

Chapter One

Executive Summary

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1.1 Introduction

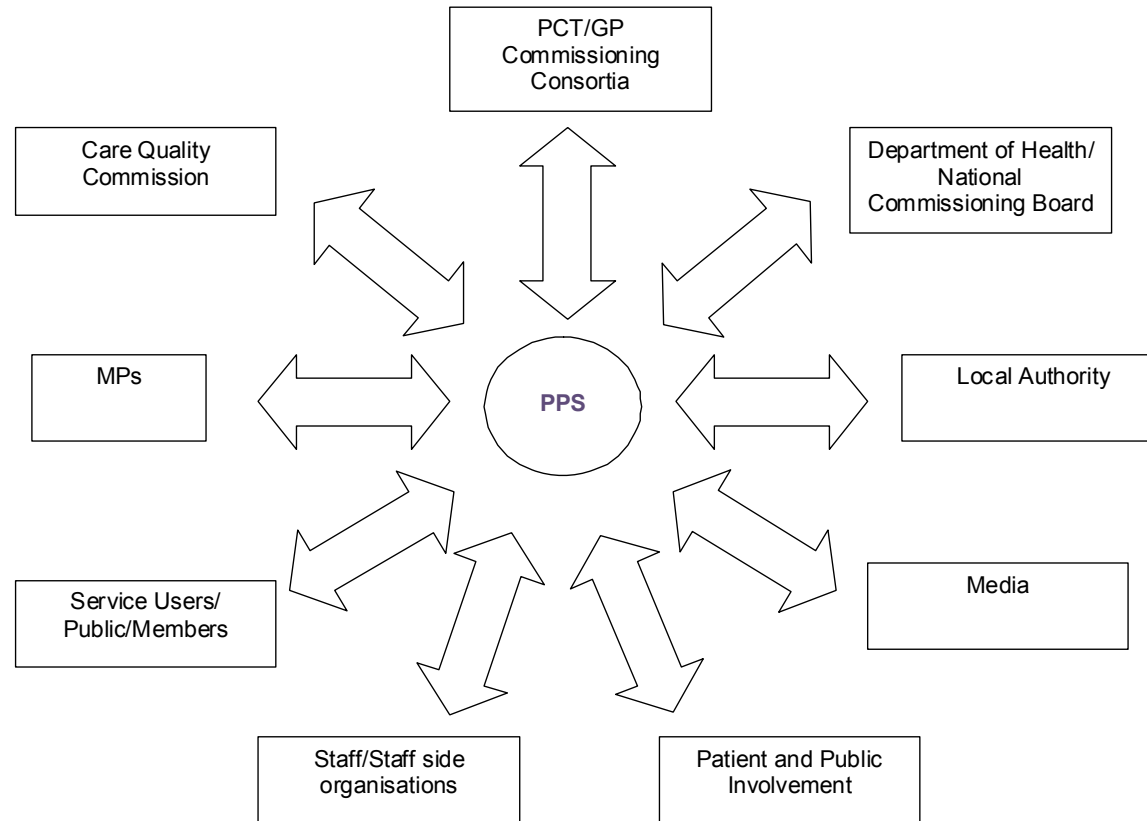
This Integrated Business Plan explains how the development of a new provider organisation will improve the delivery of services across the Plymouth health community. The social enterprise, Plymouth Provider Services, is being established in line with the Transforming Community Services (TCS) approvals processⁱ, thus providing assurance that this model offers the greatest security for the future provision of quality services.

Both the national and local context means that the social enterprise will be operating in a challenging environment as a provider of NHS-commissioned services over the next three years. The organisation will be maintaining a focus on improving quality, increasing efficiency and ensuring the long term sustainability of services through the operation of a whole systems approach to delivery of care.

This means that Plymouth Provider Services recognises that it does not operate in isolation but is part of complex web of services, delivered across health and social care. It also means that the organisation recognises that changes cannot be made to care pathways in isolation; the impact on the whole health economy, as well as on Plymouth Provider Services, must be taken into consideration. Pathways need to be mapped from 'end to end' and any changes made to these pathways must add value for service users, as well as demonstrating value for money to service commissioners and the general public.

Plymouth Provider Services will occupy a key role in the local health community, acting as 'lynchpin' in drawing together a range of significant stakeholders. A stakeholder map has been developed to capture these and has been included below as Figure 1.1:

Figure 1.1 – Stakeholder matrix



The new organisation will seek to exploit its unique position within the health economy by developing its role through the integration of its care provision and partnership working with other agencies with the health community.

The organisation intends to work to ensure that there is a balanced approach to aligning all the needs of the relevant stakeholder in support of the overarching aim of delivering a surplus to enable reinvestment in community based services.

1.2 Rationale for social enterprise status

The social enterprise model will facilitate the redesign of services in line with the requirements set out in the Commissioner Case for Change. Social enterprise status offers:

- The best way to implement the vision, values and mission that have been determined for the new organisation, offering legal and financial freedom to determine the future direction of services;
- The best way to engage staff and the local community in developing and transforming the services offered, through adoption of an employee owned model and involvement of patients and the public as members;
- The ability to adapt quickly to a changing market and pursue opportunities for growth and development; and
- The best available model to support the transformational change agenda outlined in 'Transforming Community Services: Enabling New Patterns of Provision' and the recently published White Paper, 'Equity and Excellence: Liberating the NHS'.

Plymouth Provider Services will embrace the opportunity of becoming a social enterprise by exploiting the unique opportunities adopting this model will provide. This includes:

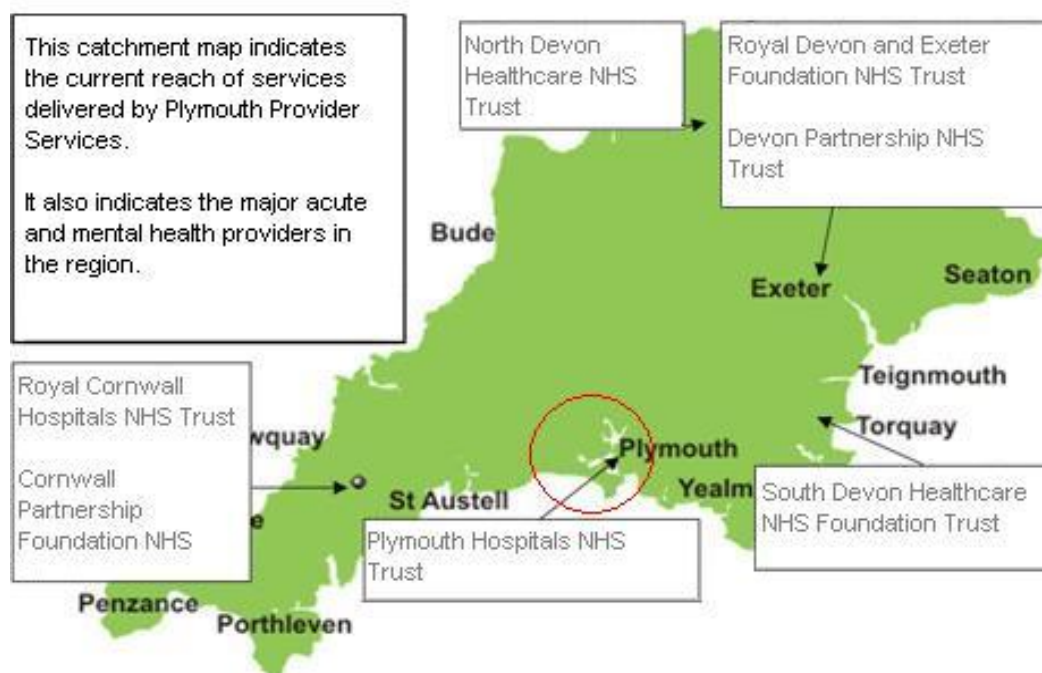
- Accessing new forms of funding to further develop and expand its income base;
- Working in partnership with existing social enterprises, including those with charitable status, to enhance business processes by adopting the best practice demonstrated in the sector; and
- Develop a robust business model to take advantage of the significant changes in provision signalled by the Coalition Government in relation to the NHS.

Further information about the model for the social enterprise, a Community Interest Company (CIC), and the rationale for choosing that model is included in chapters two and three of this Integrated Business Plan.

1.3 Profile

The social enterprise will have a unique role in the provision of community based healthcare services over a large geographical area. Plymouth Provider Services offers services in line with the footprint of the local acute provider, Plymouth Hospitals NHS Trust, to the 450,000 population of Plymouth, north and east Cornwall, and south and west Devon.

Figure 1.2 – Catchment area map



Plymouth Provider Services offers comprehensive community based services, as well as service provision across a range of care types. The table below, Figure 1.3, gives an overview of the services provided:

Figure 1.3				
Service Type	Plymouth	Devon	Cornwall	Other
Adult Mental Health				
Inpatient	■	■	■	■
Community	■	■		
Specialist	■			
Community and Rehabilitation				
Inpatient	■	■	■	■
Community	■	■		
Specialist	■	■	■	
Children's and Families				
Inpatient	■	■	■	■
Community	■		■	

Included within the above summary are a range of highly specialised services provided by the social enterprise and these are detailed below in Figure 1.4:

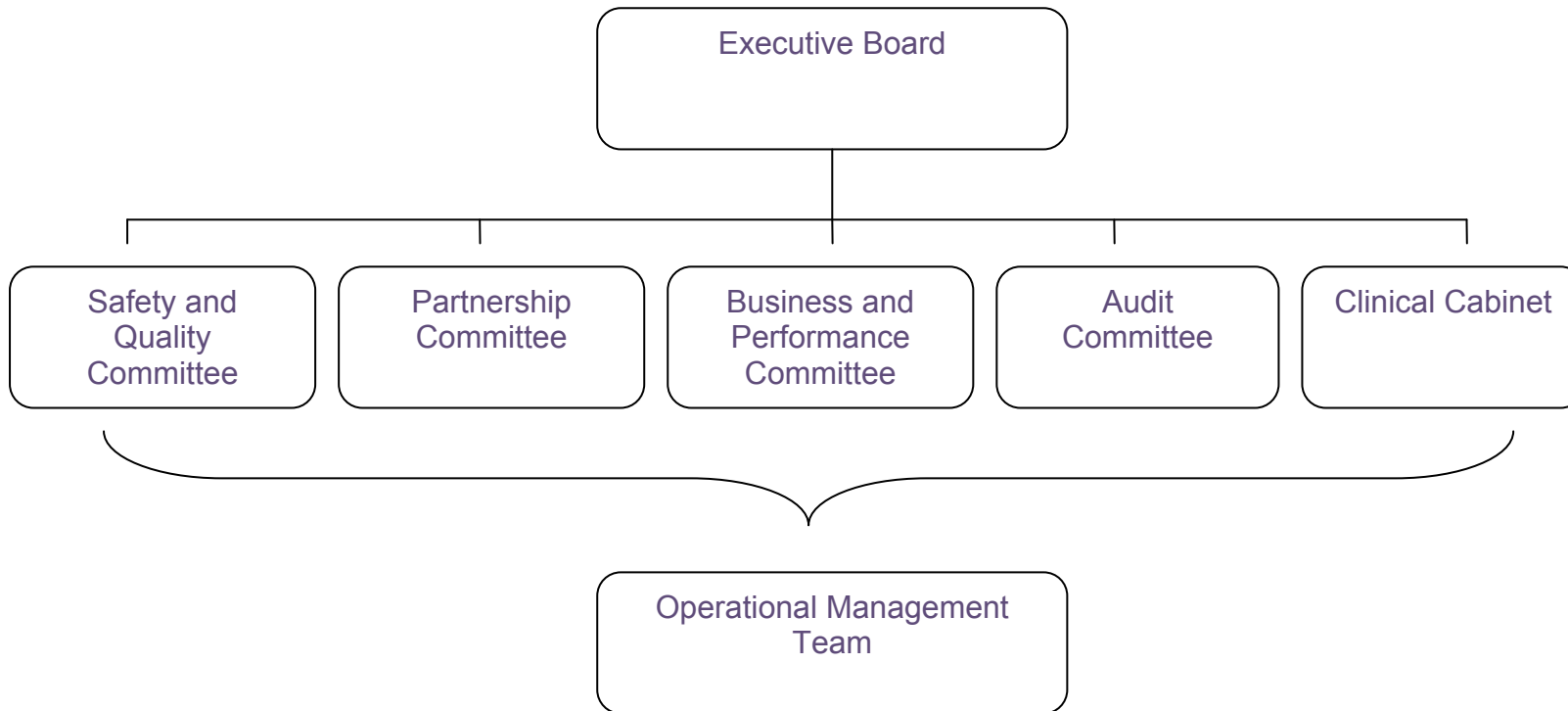
Figure 1.4				
Specialised Services	Plymouth	Devon	Cornwall	Other
Adult Mental Health				
Low Secure	■			
Community and Rehabilitation				
Neurological Rehabilitation	■	■	■	■
Children's and Families				
CAMHS Tier 4	■	■	■	■

The social enterprise will be established by 1 April 2011 and will operate with a turnover that is at least equivalent to that of the organisation that it is replacing (NHS Plymouth Provider Services), approximately £93 million. It will also employ approximately 2,000 whole time equivalent (WTE) staff.

The existing provider function has an environment where it enables its staff to develop innovative services in the knowledge that they are supported fully by the senior management team, who operate within a clear 'no blame' culture. Plymouth Provider Services will seek to maintain this culture, and, through the implementation of employee ownership model enhance the role of its staff in setting the development of a quality based agenda in the future.

The management arrangements for the new organisation will enable the primary objectives of the social enterprise to be met. The organisational structure is set out below, in Figure 1.5, and this takes into account any statutory requirements within the Companies Act (2004) and the principles of the UK Corporate Governance Code. Further detail about the structure and roles and responsibilities of the executive board and committees set out below is included in chapter nine.

Figure 1.5 – Organisational Structure



1.4 Commercial and Market Assessment

The new social enterprise is well located from a geographical perspective, placed in the middle of the Peninsula and with good road links across the region. There is recognition that operating predominantly in the largest urban conurbation, Plymouth, brings its own unique challenges; there are pockets of high social and economic deprivation that can drastically alter the needs of service users from one locality of the city to another.

The provider function of PCT has already demonstrated its ability to provide focused services in order to address health inequalities within the city. The Devonport Integrated Team has been created to deliver multi disciplinary, patient specific care to patients in order to avoid unnecessary acute hospital admissions. Due to the success of this model, it has been used as a template to pilot care provision in other areas of Plymouth.

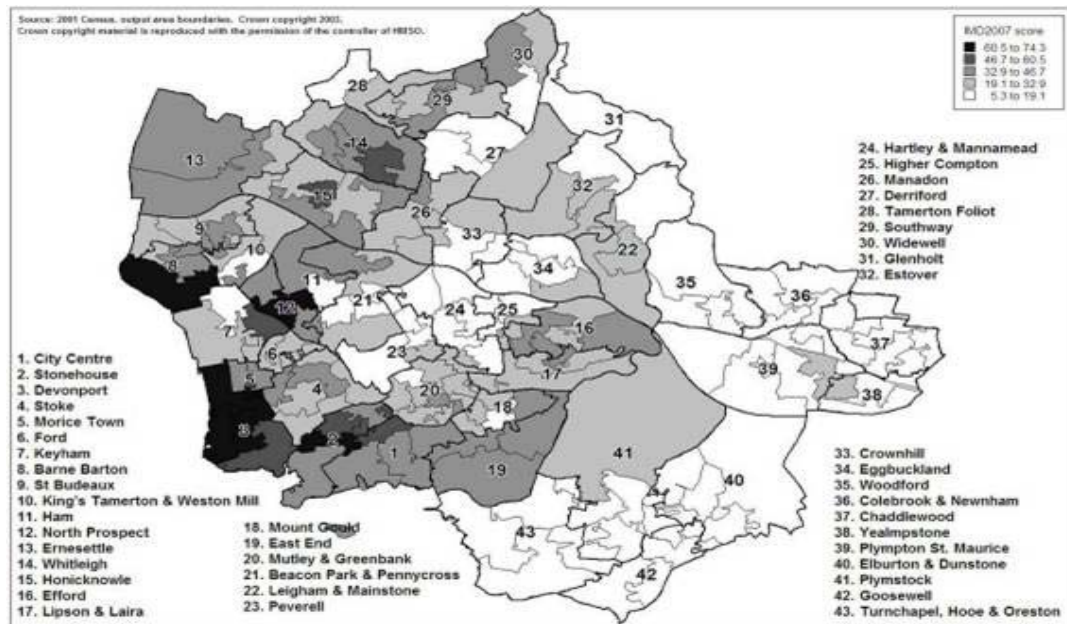
The primary commissioner of the services offered by the social enterprise is NHS Plymouth, with 81% of the income for the social enterprise associated with the contracts held between the new organisation and this NHS commissioning body.

It should be noted that 10% of income is received from non-NHS commissioning bodies; whilst this underpins a strong level of partnership working and the move towards integration of services where appropriate, it also represents a significant risk to the organisation in light of the recent Comprehensive Spending Review announcements. It will be important for PPS to continue to demonstrate that it delivers services on a value for money basis to retain this income into the future.

Although the main focus, from a geographical perspective, of the services offered by Plymouth Provider Services is the city of Plymouth, the organisation also delivers services into parts of Cornwall and Devon. In order to understand the specific challenges that may arise from delivering community based healthcare services outside of the compact, urban environment of Plymouth, Plymouth Provider Services has undertaken analysis of the defining characteristics of each area. A more detailed analysis is included in chapter four but the key features of the region are detailed below in Figure 1.7:

Figure 1.7		Key Characteristics
Plymouth	Compact city with widely diverse neighbourhoods.	
	Below the average for England for a number of indicators of deprivation.	
	Health inequalities due to location, gender, deprivation and ethnicity.	
Devon	Prosperous rural area.	
	People's health generally better than the average for England.	
	Some pockets of deprivation and inequalities within west Devon, which may be linked to its rural nature and poor access.	
Cornwall	Rural county and a popular holiday destination.	
	Peoples health generally the same or better than, the average for England.	
	Access issues are common across Cornwall.	

The following map, Figure 1.8, demonstrates the varying levels of deprivation within the city of Plymouth, based on the Index of Multiple Deprivation 2007 (IMD2007).



The following table, Figure 1.9, sets out the rankings for the 20% most and least deprived neighbourhoods within Plymouth:

Figure 1.9		Neighbourhoods
20% Most Deprived	Devonport (highest IMD2007 ranking)	
	Stonehouse	
	North Prospect	
	Barne Barton	
	Morice Town	
	East End	
	Whitleigh	
	City Centre	
20% Least Deprived	Glenholt	
	Plymstock	
	Goosewell	
	Colebrook and Newnham	
	Woodford	
	Hartley and Mannamead	
	Elburton and Dunstone	
	Chaddlewood (Lowest IMD2007 ranking)	

Key marketing influences and developments expected to have the largest impact on the new organisation are:

- The global financial context, including the effect on the national debt and consequent impact on public spending;
- The Quality, Innovation, Prevention and Productivity (QIPP) agenda set out by the Department of Health, supporting the shift of location and delivery of health care from hospital to community based services;
- Increasing local private sector competition for services, such as the recent re-tendering of the Independent Sector Treatment Centre;
- Potential growth in national or international competitors delivering across an end to end pathway of care (e.g. Kaiser Permanente, United Health Europe). It is not yet clear what the impact of this will be in Plymouth but it should be taken into consideration given the stated intentions of the commissioners to market test services in future;
- The importance of provision of services for the older population, particularly the increasing need for a 'end to end' pathway approach to provision of dementia care; and
- Addressing inequality of access in deprived areas, through the delivery of patient focused services in the community setting, working with other stakeholders to ensure seamless provision of care.

1.5 Summary SWOT

The analysis below summarises the assessment of the new organisation's Strengths, Weaknesses, Opportunities and Threats (SWOT). This analysis has been undertaken to inform the objectives and business strategy of the social enterprise and is set out below in Figure 1.10:

Figure 1.10 - Summary SWOT analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Patient centred model of care; • Evidenced quality of service provision; • History of responding to local need; • Dedicated, caring, values driven workforce; • Strong partnership working approach. 	<ul style="list-style-type: none"> • Pockets of 'no change' culture, resulting from staff feeling 'done to'; • Silo working and restrictive professional boundaries; • Business intelligence and financial awareness; • Challenging relationships with local commissioners; • Participation and involvement of service users.
Threats	Opportunities
<ul style="list-style-type: none"> • Comprehensive Spending Review impact on health and other public sector organisations; • Unknown impact of GP commissioning consortia; • Competition from alternative local, national or international service providers; • Reduction in income; • Market testing by commissioners. 	<ul style="list-style-type: none"> • Development of locality based services; • Clear strategic development framework offered by the QIPP programme; • Strong focus on core business; • Innovation in models of service delivery; • Growth of new markets.

The comprehensive SWOT analysis that Plymouth Provider Services has undertaken is included as annexes to chapter five, which provides narrative to support the findings of the analysis. The detailed SWOT sets out the potential impact of the identified strengths, weaknesses, opportunities and threats, as well as the actions that the organisation will take to mitigate against their impact or exploit their potential in line with the stated strategic aims of the social enterprise.

The SWOT analysis, along with the summary and detailed PESTLE analysis that has been undertaken, has been used to inform the service development plans for the organisation. The synergy between the identified Strengths, Weaknesses, Opportunities and Threats and the position of Plymouth Provider Services in the current and future healthcare market has also been considered in more detail in chapter four.

1.6 Performance Overview

The provider services incorporated into the new organisation have a successful track record of delivery. This has been demonstrated through the independent assessments that took place whilst the services were operating as part of the NHS Plymouth Provider Services.

A summary of the key performance indicators is provided in the following tables, Figure 1.11 and Figure 1.12, and further details of the ratings received by the previous organisation can be found in Chapter Six.

Figure 1.11 Auditors Local Evaluation (ALE) Scores	2007	2008	2009	2010
Managing finances	2	3	2	2
Governing the business	2	2	2	2
Managing resources	2	3	2	2

Figure 1.12 Provider Breakeven	2006/07 £m	2007/08 £m	2008/09 £m	2009/10 £m
Gross operating costs	78.4	83.3	91.9	100.1
Operating revenue	(17.5)	(16.0)	(20.3)	(21.2)
Interest Received	0.0	0.0	(0.1)	(0.1)
Interest Paid	0.0	0.0	1.3	1.3
Net operating costs	60.9	67.1	72.8	80.2
Costs met with PCTs allocation	(60.9)	(67.1)	(74.3)	(81.8)
Under/(over) recovery of costs	0.0	0.0	(1.4)	(1.5)

The social enterprise will focus on continuing to improve and enable access to all of the services that it provides, as well as improving the operational and financial performance of the organisation. Key achievements that the social enterprise will aim to sustain are:

- Continued financial and business viability of the organisation;
- Continued CQC registration without conditions;
- Achievement of required Commissioning for Quality and Innovation (CQIN) targets; and
- Delivery of Clinical Quality Review Meeting (CQRM) requirements.

Plymouth Provider Services understands the importance of undertaking a regular internal stock take, led by the Board, to determine the overall performance of the organisation. Although financial and operational performance is recognised as central to the sustainability of the organisation, a more holistic approach to determining performance would be beneficial, particularly as the organisation recognises that the mark of a successful social enterprise is also to engage the community and the employees of the organisation in developing a socially responsible and community focused approach to business.

With that in mind, the organisation will adopt the approach to assessing organisational health described by McKinsey and Co. in their recent publication 'Performance and Health: an evidence based approach to transforming your organisation' (2010). This is based around nine dimensions of organisational health, which are described under the following headings:

- Direction;
- Leadership;
- Culture and climate;
- Accountability;
- Co-ordination and control;
- Capability;
- Motivation;
- External orientation; and
- Innovation and learning.

Organisations are then categorised as either 'Ailing', 'Able' or 'Elite' dependent on how they measure up against each of these different categories.

The measures for each dimension and each category are included as Annexe 1.1. Plymouth Provider Services will undertake an 'organisational health' assessment utilising this framework, on establishment of the organisation and at regular intervals during the first five years of operation; the findings will be reported to the Board alongside more traditional measures of performance.

1.7 Strategy

The new organisation has developed a clear vision for the social enterprise, along with a clear message about its values. These statements reflect the fact that the new organisation will provide services across the age range.

Vision

To develop our business in a new way, working together with others to help the local population to be physically and mentally well, to get better when they are ill, and when they cannot fully recover, to help them stay as well and as independent as they can until the end of their lives.

Values

Our values arise from our commitment to work collaboratively with others to make sure that everyone in the community has the same chance of staying healthy, independent, and safe.

We recognise that offering services across the age range means that we need to develop a 'Think Family' approach to the care that we deliver; this means we will arrange ourselves around the family and not according to perceived boundaries between services for adults, children, and young people.

We will always involve the adults, children, and young people we care for in deciding how we can provide our services to best meet their needs and to make sure they are able to access the right help, at a time that they need it, and in a place that is close to their home.

We recognise the contribution our staff make and believe in making sure that our staff receive the right training and support to help them do their job to the best of their ability every day that they come to work. We recognise the need to empower our workforce and invite them to help the organisation to find creative and innovative solutions to any challenges we may face in the future.

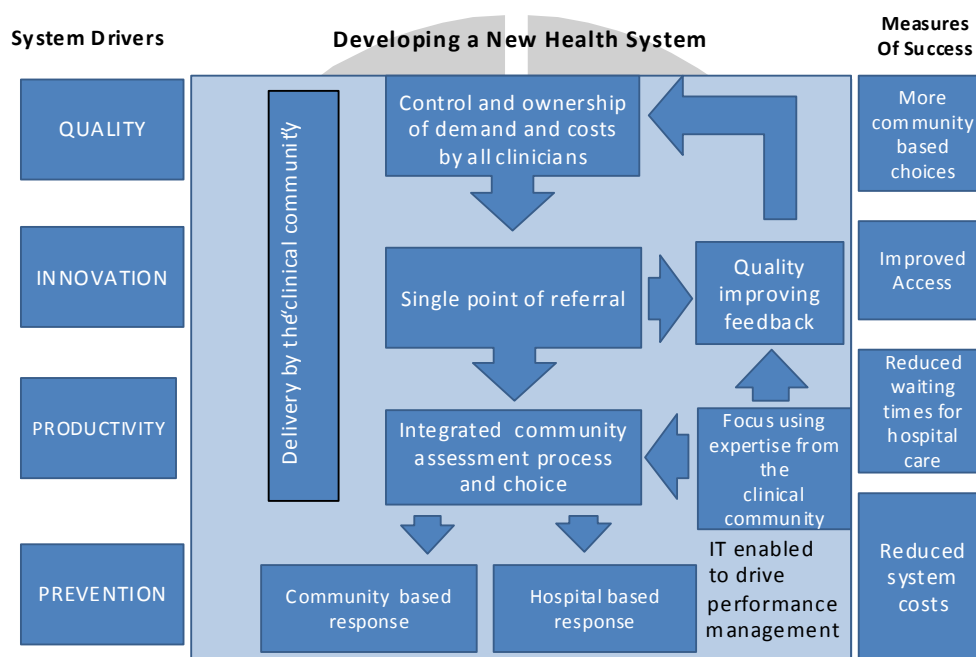
The vision and values, along with the mission, of the new organisation have been integral to defining the approach that the social enterprise will take towards engaging staff and service users in the transformation of services to ensure their needs are met. In addition, they have guided the development of the strategic objectives of the new organisation, which are set out in more detail in chapter three.

1.8 Service Development Plans

The service development plans for Plymouth Provider Services have been established with the needs of service users, and requirements of commissioners, determining the model that has been adopted by the organisation.

In order to facilitate a successful transition to whole systems delivery of community based services – in line with the ‘healthy system’ described in the Commissioner Case for Change and outlined below in Figure 1.13 – it will be essential for the social enterprise to adopt a positive approach towards integration and co-location of services.

Figure 1.13 – The Healthy System Model



Plymouth Provider Services knows that, in order to be successful and sustainable into the future, it must meet the core offer set out in the Commissioner Case for Change. That core offer can be described as:

- The provision of services close to home wherever clinically appropriate including within sub localities in Plymouth, differentiating services in accordance with the specific requirements of individual communities in order to both improve access and to address factors that can prevent future ill health;
- A bio-psycho-social approach that integrates provision across professions and partners that can best respond to the physical, mental and social needs of individuals in order to be most effective in improving outcomes;
- Close collaboration across primary, community and secondary healthcare alongside social care minimising duplication and hand-off's between teams / departments so as to improve the patient experience;
- This increase in efficiency to be mirrored by an increase in productivity and a reduction in transactions between organisations; and
- A workforce that is motivated to improve the well being of patients and public, that has a focus on quality and safety and has the skills needed to deliver integrated care.ⁱⁱ

Importantly, the new organisation understands that it will not be possible to deliver this core offer, particularly in the current challenging economic climate, without the support and collaboration of partner organisations.

It is intended that services for children, young people, and adults will be developed with this core offer in mind. The social enterprise recognises that in creating and delivering services that comply with this core offer, it must deliver the following transformational changes:

- Integration of mental health, community and children's services within the social enterprise;
- Development of Plymouth Provider Services as the key interface in the local health community. This means recognising that the organisation sits within a complex web of primary and secondary care services and often operates as a 'middleman' between secondary and primary care;
- Become the prime choice for GPs in the delivery of community based care;
- Creation of multi disciplinary locality based teams to provide health and social care; and

- The empowerment of a well trained, motivated and performance managed workforce to enable the above.

The service developments that are planned for the Adult Mental Health and Learning Disabilities Directorate, the Community and Rehabilitation Directorate and the Children and Families Directorate are described in detail in chapter five; the planned changes are outlined in the context of the core offer set out in the Commissioner Case for Change.

The organisation has already identified a framework within which the planned transformational change will take place. Plymouth Provider Services recognises that as well as describing 'what' will be changed, it is essential to describe 'how' those changes will be made.

The 'how' aligns with the approach to assessing organisational health, as it is clearly described in 'Performance and Health: an evidence based approach to transforming your organisation' (2010). Described as the 'five frames', this approach has been used successfully by the organisation in achieving what has been described as NHS South West Strategic Health Authority as the transformational change of services for stroke patients in the local health economy. There is further detail included in chapter five and also in the Transformation and Service Development Strategy, which is one of the underpinning strategies supporting this Integrated Business Plan.

1.9 Financial Plans

It is intended that the transformation of services, in line with the clinical case for change – outlined in the Commissioner Case for Change and supported by the Joint Strategic Needs Assessment (JSNA) for the city – and recognising the views of services users, will support the achievement of efficiency savings for the social enterprise; these will form part of the annual cost improvement programmes pursued by individual services but will also be integral to the delivery of the Quality, Innovation, Productivity and Prevention (QIPP) agenda.

The financial position of the new organisation, based on a summary outturn of NHS Plymouth Provider Services in 2010/11 is included below in Figure 1.14:

Figure 1.14	
Description	£million 2010/11
Mental Health and Learning Disability	£25.1m
Inpatient Rehabilitation, Intermediate Care and Community Services	£35.3m
Children's Services	£11.8m
Medical Staffing	£4.6m
All PCT Provider Services	£76.9m
Corporate Services	£16.3m
Total	£93.2m

1.10 Key Risks

The principal risks to the delivery of the Integrated Business Plan are considered in detail in chapter eight. The key risks are categorised under the headings operational, financial, workforce and technological.

The plans that the new organisation has in place to mitigate such risks are clearly outlined, as is the process for recording and managing risks and providing assurance to the Board. The key strategic risks are built in to the sensitivity work that has been undertaken by the new organisation and this is also contained in chapter eight.

1.11 Conclusion

There is a clear vision and ambition to develop a social enterprise that is responsive to the needs of those it serves, as well as offering staff the opportunity to take ownership of and drive the transformational change that the organisation will be undertaking in the next five years.

The plans of the new organisation focus on improving quality, increasing efficiency and ensuring sustainability for the people who use the services and those who commission them. Given the significant changes that the health care sector, and wider public sector, will face over the next five years, the social enterprise is well placed to respond to the changing face of the market, anticipate the emergent needs of the local population and offer a new vision for the future of community based services.