South East Coast Ambulance Service NHS
NHS Foundation Trust

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Operating Plan Narrative 2017-19

December 2016

1.0 Introduction

As outlined in last year's Operating Plan Narrative (OPN), SECAmb continues to experience difficulties. The CQC report published this year saw the Trust placed into Quality Special Measures by NHSI; the Trusts Chairman and Chief Executive leave the organisation; and the financial performance deteriorate as a result of several different factors.

SECAmb has worked closely with its stakeholders including the CQC and NHSI to develop a 'Unified Recovery Plan' which sets out the recovery trajectory and is built around the core eight objectives of improving and delivering:

1. Governance
2. Culture
3. 999 and 111 Performance Improvement
4. Clinical Outcomes
5. Financial Sustainability
6. Operational Restructure
7. Electronic Patient Care Record
8. New Headquarters and Emergency Operations Centre

The 2017/19 plan will deliver the outcomes set out in the URP and results in the Trust exiting Special Measures, reaching its national performance targets and being financially sustainable. These three pillars, Quality, Performance and Financial Sustainability underpin the strategic direction going forward.

At the time of writing the Trust is still facing significant challenges. These include;

- a majority of interim Executive Directors
- a significant gap with Commissioners
- a large capacity and capability gap within its senior and middle management tiers.

Some of the resolutions to these issues will be relatively quick whilst others will take substantially longer to resolve and will require an approach supported by the local health system, NHSI and NHSE.

To strengthen leadership and to mitigate the risks the trust is taking the following action:

1. The new substantive CEO starts in post on April 3rd 2017.
2. A revision of the executive team structure and responsibilities is currently out to consultation.
3. We have established a Senior Management Team (SMT) of senior managers at the level below executive director. This new team is being established via facilitated meetings.
4. We continue to recruit into substantive appointments at senior management level, such as AD of Finance and AD of HR Operations

2.0 **Activity Planning**

Contract negotiations with Commissioners have completed, reaching agreement on activity and finance, but with a large structural financial gap between the two parties. It has been agreed and documented in the contract that a piece of work will be undertaken to review this gap. Both parties have agreed that a Project Initiation Document (PID) is produced jointly no later than January 2017 clearly outlining the issues that impact on SECAmb delivering standards and the actions SECAmb and Commissioners can collectively take to effectively manage the issues. It is recognised that delivery of performance standards is challenging, but that there is scope to make further improvements to response time performance, which will be reflected in a recovery trajectory, whilst continuing to provide a high quality service to our patients. The contract baseline would be the starting position to model any resulting gap with robust actions which would include but not limited to driving efficiencies and Cost Improvement Plans (CIP), QIPP Plans associated with demand reduction, joint QIPP Plans designed to bring about service transformation, and actions to reduce hospital handover delays (including those that may arise from the Handover Concordat with support from NHSE and NHSI). Performance trajectories for response time standards will be reviewed and agreed jointly with Commissioners, NHSI and NHSE as an output of the project.

The PID may identify schemes which could require parties to commission external review or support for discrete pieces of work seeking resolution and actions required thereafter. It is agreed that any such review will be jointly specified, agreed and funded, with SECAmb providing 1/23rd of the funding, and CCGs across Kent, Surrey and Sussex providing the remainder.

The PID will be completed and signed off by end of January 2017 for mobilisation in February and implementation from March 2017 onwards.

The projected full year activity outturn is based on the last 3 years' average growth and the outturn to month 6 of 2016/7 (Apr-Sept 2016). The seasonal activity trend for 2017/18 & 2018/19 been based on a 5-year average at county level, reflecting periods of higher demand.

The commissioner's growth assumptions for 17/18 and 18/19, are as follows: Surrey 3.1 % growth, Sussex 3.2% growth and Kent 4.1% growth. The Trust believes activity will grow at 4.7% at regional level and will plan on this basis, with any difference between commissioner and Trust view being funded at marginal rate if the activity is realised.

In agreeing contracts an ambitious plan to move from bottom quartile to upper quartile in levels of Hear and Treat outcomes has been agreed, with 13% planned in 17/18 and 15% in 18/19.

Activity:

SECAMB	Growth:	4.7%	4.7%
	16-17 FOT	**17-18**	**18-19**
S&C	452,468	473,874	496,328
S&T	295,126	282,005	277,153
Total Emergency & Routine Incidents	***747,594***	***755,879***	***773,481***
H&T	82,001	112,947	136,497
Total	**829,595**	**868,826**	**909,978**

Seasonal trend:

SECAMB	2017-18 Activity Projection and Seasonal Trend												
	Apr-17	**May-17**	**Jun-17**	**Jul-17**	**Aug-17**	**Sep-17**	**Oct-17**	**Nov-17**	**Dec-17**	**Jan-18**	**Feb-18**	**Mar-18**	**Total**
S&C	38,207	39,825	38,604	40,622	39,575	38,437	40,555	40,255	41,716	39,704	35,909	40,465	473,874
S&T	22,737	23,700	22,973	24,174	23,551	22,874	24,135	23,956	24,826	23,628	21,370	24,081	282,005
Total Emergency & Routine Incidents	***60,944***	***63,525***	***61,577***	***64,796***	***63,126***	***61,311***	***64,690***	***64,211***	***66,542***	***63,332***	***57,279***	***64,546***	***755,879***
H&T	9,107	9,492	9,201	9,682	9,433	9,161	9,666	9,595	9,943	9,463	8,559	9,645	112,947
Total	**70,051**	**73,017**	**70,778**	**74,478**	**72,558**	**70,473**	**74,356**	**73,806**	**76,485**	**72,795**	**65,838**	**74,191**	**868,826**

SECAMB	2018-19 Activity Projection and Seasonal Trend												
	Apr-18	**May-18**	**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Total**
S&C	40,017	41,712	40,433	42,547	41,450	40,258	42,477	42,163	43,693	41,585	37,611	42,382	496,328
S&T	22,346	23,292	22,578	23,758	23,146	22,481	23,719	23,544	24,399	23,221	21,002	23,667	277,153
Total Emergency & Routine Incidents	***62,363***	***65,004***	***63,011***	***66,305***	***64,596***	***62,739***	***66,196***	***65,707***	***68,092***	***64,807***	***58,613***	***66,049***	***773,481***
H&T	11,005	11,471	11,120	11,701	11,399	11,072	11,682	11,595	12,016	11,437	10,344	11,656	136,497
Total	**73,369**	**76,476**	**74,130**	**78,006**	**75,995**	**73,811**	**77,878**	**77,302**	**80,108**	**76,243**	**68,957**	**77,705**	**909,978**

Performance:

For Month 12 of 2015/16, the Trusts performance was R1 at 62.2%, R2 at 49.8% and R19 at 87.6%. The original performance trajectory commissioned by CCGs to be achieved for M12 was R1 at 75%, R2 at 70% and R19 at 95%. This has been recognised by commissioners as unachievable on the funding provided so revised M12 trajectories of R1 68.9%, R2 57.8% and R19 to 90.9% have been proposed. Commissioners have reviewed these and final sign off is awaited. However, the Trusts constitutional responsibility is to deliver the nationally mandated performance standards R1 & R2 at 75% and R19 at 95%. The CQC have made achieving these standards a 'must do' requirement following their inspection and subsequent placing of the Trust in special measures, however these are not at present funded.

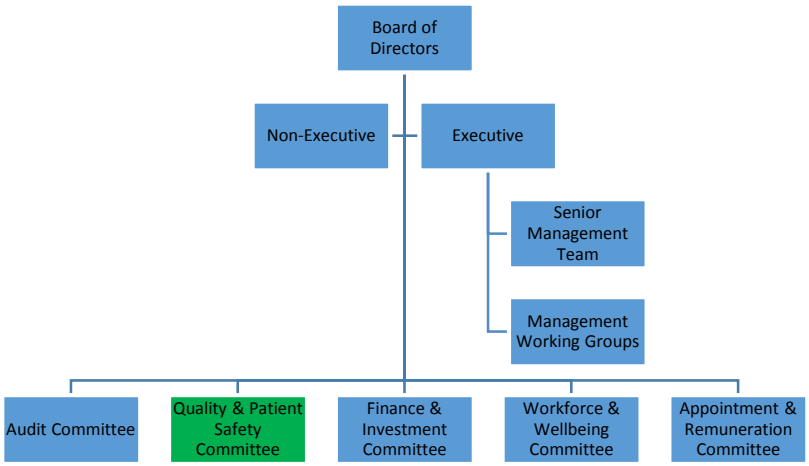
3.0 Quality planning

In addition to our contractual and internal governance and reporting we have a clear quality improvement plan espoused in our CQC action plan and Unified Recovery Plan that details the actions completed, underway and planned.

SECAmb Approach to Quality Governance and Quality IMPACT Assessment process

The executive lead for Quality Improvement is the Chief Nurse/Director of Quality and Safety.

The board of directors has established five committees (as illustrated below). Each committee seeks assurance on behalf of the board, testing the trust's systems of internal control to ensure they are well designed and operating effectively. These are tested according to the areas of highest risk and / or of greatest concern. The committees, through the board escalation report(s), confirm the extent to which assurance has been obtained and escalates issues accordingly for the board's consideration. The following diagram shows that the core committee providing scrutiny and reporting to the board for this is the Quality and Patient Safety Committee, though Quality Improvement is a focus in all the committees.



During 2017/19 the governance structure will be further strengthened and consolidated by regular review to ensure that it remains fit for purpose and delivers the necessary improvements and assurance.

In order to ensure sustainability, capacity and capability an agreed standard improvement methodology will be established for use in all work. A number of key posts are being refocused and established to lead core work streams, supported by work on organisational culture to reinforce this.

SECAmb has an overall Programme Management structure and approach to delivering improvements to quality, operational performance and financial sustainability. The Programme Management Office sets out the programme approach, roles and responsibilities, the management of new improvement ideas and delivery of projects, and the approach to risk management and project documentation.

The Trust has implemented a standard system of project documentation and an agreed procedure for the approval of proposed improvement schemes. The Trust maintains an ideas inventory, and uses a system of gateway reviews by the Programme Management Office to ensure projects are scoped, with clear objectives, benefits and risk management in place. The Trust has implemented a standard Quality Impact Assessment (QIA) which staff proposing and delivering improvement schemes

must complete with support from the programme team. This has to be completed before the scheme can be considered for approval, and thereby enables the proposing staff to consider the full impact of the proposal before submission for consideration.

The QIA is used to assess any potential impact of the scheme on patient safety, clinical effectiveness, and patient experience. The Trust holds weekly QIA approval sessions, where schemes are assessed to ensure all potential impacts are considered, with appropriate mitigations in place for any risks, and an agreed mechanism to provide measurement and assurance of any impacts. For any scheme to proceed to full implementation, it must be approved by at least two of the Trust's three clinical executives. Following approval, the scheme can proceed to implementation, with regular ongoing review of quality impact as the project progresses.

CIPs also go through the QIA process and cannot be progressed until the QIA has been approved as for any other scheme as above.

The ongoing review of QIAs takes place monthly by the executive. They are reviewed by the clinical executives if there is a change to the project or a change in risk score. Each individual QIA also includes specific escalation procedures to alert the clinical director, to a need to intervene and review the project impact.

We have developed an integrated performance report that that now reports on and triangulates key metrics of quality, performance, finance, and workforce. This is a process we are continuing to refine and develop. The QIA process also provides this triangulation. Additional scrutiny of triangulation takes place at the audit committee.

Summary of the Quality Improvement Plan

SECAmb's improvement plan includes a range of national and local initiatives. These are summarised as follows:

National Clinical Audits – SECAmb take part in the national audit programme, which is led by National Ambulance Service Clinical Quality Group's (NASCQG). For example, the Trust is taking part in the UK Out of Hospital Cardiac Arrest Outcome (OHCAO) project hosted by the University of Warwick. This is generating a national research database for best practice and will be used to improve patient outcomes for those suffering out of hospital cardiac arrest. This project will run to mid-2018.

National Quality and Performance Indicators - SECAmb continues to be measured and reports against the 11 ambulance quality indicators (AQIs), which enable Trust performance to be compared with that of other services across the country. The Trust will also continue to participate in the National Clinical Performance Indicators (CPIs) programme which provides data for the continuous quality monitoring and improvement of care delivery and facilitates benchmarking with other ambulance trusts.

Clinical Audit – the Trust have an approved three-year Clinical Audit plan, which runs until 2019/20.

Safe Staffing – an operational restructure will be implemented from April 2017, which is focused on increasing clinical specialist input and oversight within clinical operational teams. This will improve supervision, clinical outcomes in relation to types of dispatch and disposition, and reduce job cycle time.

Mental Health (MH) standards The Trust is working with partners across the STPs to ensure parity of esteem, facilitate integrated physical and mental health care, and to develop new pathways of care. This will be facilitated by a MH strategy that will be implemented from April 2017. This will be led by our Mental Health Nurse Consultant. In partnership with HEKSS new training is being introduced to improve care and subsequent outcomes.

Actions from the Better Births Review – SECAmb are seeking to strengthen clinical skills in the Emergency Operations Centres (EOC) to ensure that mothers are able to access the right care.

Improving the quality of mortality review - The Trust will continue to use data relating to mortality and morbidity including complaints, incidents and other benchmarking data to inform changes in clinical practice and improve clinical outcomes.

Serious Incident investigation and subsequent learning and action - SECAmb has a programme in place to improve the handling, recording, investigation of and learning from all incidents based on a human factors approach. Continued improvement will be measured via achievement of an effective reporting trajectory, levels of response satisfaction and audits reported to the Quality Working Group and Quality and Patient Safety Committee.

Anti-microbial resistance - SECAmb continues to work to best practice guidance for patient care in context to the growing threat from antimicrobial resistance. As guidance and practice changes the Trust will adapt practice accordingly.

Infection Prevention and Control –The Trust have a plan in place to improve compliance and consistency including review of policies, hand hygiene compliance, audit programme, and consistent cleanliness in 2016/17. This will be continued, maintained, and consolidated into 2017/19, to ensure continuous improvement. This will be facilitated by the recruitment of additional staff to the IPC team.

Falls - SECAmb has fully implemented its electronic falls referral system, in order to contribute to economy wide reduction of the risk of repeated falls. This system relies on staff calling a central bureau to complete the falls form, and there is development work underway to make the falls form available to clinicians via their iPads, which are planned to be rolled out fully by the end of March 2017.

Sepsis - Sepsis continues to be a focus for the Trust, and the Code Yellow pathway is used to alert clinicians to patients at risk of death from severe sepsis. Work is taking place to audit the impact and to improve the form to ensure that it meets current best practice standards. These plans will continue into 2017/19.

Pressure ulcers – The Trust is a member of the regional Patient Safety Collaborative on pressure ulcers, hosted by the Academic Health Sciences Network. The aim is to bring new learning in to the Trust in order to reduce the risk to patients from pressure damage going forward into 2017/19.

End of Life Care (EOLC) – this continues to have a significant focus in SECAmb, led by the EOLC Lead. Work to date has led to the formation of a national ambulance service EOLC Forum, to enable sharing of best practice among trusts. The Trust has completed the transition to an all-electronic DNACPR document management system, which has improved access on receipt of 999 calls.

Patient Experience – During 2017 the Trust will be developing and implementing a Patient Experience Strategy in partnership with Health Watch and wider stakeholders. Patients and carers will be directly involved in this. The focus will be on ongoing co-design, involvement and collaboration in future work. Work will also be focused on increasing the quality, focus and range of patient and carer feedback.

National CQUINs – SECAmb have clear plans and targets in place and are following national guidance as relevant to ambulance services for conveyance reduction, STP engagement, Health and Wellbeing and financial stability.

The SECAmb ***Staff Health and Well Being*** strategy will be published in February 2017 for implementation throughout 2017/19.

Local CQUINs - are still under discussion with commissioners at the time of this draft plan.

IBIS - The Trust recognises the benefit of this in-house system in improving care and reducing conveyance to hospital. The funding is non-recurrent and discussions are ongoing with Commissioners to secure a longer term arrangement. Assuming this is successful, the Trust will continue to add care plans to the system to increase the number of patients who benefit from having their information shared to improve the care that they receive.

Frequent Callers - SECAmb has developed its frequent caller system and continues the roll out of the system across the ten Operating Units, following evaluation of the system in three initial sites. The purpose of this approach is to ensure that the unmet needs of this patient group are resolved where possible and to facilitate consistent quality approach in their management.

Safeguarding – in this period The Trust will be consolidating and continuing to improve safeguarding capability, response and processes.

Security – SECAmb will be continuing and consolidating the programme of quarterly site security reviews and resulting actions. This will include continuing to improve staff understanding, awareness and priority of site security.

CAD system –this system will be replaced in 2017/18 which will have a significant improvement on triage and clinical management supporting an increase in hear and treat rates.

Medicines Management –The Trust will be consolidating and making continued improvements to the secure storage and safe administration of medicines. This will be measured by audits of compliance, incident type and deep dives into any specific issues arising.

Patient Care Records (PCR) - The trust will continue its implementation of Electronic patient Care Records. This will improve the quality and compliance with completion of records.

Clinical Outcomes – in addition to those described above SECAmb has a range of items that will be fully implemented, consolidated and adapted as required during 2017/19. These include: -

- ***Improved procedures to support care of patients awaiting hospital handover -*** The Trust has developed two procedures to support staff and managers in relation to improving hospital handover- Emergency Handover Procedure, and a revised version of the Conveyance, Handover and Transfers of Care Procedure. This practice will be consolidated and refined into 2017/18, to continue to improve recording of care, and more rapid handover in order to reduce risk to patients.

- ***Revised system for senior clinical advice and support -***Work has taken place in 2016/7 to improve the speed of access to clinical support and advice for clinical staff thus increasing safe decision making. This will be consolidated and refined further going forward.

- ***Cardiac arrest strategy implementation –*** The Trust is implementing its cardiac arrest strategy which will improve outcomes from out of hospital cardiac arrests. This will include continuing to develop and implement a “pit-stop” model for patients experiencing an out of hospital cardiac arrest.

4.0 Workforce planning

SECAmb’s workforce account for the largest proportion of the Trust’s financial spend. Patient facing staff, including those in the NHS 111 and 999 contact centres account for more than 85% of the total workforce. The key aspect of planning the workforce for the coming years is to understand the demand that will be put on that workforce and the potential recruitment and training options that exist to both develop the existing workforce and increase overall front line staff numbers.

A recent National Audit Office (NAO) report confirms that activity growth in this sector is not sufficiently supported financially and coupled with a lack of acknowledgement or commitment to ‘realistic’ performance trajectories this is leading to failures in delivery of performance targets. To address this and other risks associated with ‘workforce demands and capabilities’ this document sets out some of the workforce requirements necessary to realise the Trust’s vision.

The Trust has an agreed template for Workforce Planning across the Trust. This template, once populated and agreed by all divisional/area managers, HRBPs and Finance BPs, will include a full analysis of the current Trust workforce and will include ways of working that will address efficiencies, benchmarking and savings to be achieved across the Trust. These plans will be actively updated and worked on throughout the forthcoming year.

The Trust needs to constantly improve and develop, and is reviewing the scope of practice of all of the 999 staff to fully utilise their current skills and expertise, ensuring the right skill mix and provide our workforce with suitable and sustainable developmental opportunities.

SECAmb have embraced initiatives such as the national development programme for prescribing and career framework for paramedics. By detailing the required workforce transformation and the necessary support for the current workforce the Trust is embracing new care models and redesigned pathways, and looking to achieve a balance in workforce supply and demand.

The Trust is embracing changing workforce and operational models**.** It has established Operating Units as our model to deliver a mobile healthcare service that will improve clinical response times, reduce A&E attendances, improve staff skills and integrate work with the Clinical Commissioning Groups. SECAmb continue to investigate plans and new workforce initiatives with partner organisations as part of our commitment to support the Five Year Forward View.

The Trust needs to enhance the infrastructure to support our workforce. This is supported by implementing Electronic Patient Care Records to monitor patient outcomes and improve access to information and rolling out iPads to all staff who do not have regular access to a PC. Also the opening of Make Ready Centres in the following locations: Polegate, Crawley, Chichester, Thanet, Paddock Wood and Ashford and Brighton. Plans are progressing to relocate HQ and reconfigure our Emergency Operations Centres.

SECAmb needs to optimise the use of all resources at its disposal and maximise efficiencies and income, including new sources of funding. Examples include closer working with primary care as well as in 999 activity and developing new ways of working in NHS 111. By both modelling and aligning financial and activity plans the Trust will ensure the proposed workforce levels (plans) are affordable, sufficient and able to deliver efficient and safe care to patients.

By engagement with commissioners, we will ensure alignment of our future workforce strategy with the whole of our local health economy.

The Trust is actively managing agency and locum usage by strengthening bank staffing arrangements and increasing the effective and efficient use of technology including the GRS Rostering systems to enable better rota management and staff utilisation focusing on patient need.

SECAmb is updating its 'Workforce Strategy'. It will be developed with staff involvement and linked to the revised Trust strategy and wider STP plans including Local Workforce Advisory Boards (LWABs). This link with the STP approach to workforce resourcing and how we manage this as business as usual will be supported through our operational plan. This will include consideration of multi-disciplinary team working and the requirement of any changes to our skill mix. This will incorporate and describe a robust governance process that will offer the necessary assurances and act as a means of assessing performance against plans in year.

Our operational plan will consider the impact of legislative changes, policy developments including, but not limited to, the opportunities identified in the Carter review for improved productivity, changes to the apprenticeship levy from April 2017, the supply of staff from Europe and beyond, the immigration health surcharge and changes to NHS nursing and allied health professional bursaries.

5.0 Financial plan

5.1 Financial Forecasts & Modelling

Basis of Preparation

This final iteration of the Financial Plan for 2017/19 reflects all assumptions and discussions with budget holders and Directors.

The Plan has been discussed with and approved by the Board at its December 2016 meeting.

The Trust has been liaising with local STPs and completing data returns as requested but has not been advised at this stage of any actions which need to be factored into planning requirements.

Summary of Results

The Trust has faced unprecedented financial and quality pressure in 2016/17. This financial plan takes into account the requirement to balance these two strategic elements to allow the Trust to be sustainable and out of special measures.

As such the Trust has identified a system wide commissioning gap and has undertaken a mediation process with its 23 commissioners. This process has allowed the Trust to conclude a contract position for 2017/19. This position is reflected within the plan but contains other income of £26.1m which is subject to further work and agreement by both Commissioners and the Trust. This will take place during January to March 2017 to establish the cause and rectification of the gap. The work will consider the agreement of performance trajectories and the position on penalties for non-performance; it is underpinned by a joint project with agreed terms included as part of the signed contract.

The financial plan delivers a deficit of £1.0m in 2017/18 and a deficit of £0.6m in 2018/19 compared to the forecast deficit for 2016/17 of £7.1m; the deficit figures for 2017/19 have been advised by NHSI as control totals and have been agreed by the Trust in order to secure the opportunities available under the Sustainability and Transformation Fund (STF). It should be noted that both costs and funding for the re-banding of Paramedics have been totally excluded from the final plan at the request of NHSI because no funding has been agreed with Commissioners. The Trust estimates the costs to be £4.4m including the knock-on impact on higher bandings; the Commissioners are aware of the costs but have not asked to validate them and discussions indicate that that they are not intending or willing to fund the costs.

Current indications point to a gap in funding from Commissioners of £26.1m in 2017/18 and £27.1m in 2018/19.This is based on the assumption that the Trust will aim to deliver its statutory performance targets (75% Red 1 and Red 2) as required under the terms of its licence.

Commissioners have advised that they will not be able to afford this and will offer a reduction in the performance targets that SECAmb are commissioned to achieve. This approach will not be accepted by the Trust at this stage. Mediation to address the funding gap is ongoing through the auspices of NHS England and NHS Improvements with the possibility of going to arbitration if no agreement can be reached with Commissioners. The proposed contract sets out plans for an independent review and development of a PID jointly between commissioners and the Trust in Q4 2016/17 in order to address QIPP, CIPs and system changes in more detail. The outcomes of this work may allow the development of realistic and jointly agreed performance improvement trajectories for the Trust which will be agreed with regulators.

The bridge below shows the movement from the first submission to the final plan submission:

Bridge from Draft Plan to Final Plan								
		Draft Plan	Paramedic	Additional	Contingency	HEMS/NMET	Profit on Sale	Final Plan
		2017/18	Re-banding	CIPs	Adjustment	Reduction	of Property	2017/18
Income	Commissioners	197.5				(0.8)		196.7
	Structural gap	39.6	(4.4)	(7.3)	(1.8)			26.1
		237.1						222.8
Operating Expenditure		(226.0)	4.4	10.4				(211.2)
Finance Costs		(12.1)					(0.5)	(12.6)
Deficit		(1.0)	0.0	3.1	(1.8)	(0.8)	(0.5)	(1.0)

Cash balances are projected to be £5.3m at 31.3.18 and £8.5m at 31.3.19; the Trust will shortly be requesting a working capital facility from NHSI to boost cash reserves which are projected to reach near zero during the fourth quarter of 2016/17. The Trust has taken measures to cut back on expenditure across all directorates and to increase where possible the amount of credit taken from suppliers.

Capital expenditure will amount to £12.4m and £12.5m in 2017/18 and 2018/19 respectively.

The Income & Expenditure Account is summarised below:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£m Actual	£m Actual	£m Actual	£m Actual	£m M07 FOT	£m FPR	£m FPR
INCOME - agreed	**174.4**	**189.1**	**200.9**	**206.2**	**197.7**	**196.7**	**198.3**
INCOME - to be agreed	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**26.1**	**27.1**
TOTAL INCOME	**174.4**	**189.1**	**200.9**	**206.2**	**197.7**	**222.8**	**225.4**
PAY	120.3	133.8	142.8	146.0	147.0	165.8	166.7
NON-PAY	38.7	42.4	44.1	46.1	46.0	45.4	45.1
OPERATING EXPENDITURE	**159.0**	**176.2**	**186.9**	**192.1**	**193.0**	**211.2**	**211.8**
EBITDA	**15.4**	**12.9**	**14.0**	**14.0**	**4.7**	**11.6**	**13.6**
FINANCING COSTS	12.0	12.8	13.9	13.5	11.8	12.7	14.2
TOTAL SURPLUS/(DEFICIT)	**3.4**	**0.1**	**0.1**	**0.5**	**(7.1)**	**(1.0)**	**(0.6)**

The increase in operating expenditure indicates the costs associated with delivering the statutory targets and assumes Commissioners will be able to fund this. Should this not be the case then there will be an equal adjustment between income and cost. These figures also include a Trust efficiency schemes in 2017/18 equating to 7% of Operating expenditure.

Assumptions

The principal assumptions built into the plan include any assumptions stated in NHSI guidelines and are summarised below:

- Performance targets of 75% are met. The Trust recently commissioned a review by Lightfoot (an independent consultancy) into frontline activity requirements to meet the targets. The volume of frontline hours built into the plan has been informed by the Lightfoot report.[1]

- Activity increases by 4.7% in line with recent yearly increases. The basis of the arrangement post mediation is as follows:
  - Growth of 3.5% (compared to 2%) paid at 100% of price.
  - Growth between 3.5% and 5% is paid at a marginal rate of 80% (increased from 65%).
  - Growth below 3.5% is refunded at 80% to a level of 2.5%.
  - Outside this cap and collar a capacity review will be immediately instigated to allow a rebasing of the contract.

- Income is based on growth as shown above and price with a balancing figure of £26.1m in 2017/18 and £27.1m in 2018/19 (being income to be agreed) to achieve the control total. Non-recurrent income from Health Education

[1] Lightfoot were jointly commissioned in 2013 by SECAmb and the CCG's and concluded a c£7M funding gap. The CCG's acknowledged this but could not afford to close it and so this has multiplied over time. The recent Lightfoot review (updated September 2016), identified a gap of £40M.

England, Helicopter Emergency Services, Patient Transport Services and NHS 111 in East Kent is not included. A recent NAO report has identified that the ambulance services sector is experiencing activity growth that has not been funded, leading to failure in delivering performance targets. It is hoped that NHSE and the DH will accept the findings and address the funding issues.

- Pay costs increase by 1% plus incremental drift; a compulsory Apprenticeship Levy (applies to all businesses) of 0.5% of payroll costs amounting to £0.5m is included; Pension levy of 0.08% is also included; the remaining PTS staff have been transferred to SCAS under TUPE arrangements.

- Non pay inflation 1.8% as advised in NHS guidelines.

- Fuel costs to increase to £1.30 per litre.

- Costs relating to the new Crawley HQ will be offset by CIPs.

- Additional recovery costs of £1m are anticipated for 2017/18 related principally to the Operations Restructure and the Programme Management Office. CIP schemes based on recovery are in the course of being developed; the current position is therefore prudent. Capital expenditure is £12.4m for 2017/18 and £12.5m in 2018/19.

- Cash balance at 31.3.18 £5.3m and at 31.3.19 £8.5m, excluding any working capital funding from NHSI. If a working capital loan is granted to the Trust, it will be drawn down only when needed and will be repaid when the level of cash can support repayments. The projected cash balances assume that front line vehicles will be leased.

- CIPs covering established schemes of £4.7m for 2017/18 and £4.6m for 2018/19; these exceed the requirements of National Guidance which is based on 2% of operating expenditure. Further potential CIPs arising from Recovery schemes are in the course of being developed.

- PDC payments of £3.1m in 2017/18 and £3.1m in 2018/19

Service Lines

The outlook for 2017/18 and 2018/19 by service line is compared with previous years in the table below:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£M Actual	£M Actual	£M Actual	£M Actual	£M M07 FOT	£M FPR	£M FPR
999							
INCOME	160.3	167.4	178.4	184.4	185.1	216.4	225.4
EXPENDITURE	152.9	163.2	175.3	182.1	191.4	217.2	226.0
SURPLUS/(DEFICIT)	7.4	4.2	3.1	2.3	(6.3)	(0.8)	(0.6)
PTS							
INCOME	13.3	16.7	16.9	16.4	5.4	0.0	0.0
EXPENDITURE	16.8	19.0	17.2	16.3	5.9	0.0	0.0
SURPLUS/(DEFICIT)	(3.5)	(2.3)	(0.3)	0.1	(0.4)	0.0	0.0
KMSS111							
INCOME	0.3	5.0	5.6	5.3	7.2	6.4	0.0
EXPENDITURE	1.2	6.8	8.3	7.3	7.5	6.6	0.0
SURPLUS/(DEFICIT)	(0.9)	(1.8)	(2.7)	(2.0)	(0.3)	(0.2)	0.0

The 2017/19 plan for the 999 service assumes activity growth of 4.7%. This is matched by the supply of resources. The Trust is still in negotiations with commissioners to agree the contracts for 2017/19. Current indications are that the offers from commissioners will fall short of the required funding by £26.1m in 2017/18 and £27.1m in 2018/19.

The reduction in the PTS income relates to the expiry of the Sussex contract on 31 March 2016. The Surrey contract expires on 31 March 2017 following an unsuccessful tender process for the renewal of the contract. Staff will be transferred to the new provider, South Central Ambulance Service, under TUPE arrangements.

The contract for the NHS 111 service was renegotiated and extended with 17 of the 21 CCGs until 31 March 2018. The remaining 4 CCGs were extended until 30 September 2016 to tie in with their current procurement of Urgent Care services in East Kent, but ongoing problems faced by the new provider have required the Trust to extend further the contract to January 2017. It is understood that Commissioners may wish to engage with the Trust to discuss an extension beyond 31 March 2018.

Cash Resources

It is essential that the Trust has sustainable cash resources now and in the long term. Because current estimates point to very low cash resources during quarter 4 of the current financial year before recovering to a healthier position, the Trust will be seeking a working capital loan facility from NHSI. The cash flow projections for 2017/18 and 2018/19 are set out below but exclude the impact of a working capital loan:

£'M	FY 2017-18 Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY 2018-19 Full Yr
Opening Balance	0.0	(0.7)	0.8	2.1	5.3
Income	57.3	57.3	57.3	57.3	225.4
Expenditure:					
Pay including PAPS	(40.9)	(41.5)	(42.6)	(40.8)	(166.7)
Non Pay including leasing costs	(15.5)	(12.6)	(12.6)	(12.6)	(48.3)
PDC Dividend	0.0	(1.5)	0.0	(1.5)	(3.1)
Capital Expenditure	(1.6)	(0.8)	(0.8)	(0.8)	(5.9)
Receipts for sale of assets	0.0	0.6	0.0	1.6	1.8
Net capex	(1.6)	(0.2)	(0.8)	0.8	(4.1)
Interest income	0.0	0.0	0.0	0.0	0.0
Closing Balance	(0.7)	0.8	2.1	5.3	8.5
Summary movements:					
Net operating cash movement	0.9	3.2	2.1	3.9	10.4
Capex	(1.6)	(0.2)	(0.8)	0.8	(4.1)
PDC Dividend	0.0	(1.5)	0.0	(1.5)	(3.1)
	(0.7)	1.5	1.3	3.2	3.2

It is envisaged that cash drawdowns against the working capital facility amounting to £3.5m will be required during quarter 4 of 2016/17 based on current cash flow projections. The Trust would then hope that no further drawdowns are required in 2017/18.

Risks

The trust faces a number of key risks to achievement of its plans for 2017/19. These include:

i) successful release from CQC Special Measures.
ii) the impact of being in Financial Special Measures.
iii) a large funding deficit in both years (a recent NAO report has identified that the ambulance services sector is experiencing activity growth that has not been funded and this is leading to failure in delivering performance targets).
iv) a lack of acknowledgment from CCGs on a realistic performance trajectory.
v) the outcome of the jointly commissioned review with CCGs to define the size of the underlying gap between sustainable performance and financial delivery.
vi) the continuation of a worsening trajectory on handovers including the unintended consequences of the STP/STF guidance.
vii) the final plan will be submitted before the contract is signed and as such contains significant unknown outcomes.

viii) PEEP and paramedic re-banding to a 6, with the knock-on impact on Band 6 and Band 7 staff, amounting to a potential cost of £4.4m which it is assumed will be funded nationally (the costs and associated income have been totally excluded from the Plan).

ix) recruitment and retention of staff, if not in line with the workforce plan, will result in additional costs through the use of private providers and agency staff.

x) the issues in the wider health economy as described throughout this document are a significant risk to delivery of all providers' plans.

xi) the relocation of EOCs to Crawley and the impact on ability to deliver during times of significant change.

xii) significant unknown and likely unforeseen costs of governance review, senior management changes and delivery of further improvement plans. There is provision in the Trust's plans for redundancies but the detailed work on whom this will impact is yet to be concluded.

As the outcomes become clearer these will be shared. Where downsides exist, mitigation factors will be sought in order to deliver the agreed control totals. Where the downside is caused by a national agenda change, for example national re-banding of paramedics, national settlements will be required; otherwise it will not be possible to deliver the control totals.

KPIs

The following summarises the risk ratings arising from the final plan.

	FOT 2016/17	Plan 2017/18	Plan 2018/19
Capital Service Cover rating	4	1	2
Liquidity rating	4	2	2
I&E Margin rating	4	3	3
Variance from Control Total rating	4	1	1
Agency rating	3	1	1

5.2 Efficiency Savings

Cost Improvement Programme (CIP)

The Cost Improvement Programme (CIP) target is £4.7m p.a. for 2017/19 and includes schemes covering the restructure of frontline operations, reduction of agency premiums, shift over-runs, and Fleet Telematics. Further schemes are in the course of development particularly around the Recovery Plan. As in previous years the CIP schemes will be clearly differentiate between those CIPs which are incremental and efficiency driven (traditional CIPs) and those which are transformational in nature and involve new ways of working. All schemes are assessed for their impact on clinical quality, patient safety and patient & staff experience by the Director of Quality & Safety. These assessments are discussed at the Trust's Quality and Patient Safety Committee. The CIP programme is being driven by the Programme Management

Office (PMO). A governance process is currently being drafted and the planning and delivery process will be undertaken using the PMO structure and project mandate paperwork. The phasing of the CIP schemes will be assessed and agreed during the fourth quarter of 2016/17. A Waste Register will be used to support 360 degree identification. Financial Sustainability Steering groups will be held weekly to develop the plans and support performance management.
CIPS schemes are set out below:

Description	£M TOTAL **2017/18**	£M TOTAL **2018/19**
CIPs		
Ops Restructure	1.1	0.0
Agency Premiums	1.7	0.0
Reduction in MealBreaks	0.4	0.0
Reduction in Shift overruns (LSOs)	0.3	0.0
Fleet Telematics	0.6	0.0
Reduced Fuel costs from reduced moving of vehicles between sites	0.3	0.0
EPCR (printing)	0.1	0.0
CEO (Consultancy, Subs, Room hire)	0.1	0.0
Estates	0.2	0.0
TBC	0.0	0.0
	0.0	0.0
CIPs Included	**4.7**	**0.0**

CIPS Recovery Schemes

Additional CIPs have been defined following the recovery plan mandates passing ‘gateway 2’ of the process as follows:

Description	£M TOTAL 2017/18	£M TOTAL 2018/19
Additional CIP Schemes to be actioned		
Operational Efficiencies (TBC)	0.0	1.0
Benefits of MRC Program	0.5	0.0
Facilities Management	0.5	0.0
Single HQ / EOC	0.8	0.3
CCP's contribution to Performance	1.6	0.0
Staff Abstraction Management from Education and Training	1.0	0.0
Retendering existing contracts: MRC operatives, payroll, legal services, SBS, Occupational health	0.5	0.0
Strict enforcement of standardised practise and accountability	0.1	0.0
SOP's for MRC, Fleet maintenance etc.	1.0	0.0
Benefits realisation followed up and full accountability	1.0	0.0
Vehicle choices - Vans vs box back vehicles (£1M Capital)	0.2	0.0
System Status Plan appropriateness	0.5	0.0
Future clinical model (More Hear and Treat +5%)	1.5	2.0
Reduced Staff Turnover (EOC)	0.1	0.2
Reduced Staff Turnover (999)	0.9	0.9
Releasing Operational Staff from other Directorates to Support Hours	0.2	1.0
CIPs Other Potential Schemes	**10.4**	**5.4**
TOTAL CIPS	**15.1**	**5.4**

It is envisaged that the Trust will set itself an overall stretch challenge target of between £15m - £20m worth of schemes over the two years of the plan. Additional schemes under consideration include i) Establishing workforce & information systems (est £0.2m) ii) Closure of KMSS111 (est £0.2m) iii) CCPs & advanced clinicians' benefits vs more hours (est £2.5m) iv) Outsourcing of services (est £0.5m) v) Understanding our fleet (£1.0m). Further schemes will be developed during the year.

Agency Staff

The Trust is actively reviewing its current use of agency staff and is conscious of the NHSI requirements on the use of such staff. The review will consider the ongoing necessity for keeping agency staff and all managers have been instructed that agency staff may only be engaged in appropriate circumstances. The Programme Management Office has been tasked with overseeing the implementation of agency spend reductions. We are taking forward substantive appointments for agreed long term roles, and all other interim posts are being urgently reviewed for discontinuation with transfer of tasks to substantive roles.

Procurement

The Trust has a robust and challenging approach to procurement which is set out in the 2015/18 Procurement Strategy. The plan builds on previous savings and efficiency achievements and focuses on a number of key objectives. The Trust has adopted a zero inflation policy with suppliers whereby, unless previously agreed in the contract, all request for price increases will be resisted. Working with end users the Procurement team are seeking fair and open competition on all areas of expenditure

to ensure maximum value for money is being obtained and can be demonstrated. The use of national frameworks is actively encouraged where best value can be demonstrated. The Trust is also in compliance with the new NHS Improvement Agency Rules and actively working collaboratively at a national level to implement the Lord Carter Review recommendations where feasible. The tendering process is also used to generate additional benefits for the Trust, not just on lower prices, but by seeking opportunities to reduce variation on products and standardising where appropriate. Products are also benchmarked against the other 10 ambulance trusts. The process also seeks to reduce variation in suppliers by consolidating spend to maximise leverage and reduce office administration by curtailing the volume of invoices and deploying alternative procurement processes such as Procurement Card and Precision Pay for small one off transactions. The Trust's Standing Financial Instructions, Standing Orders and Scheme of Delegation documents have recently been reviewed and updated. All staff are expected to read and understand the documents, particularly in relation to Procurement matters.

5.3 Capital Planning

Capital Plans

2017/18 and 2018/19 will also see total capital investment of £12.4m and £12.5m respectively, the majority of which relates the need to renew front line ambulances & fast response units under the Fleet Replacement Programme and HART vehicles and equipment as mandated by NARU. It is anticipated that new vehicles will be acquired through leasing arrangements. There has been a strategic expectation that there will also be a large spend in 2018/19 on strategic estates projects including the completion of Make Ready Centres; this is under review. The new HQ and EOC is expected to be ready for occupation in 2017.

The Estates Strategy considers consolidation and use of the NHS estate, blue light collaboration opportunities and those offered by the wider public sector as well as commercial transactions. The capital plan assumes that future developments are funded by disposals of existing sites.

The IT plans include the continued exploitation of IPADs as an enabler for change and delivery of the recovery plan. Maintenance of the IT systems is included but a large amount of investment has already been incurred as part of the relocation of the EOC and associated IT systems.

For Clinical Operations the plan includes the refresh of existing kit in line with the strategy. The appropriateness of the kit utilised and the volume purchased will be considered as part of the recovery plan.

Capital will be managed flexibly and prioritised to the key areas.

The total 5 year capital expenditure projections are set out below:

	£M	£M	£M	£M	£M	£M
	Total Forecast 2016/17	Total 2017/18	Total 2018/19	Total 2019/20	Total 2020/21	Total 2021/22
Total Estates	0.2	0.3	0.3	0.3	0.3	0.3
Total ACRP Leasehold Improvement	0.1	0.3	0.2	0.2	0.2	0.2
Total Strategic Estates	11.1	0.0	2.3	3.8	6.2	4.7
Total IT	5.3	0.8	0.4	1.5	0.1	0.1
Total Fleet	2.1	4.7	3.0	2.7	2.7	2.7
Total Clinical Operations	0.1	0.1	0.1	0.1	0.1	0.1
Total Grant/Donated Projects	0.0	0.0	0.0	0.0	0.0	0.0
DMAs	0.4	4.6	4.6	4.6	4.6	4.6
SRVs	0.2	1.7	1.7	1.7	1.7	1.7
TOTAL CAPITAL EXPENDITURE	**19.4**	**12.4**	**12.5**	**14.9**	**15.8**	**14.3**

6.0 Link to the local sustainability and transformation plan

SECAmb works with and relates to 4 STPS as follows: -

- Kent and Medway
- Sussex and East Surrey
- Frimley Health
- Surrey Heartlands

They each have shared key drivers as follows: -

- Financial sustainability
- Increased demand and complexity of need exceeding capacity
- Growth of population especially for those age over 65 years
- Lack of integrated care pathways and delivery
- Acute capacity demands in physical and mental health
- Unsustainable workforce
- Lack of progress in digital roadmap

The Trust is working with each area as a key partner on the common themes as follows:

Development of Consistent Core Services	Prevention / Health and Well being Primary Care Out of Hospital Care / Local Care Acute Care Urgent and Emergency Care Mental Health / parity of esteem
Enablers	Financial sustainability Digital footprint

	Workforce Estates

At present the STP plans are emerging. The Trust has identified key issues that we need to work with the STPs on, and that impact on SECAmb as follows:

Acute reconfiguration – it is clear that each STP will in future be undertaking reconfiguration of varying elements of acute, urgent and emergency care. Although it is not yet clear what this will look like it is likely to include reconfiguration of key clinical services. SECAmb know from past experience, for example changes in locations of PPCI, Maternity, and Stroke, Paediatrics, General Surgery, Orthopaedics and Trauma care, that this will have a significant impact on the Trust operating model. The Trust is working with partners to ensure this is modelled into STP plans. For example, discussions are taking place with both Surrey and Central Sussex regarding future hyper acute stroke configuration.

Urgent and Emergency Care – The Trust is engaged in this work for each area via the Urgent and Emergency care networks, and are modelling in changes as they develop.

Primary Care, Community Services and Clinical Hubs – a variety of locality models for better alignment of primary and community care are being proposed including Accountable Care Organisations (ACO) and Multi-Speciality Community Providers (MCP) which aim to draw all out of hospital services into single cohesive teams wrapped around groups of GP practices. The local teams known as communities of practice or similar titles vary in number by area. It is not yet clear what the impact will be for SECAmb in each area. Several areas have made approaches to the Trust regarding the development of 'Community Paramedic' support in the locality teams. SECAmb are trialling this with the Thanet area in Kent at present and the evaluation of this will impact on other areas plans.

The Trust will be considering the balance of local and regional aspects of service delivery, the limitations regarding the volume of available workforce and where they need to be focused. SECAmb are also considering the potential risk of other organisations directly recruiting paramedics as this will further strain the available workforce and may cause clinical governance risks.

In addition, the Trust recognise that there may be estate and shared premises opportunities from this work stream as plans develop.

7.0 Membership and elections

Governor elections

SECAmb has 25 Governors on its Council: 14 Public Governors, four Staff Governors and seven Appointed Governors. Elected Public and Staff Governors serve three-year terms of office and are able to stand for election to three consecutive terms.

Elections are held in March in two out of three years. In 2016, elections were held for around a third of elected posts, with a number of new Governors elected and several

Governors elected to a second term of office. In March 2017, the remaining two thirds of Governor positions are up for election.

The Trust plans its elections with its Governor Development Committee, a Committee of the Council (chaired by the Lead Governor) which helps to identify Governors' training, development, information and induction needs. The Trust offers meetings with the Chairman and existing Governors to prospective nominees and advertises elections to all members via our membership newsletter and then communications from the elections agency. A comprehensive induction programme is available to new Governors, including buddying with existing Governors, visits around the Trust and a meeting with the Chairman and key Governor support staff to explore the role in detail.

Support for Governors and engagement with members and the public
The Trust utilises the Governor training programme provided by NHS Providers. For example, two new members of the Nominations Committee (NomCom) attended NHSP's training on NED recruitment this year prior to taking their positions on the NomCom. Governor workshops are held following formal Council meetings to provide opportunities for in-depth discussion with NEDs in relation to key issues for the Trust.

The Trust develops a programme of public events each year to enable Governors to meet and recruit members of the wider public. Several membership events are held, in addition to the Annual Members Meeting, to provide members with updates on plans for services in their area and enable members to meet and discuss issues with Governors. The Trust has established a staff engagement forum and a public engagement forum and Staff and Public Governors are part of these, respectively. These groups enable Governors to understand the views of members and update them on the work of the Council.

Membership Strategy
The Trust's Membership Development Committee (MDC) meets three times per year and plans membership recruitment and engagement events, including reviewing the outcomes of our annual membership satisfaction survey. The Trust's public membership is around 10,000 people and the MDC sets the membership strategy each year. For the past few years the focus has been on enabling quality engagement with members and maintaining/refreshing the membership rather than increasing the number of members.

We have sought to improve the diversity of our membership through outreach to younger people and at community events such as the Maidstone Mela. Members are invited to nominate themselves to our public engagement forum, to participate in undertaking equality analyses, and to review and set objectives for our Quality Account.