.4	23.9	34.3	46.6
Current Liabilities £m	14.2	17.3	17.2	14.2	14.3	14.3	14.3
Net Current Assets £m	-2.2	-1.5	2.7	2.2	9.6	20.0	32.3
Provisions & Long Term Debtors £m	-6	0.7	0.7	0.7	0.7	0.7	0.7
Net Balance Sheet £m	161.5	188.1	211.4	216.2	253.3	266.1	280.9
Risk Rating	N/A	N/A	4	5	5	5	5

7.4. Capital Expenditure

The Trust is planning to spend £2.9m on various infrastructure projects concentrating on patient dignity, health and safety, disabled access and energy conservation. In addition specific larger projects will be considered in line with delivering the Trust's proposed developments; these however will be reviewed for their clinical and financial fitness prior to approval. The Trust would not require any borrowing to support a programme of this scale, but would consider the appropriate means of funding projects in line with the commitment from purchasers and the business model proposed.

8. Risks

Top risks that have been identified as a result of developing the Integrated Business Plan, and the mitigating plans that are in place to manage them, are listed below;

Nature of Risk	Risk Type	Impact on Trust	Rating	Mitigation Strategy
Impact of £6.2m CIP Programme in 2006/07	Financial	Financial pressure on the Trust, impacted by the 2006/07 CIP programme and the additional pressure of the local health economy deficit.	HIGH	To continue developing benchmarking to assess the most likely areas to yield savings. The use of FT contracts to ensure future services are protected from external financial pressures.
Merger with Hillingdon Services	Operational	Merger with the Hillingdon Services and its subsequent management	HIGH	To apply sufficient management resources to enable the key issues to be managed effectively
Operating in the NHS Market	External Environment	Development of Practice-Based Commissioning and PBR will change the focus of commissioning, leading to a possible loss of contracts	HIGH	Re-focusing the CMHTs and other community services to align with GP clusters to reinforce the link with primary care
PCT reconfigurations	External Environment	Development of larger PCTs or host commissioning will increase competition between providers	HIGH	Look at managing more services for the PCTs, e.g. through secondary commissioning. Meet commissioners' requirements for improved data through clarity of commissioner requirements in the contract.

9. Governance

Part of the process of the Trust becoming a Foundation Trust has been the review of the corporate governance arrangements. The Trust has revised its Committee structures to ensure that they are fit for purpose under Foundation Trust status, establishing nine new Committees chaired by Non-Executive Directors. The Committees are as follows;

- Performance Management Committee
- Audit Committee
- Clinical Governance Committee
- Risk Management Committee
- Corporate Governance Committee
- Business and Finance Committee
- Charitable Funds Committee
- Remuneration Committee
- Nominations Committee

The Trust has proposed that the Board of Governors will be known as “the Council of Members”, to avoid confusion with the Board of Directors and to reinforce the importance of harnessing local involvement of the wider membership through elected representatives. The Council of Members will be made up of elected members of the public, service users, carers, and staff and appointed people from local organisations such as NHS primary care trusts, local authorities and voluntary services. The Council of Members will represent the interests of the local community and will be involved in deciding the strategic direction and development of the Trust. There will be 39

Governors within the Council of Members, with separate service user and carer subdivisions to ensure that the unique perspective of both users and carers will be heard.

Below details the structure of the Council of Members;

Constituencies	Governors	Classes
Elected		
Public	7	Brent x 1 Kensington & Chelsea x 1 Westminster x 1 Harrow x 1 Hillingdon x 1 Rest of North West London sector (Ealing, Hammersmith & Fulham, Hounslow) x 1 Rest of London x 1
Patient/Carer	13	General Adult Service Users x 6 All other Service Users x 4 Carers x 3
Staff	6	Nursing (including HCAs) x 2 Medical x 1 Allied Health Professionals x 1 Social Care x 1 Other x 1
Appointed		
PCT	3	The 5 local PCTs to agree representation
Local Authorities	5	Brent x 1 Kensington & Chelsea x 1 Westminster x 1 Harrow x 1 Hillingdon x 1
Academic Partners	1	Imperial College London x 1
Prison Service	1	
Police	1	
Voluntary sector organisations	2	
Total	39	

10. Workforce

In preparation for FT status the composition of the Trust Board was reviewed. Following public consultation, in December 2006 the number of Non-Executive Directors increased to seven in addition to the Chair, and with effect from February 2007 the number of Executive Directors, excluding the Chief Executive will increase to six. The new structure is aimed at ensuring the Board of Directors has the capacity, balance of skills and experience necessary to deliver its strategic plans and to give necessary focus on commercial development, partnership working and information governance. This capacity is particularly important given the multiple stakeholder interests associated with provision of mental health services across such a wide catchment area.

An HR Strategy was also developed to refine and develop the Trust's Human Resource capacity to ensure that it is able to meet the challenges of this new status.

11. Conclusion

Overall, we believe that CNWL is well placed to adopt the responsibilities and freedoms that NHS Foundation Trust status offers to enable us to realise our stated vision through continued service improvement in partnership with the communities we serve. With a solid track record and work programmes in place to meet the challenges of the new NHS landscape, we believe that CNWL is well equipped to maintain its position as the major mental health provider for the catchment area currently served and that the organisation will be able to operate effectively and thrive as a Foundation Trust, which is legally constituted, well governed and financially viable.