



Western Health
and Social Care Trust

2015/16 Savings Plan

2 April 2015

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1. DHSSPS FINANCIAL PLAN FOR 2015/16

The Department of Health, Social Services and Public Safety (DHSSPS) set out its assessment of the Northern Ireland Executive's 2015/16 draft budget for Health and Social Care, Public Health and Public Safety in its consultation paper dated 26 November 2014.

In the consultation paper the DHSSPS sets out its plan to deliver financial balance for 2015/16. The plan summarises the funding requirements for 2015/16, which are largely a roll forward of 2014/15 commitments, and the potential solutions for addressing these demands. With limited new funding available for 2015/16, over half of the plan offers a self-financing solution which involves the DHSSPS, HSCB and Trusts identifying cost reduction schemes/opportunities totalling £157m.

This paper reflects the Western Trust's position within the overarching DHSSPS financial plan.

2. IMPLICATIONS OF DHSSPS FINANCIAL PLAN FOR THE WESTERN TRUST

The Western Trust was advised in December 2014 that, as part of the Regional Financial Plan, the Trust is required to deliver £13m cash releasing savings on a recurrent basis in 2015/16.

This target is extremely challenging as it follows cash efficiency targets of approximately 3% being applied each year since 2008/09, which equate to £66m being removed from the Western Trust's funding baseline of approximately £550m.

Although the Trust has successfully met the required savings targets over this period, efficiency opportunities have become increasingly difficult to identify, and in recent years the Trust has had to rely heavily on non-recurrent sources of savings, for example workforce controls. This figure does not include any element of the recurrent roll forward deficit of the organisation, nor does it capture any emerging cost pressures, both of which the Trust has already highlighted to the HSCB.

3. FINANCIAL CONTEXT

The Trust has developed a savings plan to take account of agreements already reached between the Western Trust and the HSC Board on projects which the HSCB has indicated they will support. The plan developed amounts to £10.3m, leaving a shortfall of £2.7m against the £13m savings target. The Trust will work with the HSCB and the DHSSPS to try to close the gap before Trust Board approves its Trust Delivery Plan.

The Trust will develop as part of its Trust Delivery Plan a Financial Plan for 2015/16 which will incorporate this savings plan when approved by the HSCB. The Financial Plan will not reflect a recurrent financial position due to other factors and exceptional pressures which have not yet been fully resolved e.g. exceptional medical costs due to the requirement to fill vacancies with locums. In addition, the Financial Plan will

include significant internal contingent measures which will be required to be delivered in addition to the 2015/16 savings plan.

The Western Trust is considered by HSCB to be a high performing Trust overall, and the best performing Trust in a range of key services including Cancer services, Elective Outpatients, Unscheduled Care and Urology services.

Along with the statutory duty to break even financially, the Western Trust also has a statutory duty to provide safe, high quality care and that care must be effective, efficient, accessible and responsive to the needs of our patients and clients. Balancing these requirements means difficult decisions are required to deliver services while at the same time living within the funding allocations provided by the Commissioners.

4. INDICATIVE WORKFORCE IMPLICATIONS

Given that over 60% of the Trust's funding is on staffing costs, a reduction in workforce expenditure is necessary to achieve the 2015/16 savings target set by DHSSPS and HSCB. This reduction will occur through the implementation of planned savings projects which will deliver reductions in workforce costs, and through the application of controls and constraint in areas of flexible workforce spend.

Workforce control measures will take account of professional advice to ensure the continued safety of patients and clients. These measures will include:

- vacancy controls;
- reduction in the use of temporary, bank and agency staffing and overtime;
- identifying opportunities to roster staff more cost effectively; and
- improving attendance.

These measures have been in place during 2014/15 as part of the Trust's Contingency Plan and will be continued as part of the 2015/16 Savings Plan.

While the workforce implications of some projects are clear, other projects require further refinement before implementation. From previous experience of earlier savings projects requiring workforce reductions or changes in skill mix, dependency on turnover and staff redeployment is unlikely to deliver the level of change required. Access to a voluntary exit scheme with enabling funding is necessary to fully deliver savings.

The Trust has well established partnership working with trades unions and professional associations and will manage the workforce implications of the 2015/16 savings plan in accordance with HR best practice and statutory obligations.

5. SUMMARY OF PROJECTS & SAVINGS TARGETS

The Trust adopted a two stage approach to the identification of potential cash releasing savings opportunities for the 2015/16 year:-

Stage 1 - to consider elements of the 2014/15 Contingency Plan which could be made recurrent and achieve a full year impact in 2015/16.

Stage 2 - to consider new potential areas for generation of cash releasing savings

As with all savings plans considered by the organisation over the last number of years, we have sought first to target discretionary expenditure, management costs and procurement efficiencies. Given the level of savings achieved by the organisation in the last six years, the potential to derive significant savings in these areas is low. In identifying these projects, the Trust focused on maintaining safety while recognising that patient experience, quality and access to services may be affected in the delivery of some projects.

It needs to be acknowledged that there will be significant challenges in delivering the 2015/16 Savings Plan within the context of continuing increases in demand for services, cost pressures in the HSC economy, current waiting time targets, trades union and staff concerns and the limited time within which to achieve the totality of the savings.

5.1 Carried Forward 2014/15

The Trust had developed a number of savings proposals in 2014/15 and it is proposed to continue a number of those proposals into 2015/16.

Accelerate the Merger of Cardiac Assessment Unit (CAU) / Urgent Care & Treatment Centre (UCTC) Out of Hours at Tyrone County Hospital: The new Local Omagh Enhanced Hospital provides a merged service for CAU and UCTC during out of hours periods. The decision to move to this model of provision in existing services was agreed and implemented in 2014/15 as an interim measure, and will remain until the opening of the new hospital.

Savings Target £100k

Day Care Service Reform: The changes for Older People's Mental Health services for clients attending Spruce day care and Westbridge House have been implemented and will be carried forward into 2015/16. In addition, the re-provision of client care to Spruce House, will enable the rationalisation of Gortmore site.

Savings Target £99k

Hospital Services:

- (a) **Tyrone County Hospital** - The Trust is committed in continuing to meet the presenting demand for palliative care and rehabilitation services and will endeavour to live within the resources provided by the HSCB.

Savings Target 108K

(b) **Lakeview Hospital** – During 2014/15 the Trust delivered savings in Lakeview through workforce controls. This allowed staff to be used flexibly between 2 wards. Minor capital works will be undertaken in 2015/16 to remodel the current beds and allow the Trust to live within its allocation. In addition the hospital currently provides short breaks (1 bed) for a total of 8 service users who have complex health care needs. In line with best practice it is proposed that future short break provision will be provided in a community setting.

Savings Target £25k

Workforce: The Workforce control measures as outlined in Section 4 above will be carried forward into 2015/16.

Savings Target £989k

Non-Pay: A number of corporate savings proposals will be continued into 2015/16 including; reduction in the contract with the Business Services Organisation, implementing the reduced travel rate reimbursement to Trust staff in line with Departmental Circular, ensuring optimum use of non-emergency patient care transport, reducing bank and agency spend. In addition, a range of non-pay budgets will continue to be constrained during 2015/16.

Savings Target £2.4M

5.2 Additional Measures for 2015/16

Workforce

Savings opportunities for 2015/16 include vacancy control measures, absence management and reductions in overtime and agency costs. There will be a strong emphasis on securing savings from management and administration expenditure, reducing bank/agency costs, taking action to maximise attendance and effective use of available staffing resource. In addition, the Trust will be using methods such as the Electronic Rostering System to monitor the deployment of staffing resources to best effect. Progress will be monitored against this workstream through the application of the established performance management framework of the Quality Improvement Cost Reduction (QICR) programme of work.

Savings Target £3.3M

Non-Pay

Savings opportunities for 2015/16 are based on reducing the Trust's non-pay expenditure in the following areas.

- **Procurement:** - Over the past number of years the Trust has been successful in delivering savings from pharmacy operational protocols in compliance with regional and national guidance, and proactively managing switches from branded to generic alternatives. The Trust will also continue to gain price reductions through its pharmacy procurement intelligence.

Savings Target £100k

- **Contracts:** - The Trust proposes through its regular review of contracts to identify areas for cost reduction in external contracts, seek opportunities for new ways of working and develop a standardised approach to awarding and monitoring contracts.

Savings Target £450k

Service Reform

Bed Remodelling: The Trust has extant programmes for bed remodelling underway in Altnagelvin and South West Acute Hospital which indicate the potential for bed reductions. The implementation plan suggests there will be a reduction of 21 beds across the Trust geography, and the additional demands for beds from service developments and increases in unscheduled care are being considered within that programme of work. It is expected that these will be implemented in 2015/16 with the exception of the winter period. In South West Acute Hospital, the bed remodelling work is expected to conclude in the first six months of 2015/16 and be implemented thereafter.

Savings Target £500k

Reduction in SWAH acute beds from Roll out of “OPAL” (Older Peoples Assessment and Liaison Services) in Southern Sector of Trust: The Service will focus on Patients aged 75 years and over who are currently admitted to Care of the Elderly, Medical, Medical & Surgical Assessment Unit and A&E Wards in the SWAH. The aim is to facilitate the safe early discharge of newly admitted older patients with complex needs who might otherwise have an unnecessarily long hospital stay, thus reducing 8 acute hospital beds in the second half of the year.

Savings Target £140k

Efficiencies from Reform of Older People's Day Care Services: The objective of this reform is to examine existing services to secure a service model which will provide a high quality, safe, sustainable, accessible and timely service which reflects the changing nature of support needs of our population as we age. The Trust is currently consulting on its reform of older people day care services to introduce a three tiered model that focuses on prevention, independence and choice through access to multiple services, increasing the use of voluntary, independent sectors and local resource centres to provide services that will prove to be more efficient and cost effective due to its shared responsibilities/partnership between the Trusts and community/voluntary sector.

Savings Target £100k

Re-design of Looked After Children and Family Support Services model to repatriate and maintain children with complex care needs in their local community: The Western Trust is committed to providing a quality service to all its looked after children. The Trust recognises that children should be cared for in their communities of origin and is therefore examining its entire looked after and family support resource to ensure that the necessary services are targeted and all children are looked after within Trust boundaries and within Trust resources. The Trust believes it can provide an alternative placement solution to achieve permanency and support within fostering. Over the past 12 -18 months the number of children placed outside the Trust area has increased significantly (17) due to the complexity and need and unavailability of wraparound intensive support. This reform work will also address early intervention services within the service model.

Savings Target £750k

Mantlin & Creamery Residential Homes Service Remodelling: In the Remodelling of Mantlin Court as a supported living service, the Trust will develop a plan to re-provide the existing residential accommodation (17 bedded unit) to a 14 bedded supported living unit in line with projected demand during 2015/16. The re-provision of this service will allow service users to become more independent and provide them with choice regarding their living environment.

The Trust further proposes to withdraw the residential provision at Creamery House in Kesh, Co. Fermanagh, due to long term vacancies. This is currently an 11 bedded unit with 4 vacant beds and 7 residents. The building is old and difficult to maintain and will struggle to meet the regulatory estates standards as set by the DHSSPS. In addition, it is not economically viable to maintain the facility at the current financial spend. In addition the facility cannot be maintained within the funding allocated. The Trust will seek to relocate current residents based on their assessed need to alternative accommodation either residential, supported living or nursing within the local area. The current funding for the facility will be re-used to support the new placement for the service users affected.

Savings Target £10k

Review the current method of acknowledging service user contribution and their development within Day Care / Day Opportunity settings: The Trust is exploring alternatives to the current system of acknowledging service user contribution and development within Day Care and Day Opportunities. The current system is outdated and is based on a former “workshop” model. The monetary acknowledgement is outdated and is not conducive to a service which should celebrate achievement in a holistic manner. The project will seek to implement a more appropriate form of celebration of achievement through regular celebratory and recognition events.

Savings Target £59k

Reform of Domiciliary Care Services and Extension of Reablement: Measures to bring domiciliary care spend in line with commissioned levels will continue into 2015/16. This will include the tendering of domiciliary care services and revising the current “runs and rotas” within the in-house service. Any reform of the existing model will be progressed in line with recommendations from the regional review of domiciliary care which is being led by the HSCB.

Furthermore, the Trust proposes to establish reablement Trust-wide. The reablement service model helps people to accommodate their illness or condition by learning or re-learning the skills necessary for daily living, thereby reducing the need for on-going homecare. A reablement service has been operating in the Cityside locality since May 2012. Verified evidence demonstrates that over the past year 68% of service users who have accessed Cityside reablement have been discharged requiring no further care or with a reduction in their care provision.

Savings Target £550k

Containment of Expenditure within Funding

With a deficit opening position, and the requirement to deliver significant further cost reductions in 2015/16, the Trust is not in a position to continue to provide unfunded activity and therefore is proposing to constrain a number of overspending areas within funded levels. These will include:-

- Constraining community equipment provision and expenditure;
- Reforming Meals on Wheels, ensuring high quality, safe and reliable services which are value for money;
- Reducing taxi expenditure for clients;
- Re-establishing the 5-day week operation for Ward 9, in South West Acute Hospital, in line with the commissioned service model.

Savings Target £592k

6. EQUALITY ASSESSMENT

The Western Trust is committed to fulfilling its statutory equality duties as set out in Section 75 of the Northern Ireland Act 1998 which requires public authorities, in carrying out their functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations.

In developing the 2015/16 Savings Plan the Trust has adhered to its Section 75 statutory equality duties. In so doing the Trust has subjected the individual proposals contained within the plan to equality screening. In the interest of openness and transparency the Trust will publish the screening outcomes in its quarterly screening outcome reports which are published on the Trust website.

The Trust has carried out a preliminary equality screening of the plan and has decided to subject the plan to 'on-going screening'. This is in line with the Equality Commission for NI Guidelines which state that... *"for more detailed strategies or policies that are to be put in place, through a series of stages, a public authority should then consider screening at various times during implementation"*.

The Trust is committed to subjecting the policy proposals contained within the 2015/16 Savings Plan (once approved) to further equality screening and full Equality Impact Assessment (EQIA), where necessary and appropriate. The Trust fully accepts its obligations to take appropriate steps to mitigate any adverse impacts and to consider alternative proposals in furthering its S75 equality duties.

At this point the expected impacts of the 2015/16 savings proposals are all considered to be "minor and screened in with mitigation" or "minor and screened out without mitigation". There are no proposals deemed to require an EQIA at this time. Some the proposals will be subjected to ongoing screening. All screening will be undertaken in accordance with Section 75 duties.

7. ENGAGEMENT AND CONSULTATION

The Trust is committed to conducting consultation exercises in accordance with its PPI Consultation Scheme and statutory duties of involvement and consultation. The Trust will seek feedback in developing detailed plans on the proposals.

The Trust notes the advice issued by the Equality Commission for NI on how to apply the Section 75 equality duties to budget processes. In particular the requirement for an assessment of overall budget proposals at strategic level - to provide evidence of the cumulative impacts of the overall range of proposals presented by HSC Trusts and what impacts they might collectively have on the section 75 categories. The Trust believes the HSCB is best placed to offer assurances that such an assessment has been conducted.

The Trust is mindful of the highly dispersed rural population within the Western Trust and shall also gather evidence to consider if proposals contained within the Trust's 2015/16 Savings Plan would create an adverse differential impact on rural areas.

The Trust is also mindful of the Human Rights Act, which came into effect on 2 October 2000, making it unlawful to act in a way which is incompatible with the European Convention on Human Rights, and of its Disability Duties to: promote positive attitudes toward disabled people; and encourage participation of disabled people in public life.

8. GOVERNANCE ARRANGEMENTS

This 2015/16 Savings Plan will be presented to the Trust Board on 2 April 2015 and approval will be sought to submit the 2015/16 Savings Plan to HSCB for approval. The Director of Finance will report on progress against the savings plan targets at Trust Board Meetings.

The Trust will adopt a project management approach to the implementation arrangements associated with the plan. The plan will be financially monitored at the monthly meeting of the Corporate Management Team Financial Management Group (CMT FMG). The delivery of individual projects and any risks or impacts on patient experience, quality or safety will be monitored through the normal governance and management oversight processes within service directorates.

Project mandates will be formally approved and adopted. Individual project plans will be established in line with good practice.

Each project within the Savings Plan has been allocated a lead director who will take responsibility for agreeing and implementing the detailed project plan to deliver the required savings against the target. Issues impeding successful delivery to CMT FMG will be escalated to enable recovery or corrective actions to be agreed.

Where projects relate directly to commissioned projects under the auspices of the Transforming Your Care (TYC) ICP programme, outcomes will be monitored by the LCG at the Western Area TYC Implementation Board.

Trades union representative(s) will be engaged on a regular basis through the established Joint Forum and Consultation Group to ensure robust, fair and agreed human resources processes are in place to manage future staff changes. The Trust's Management of Change Framework is the main vehicle for effecting change within the Trust.