



North East Ambulance Service



NHS Foundation Trust

Operational Plan 2016/2017

FINAL FOR PUBLISHING
18 April 2016

To date the financial climate has not enabled us to satisfactorily conclude our contracting position for 2016/17 with our lead Commissioners. The assumptions contained within this Plan summarise the latest contracting position which includes a level of uncertainty and risk.

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Introduction to our plan

This is a one year plan that sets out our planning assumptions and priorities for the coming year, reflecting the government's Mandate to NHS England for 2016/17 and the ongoing implementation of the Five Year Forward View.

The plan sets out our activity, quality, workforce and financial assumptions and sets out how the Trust intends to build on transformational plans to move closer to an enhanced clinical delivery model for urgent and emergency care and one that delivers improvements to the overall system.

This year will be another year where resilience planning will continue in parallel with our transformational programme to optimise core service provision in the context of limited funding, further efficiency drives, system wide pressure and transformation and ongoing staffing shortages.

The Trust

We are one of ten ambulance services and cover the counties of Northumberland, Tyne and Wear, Durham and Teesside – an area of around 3,230 square miles. We employ just under 3,000 people including our valued volunteers and serve a population of 2.71 million people.

We provide an Emergency Care (EC) Service and a Patient Transport Service (PTS) and respond to 999 calls for people in the North East of England. We also deliver specialist response services such as our Hazardous Area Response Team (HART).

Since 2013 the Trust has been successfully delivering NHS 111 for the region and has been able to demonstrate how this service can run alongside the provision of the 999 service to provide a seamless access point for patients and during 2016/17 we will start to introduce enhancements as part of the Urgent and Emergency Care (UEC) Vanguard programme.

Following a very challenging year experienced in 2014/15, 2015/16 was equally difficult and we are now planning for another challenging year; a third year of financial deficit and on-going transformational change.

Throughout 2015/16, there has been ongoing deterioration of our key emergency care response targets; further deterioration of urgent responses; and ongoing pressures being placed on our workforce.

This has not detracted us from looking to improve our culture and future strategy to make improvements and ensuring NEAS is a great place to work. We have a renewed mission, vision and set of values for the organisation and are progressing with our plans to transform our service provision and support essential recovery.

Our new foundations for planning in 2016/17

Our mission

Why we wear our badge.

Safe, effective and responsive care for all.

The pride we place in delivering these services marks us out as second to none in terms of reliability, professionalism and compassion. People rely on us for the responsive services we provide all day, every day, throughout the areas we serve.

Our vision

Where our badge will take us.

Unmatched quality of care, every time we touch lives. Even in the most challenging situations we will strive to perform to the highest professional standards in a spirit of collaboration and team work. We will be acknowledged as the leading speciality care provider when looking after the patients in our care.

Our promise



Our badge stands
for unmatched quality
of care for every life
we touch.

For Life

Caring for and treating more patients closer to home does continue to be at the heart of our plans and we have made great strides in doing just that; effectively reducing the number of patients we take to Emergency Departments for the last two years. We have introduced a new role and we are continuing to train and equip all front-line employees with additional skills and additional equipment to be able to do even more.

Our performance in 2015/16

Following a dip in Emergency Care response performance in 2014/15, performance recovered, but only for Quarter 1 of 2015/16. End of year performance was not recoverable and all three targets fell below our national standards. This deterioration is also reflected nationally, with only three trusts likely to achieve end of year performance for Red 1, only two for Red 2 and three for Red 19.

Indicator	Target	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2015/16
A8 (Red 1 and Red 2)	75%	76.25%	72.90%	64.78%	61.99%	68.58%
Category A Red 1** (8 minutes)	75%	75.76%	73.32%	63.16%	62.32%	68.07%
Category A Red 2 (8 minutes)	75%	76.29%	72.88%	64.89%*	61.97%	68.61%
Category A 19 minutes	95%	95.48%	94.19%	90.51%*	89.30%	92.17%

*Figures from Qtr 3 onwards for Red 2 and Red 19 are not comparable with historical performances due to change in the calculation of those metrics as a direct result of the Ambulance Response Programme.

**We are also working through new guidance released regarding the coding of incidents whereby a resource arrives on scene prior to the call being completed. This may affect how we report Red 1 performance.

Ambulance Response Programme (ARP)

During Quarter 3, the Trust commenced with a new trial, the 'Ambulance Response Programme' whereby the Trust, alongside four other ambulance trusts, started to trial and evaluate an alternative approach to response performance standards. Ambulance trusts have, for a long time been measured by the speed of response and this new trial has enabled us to start to measure the quality of response by taking more time to effectively triage a patient, determine their clinical need(s), and then send an appropriate resource. The trial is not intended to affect Red 1 incidents - we will still dispatch as soon as we have a disposition or within 60 seconds, whichever is sooner, as it is crucial that we maintain a very rapid response to the most seriously ill patients. The trial will continue into 2016/17 assuming continued commissioner support.

Whilst our emergency care response performance has deteriorated, our clinical performance has remained strong, continuing to out-perform the national average for many of the key ambulance quality indicators month on month. Through our clinical audit work and patient feedback we can evidence that the quality of care provided continues to be of high quality.

In other areas of the Trust we have:

- Recovered NHS 111 and 999 call answer performances and during the month of December we were the only service in the country to achieve NHS 111 call answer performance, also taking calls for other parts of the country.
- Continued to sustain improved quality standards in Patient Transport Services.
- Enhanced our operational clinical delivery model through our Integrated Care and Transport (ICaT) transformational programme, also introducing advanced practice.
- Designed an innovative two year student paramedic diploma programme with a local university.
- Piloted a successful dedicated End of Life transport service made available during winter pressures which delivers proven system savings.
- Established a collaborative approach with our four local Fire & Rescue Services to co-respond to emergencies, which we will be evaluating to assess the impact on rural performance.

Strategic and local context

In recognition of the scale and complexity of the challenges faced by the NHS, the northern region collaborated to put together a successful regional UEC Vanguard bid towards the end of 2015/16. This will feature heavily in all of our plans for 2016/17 but will require adjustment and rescaling pending funding allocations. In the transitional period we will still have to plan to mitigate against pressure such as hospital delays and diverts and new by-pass arrangements to specialist centres that adversely impact on our own operational efficiency – increasing job cycle times, additional queuing time to handover patients.

We continue to find it challenging to be actively involved in a variety of commissioners' planning and operational forums, however the new five year planning forums to develop place-based Sustainability and Transformation Plans will be our focus of engagement in the early part of the

year. This will involve working closely with our local commissioners, local authorities and NHS Foundation Trusts and we will expect to be involved in the devolution agenda.

Our objective will be to achieve an optimal regional service response to local need. All other system responses will be channelled through our regional vanguard and region-wide Urgent Care Network.

In the last year there has been little to no change in the pressures placed on our employees. Our sickness figures locally are high however we have seen a positive improvement in our Staff Survey results compared to last year that indicate an improvement in morale. There are ongoing changes planned to further support our workforce as set out in our refreshed outline strategic plan, where one of our key aims is to 'look after our employees'.

We also continue to face an ongoing shortage of paramedics and continue to mitigate this pressure by flexing use of third party resource.

Planning summary for 2016/17

We continue to build change and transformation into our plans on our journey to sustainability.

Sustainability and the regional UEC Vanguard will remain central to our corporate objectives for 2016/17. Our programme of activity is nestled within the vanguard programme for the North East and is targeted to help achieve moderated levels of demand and reduce inappropriate conveyances to emergency departments; reducing the overall pressure on our urgent and emergency care system here in the North East:

Enhance and transform our operational delivery model and develop flexible responses to aid appropriate conveyance	➔	<p>Transformational Programme: Integrated Care and Transport (ICaT)</p> <ul style="list-style-type: none"> ✓ Increased capacity of the Advanced Practitioner role, providing more care closer to home ✓ Improved deployment practices enabled through the Ambulance Response Programme ✓ Enhanced PTS/ Intermediate tier
<i>'clinical models for ambulance services published Nov 2015'</i>		
Improve focus on clinical triage	➔	✓ Development of our clinical hub
Recover ambulance access targets	➔	✓ Ambulance Response Programme and Recovery Plan

We will continue to work on our EC improvement plan. Our plan in response to Vanguard is iterative and will be finalised early May when funding allocations are announced.

Our corporate objectives for 2016/17 are:

1. To continuously improve the quality and safety of our services, ensuring the CQC fundamental standards are achieved and patient outcomes are improved.
2. To achieve financial break-even position in 2017/18.
3. To improve organisational culture, aligned to Trust mission, vision and values to achieve delivery of our strategy.
4. Develop a future workforce with the correct staffing levels and skill mix across both clinical and non-clinical functions to support safe, effective and compassionate care and employee well-being.
5. To deliver the agreed Transformational and Vanguard programmes.
6. To plan, agree and implement a front line operational delivery model aligned to current and future need and planned performance improvement.

With a delay announced last year in financial reform for Urgent and Emergency Care, our earlier plan which set out a financial recovery position from 2016/17 was adjusted to recover from April 2017, and our plan for 2016/17 was to improve our deficit position. Contractual negotiations are ongoing and our financial plan reflects the need to achieve a control target of -£3.7million which has been set to contribute to system financial balance. The risk associated with this is discussed in the Financial Plan section.

Short term planning assumptions

The assumptions to our plans and basis for recovery are set out in the following sections.

Activity forecasts

Emergency Care (EC)

The Trust's Emergency Care incident activity has historically grown at around 1-3% per annum, whilst our ambulance partners nationally have seen growth much closer to 5-6%. The introduction of NHS 111 in 2013/14 changed this historical pattern of growth as shown in Table 1.

- 999 call volume dropped by 9.14%, influenced by 111 and high levels of EC response performance and therefore a minimal level of estimated time of arrival (ETA) calls.
- Incident activity increased by 5.09%.

The growth in incidents can be explained by the North East having some of the highest levels of deprivation and ill health; this is reflected in other metrics such as acute hospital admissions. The NHS 111 service was actively promoted by some CCGs which is contributing the growth in activity in those areas, and more recent promotion and signposting to NHS 111 has led to substantial growth in the latter part of 2015/16, where we have seen growth close to 15% (in Quarter 4, compared to the first three quarters).

In recognition that as an ambulance trust we can do more to help moderate demand for emergency care and acute services, work has been underway to develop the workforce to actively care and treat patients to then discharge or refer them to an alternative service, rather than convey them to an Emergency Department (ED). We have also been expanding our Clinical Hub to provide telephone assessment and advice, preventing the dispatch of an emergency response. This targeted effort has helped to reduce the volume of conveyances to ED over the last two years. Whilst there was a significant increase in 2013/14, the growth in activity between the years 2012/13 and 2015/16 has been minimal at 1.7%.

Compared to last year's activity planning assumptions:

- Calls were over by 0.9% due to the increase in ETA calls (estimated time of arrival) which arise from operational delays.
- Incidents were below by 0.1%.
- The most significant variation was in Hear and Treat, where volumes were 15.6% lower due to a delay in confirmation of funding to support the extension of the clinical hub and the ongoing challenge to recruit at pace and also a data quality issue which was identified in February 2016 where Hear and Treat activity (some 3,000) was only captured as a 'call' on our systems. This has since been rectified.

The 2016/17 activity forecast assumptions are based on our ability to continue to moderate demand. It is our intention to:

- Continue to roll out Enhanced CARE training to expand the skills of our core paramedic workforce to be able to treat and care and refer more people from on scene.
- To reduce the proportion of 999 incidents generated by NHS 111 to levels experienced in Sunderland CCG – moderated down to 13.2% from a current Trust average of 14.2%.
- Continue to help moderate demand through our own actions to review and potentially reduce the overall volume of Red categorised incidents which has significantly grown since October 2015.

Subject to funding streams being identified and secured we also intend to:

- Develop the business case to recruit an additional 22 FTEs Advanced Practitioners to deal with acute primary care illness and those with long term conditions.
- Enlarge the Clinical Hub, expanding the number of specialist clinicians.

We are forecasting a reduction in incidents down to 378,339 in 2016/17. This is based on some anticipated growth from NHS 111 and a phased partial extension of the clinical hub.

We continue to include elements within our plan that will help mitigate system inefficiencies during transition and transformational change; anticipating marginal improvement in hospital handover

and handover to clear times, some reduction in hospital diverts and ongoing use of third party resources.

We do expect the development of a standardised handover process for all acute providers to implement as part of the regional UEC vanguard.

The overall impact on our activity for 2016/17 is summarised as:

- Call volume will reduce. We expect operational response performance to improve leading to a reduction in ETA calls.
- Hear and Treat will growth significantly with the extension of the clinical hub. We expect the majority of the growth to be conversions from See and Treat activity. This growth is also reflective of the data quality anomaly identified in-year.
- See & Treat activity to reduce given the shift towards Hear & Treat. This forecast is not based on additional Advanced Practitioners in the workforce or any significant increase in referral pathways for our Paramedics. Work is ongoing with the North East's Directory of Services to increase referrals opportunities but it is expected this will take 8-10 months.
- An overall increase in See, Treat and Convey, but a reduction in the volume we take to Type 1 & 2 (our EDs). As we deal with more patients at the point of the call and through See & Treat, we anticipate the underlying growth in our demand (ageing population, patients with more complex conditions), will require some conveyance.

Table 1: Emergency Care Activity 2009/10-2016/17 forecast

Activity	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16 FOT	2016/17 forecast
999 call volumes*	445,005	452,873	463,897	487,996	443,399	486,645	502,510	489,459
ETAs	Not Available	Not Available	Not Available	34,440	32,682	47,264	53,093	37,500
Total incidents	360,930	362,974	367,934	370,940	389,832	384,677	380,876	378,339
Conversion rate (calls to incidents)	1.23:1	1.25:1	1.26:1	1.32:1	1.14:1	1.27:1	1.32:1	1.29:1
Incidents by category:								
See and treat	81,536	75,532	74,425	73,547	80,248	81,990	85,021	80,251
See, treat and convey	273,935	287,442	293,509	296,679	308,884	302,009	295,213	297,434
- Other	Not Available	Not Available	84,229	60,963	58,675	54,162	49,393	66,116
- EDs	Not Available	Not Available	209,280	235,716	250,209	247,847	245,820	231,318
Neonatal	0	0	0	714	700	678	642	654
Hear and treat	7,932	11,725	10,668	13,295	12,302	18,144	19,949	30,282
Urgent incident demand:								
1 hour	44,825	42,219	38,423	35,631	34,032	28,826	25,436	23,031
2 hour	19,106	17,745	15,500	14,086	13,452	11,741	10,443	9,892
4 hour	2,122	2,279	1,995	1,814	1,885	1,801	1,827	1,860

NHS 111

Since the Trust went live with NHS 111, there has been growth year on year as shown in Table 2 and we are planning for further growth in 2016/17.

Table 2 NHS 111 2013/14-2016/17 forecast

Activity	2013/14	2014/15	2015/16	2016/17 forecast
Call volumes	561,175	618,968	663,382	712,958*

*We have assumed partial growth of 8%. 13% growth would take call volumes close to 746,000 and would be worst case.

The key conversion metrics that are closely monitored to inform activity forecasts are also expected to be moderated.

- Conversions from NHS 111 to 999 reduced to 13.2% by end of 2016/17
- Conversions from NHS 111 to ED reduced to 5% from 6.2%.

Patient Transport Services (PTS)

PTS has historically been operated on a block contract arrangement and over the last few years a number of data cleansing exercises have taken place. The last review involved a complete overhaul of systems and processes to produce the Minimum Data Set (MDS) for PTS and an update of the Cleric system, which hosts all PTS activity to accurately reflect contracts. The historical activity profile and 2016/17 forecasts are set out in Table 3. The activity includes additional contracts.

Table 3 PTS activity profile and 2016/17 forecast

	2013/14	2014/15	2015/16 FOT	2016/17 FOT
Core- planned in advance	692,775	708,228	567,818	567,817
Core – same day	88,697	86,444	87,188	87188
Other (DUCT, Mental Health, Renal)	78,725	89,158	90,138	85,314
Total	860,197	883,830	745,143	740,319
NEAS core contract total	781,472	794,672	655,005	655,005
% same day	11.3	10.9	13.3	13.3

Over the years PTS demand has deviated from the planned operating model which has led to significant cost pressures which we anticipate being addressed through transformational investment. Since 2013/14:

- Mobile patients (able to walk) have reduced by 27%
- Weekend planned bookings have increased by 128%
- Proportion of same day bookings has continued to increase, albeit only slightly from 11.3% to 13.3%
- Same day weekend bookings has increased by 38%

The activity assumption for PTS for 2016/17 is for it to stay static. Whilst we are seeing some trusts making progress to improve discharge planning, we continue to see same day activity grow due to the changes in service provision and in rapid assessment and treatment, and therefore discharge of patients.

We are looking to working with and supporting hospitals to improve discharge and our operational efficiency, ensuring readiness for seven day provision.

Quality improvement planning

The NHS Constitution sets out the emergency care response standards. The Trust's historical performance across all of these standards (Red 1, Red 2 and Red 19 and Category A and B before them), has been strong, however in the last 18 months, not only the Trust, but the whole ambulance sector has been struggling to achieve target levels of responses amidst the pressures being experienced in the wider urgent and emergency care systems. During 2015/16 we commenced with a performance recovery plan and this will continue to be delivered into 2016/17 to achieve improvements in Red 1 and Red 19 as a priority. This ensures speed of response to our most seriously ill patients.

Red 2 performance – responding to patients within 8 minutes 75% of the time - will continue to be under review throughout 2016/17 as we are planning to continue to contribute to ARP to evaluate the quality of the response rather than the speed. This is very much in accord with our aim to work towards delivery of an effective clinical delivery model, measured on clinical and quality outcomes. This element of our plan appropriately responds to the UEC review, the High Impact Actions released for ambulance services and the latest Ambulance Commissioning Strategy publication.

Our latest recovery forecasts are set to achieve an improved 2016/17 year end performance across all three targets and delivery of national standards by Quarter 4.

Recovery is dependent upon on system improvements (handovers, diverts) and funding support for the clinical hub, continuation of the Fire & Rescue Services co-responding scheme beyond June, and no adverse impact arising from service reconfigurations.

Our longer term proposed changes to the delivery model (ICaT) are set to lead to improvements in the following:

- Timely responses to patients who are at the end of their life and require transport to their chosen place to die
- Timely and appropriate responses to patients suffering from mental health i.e. Section 136 conveyances.
- Timely responses to urgent requests for transport.

It is our intention to assess the need for dedicated inter-hospital transports as specialisation increases across our region. We are anticipating reconfigurations for maternity, stroke, vascular surgery and paediatric services and the Better Health Programme in the south of our patch is also exploring a range of clinically led service provision changes.

We can already demonstrate high performance delivery in relation to each of our ambulance quality indicators. Table 4 shows where we are outperforming the national average across the range of indicators. We have also set local stretch targets for 2016/17 for each indicator in line with the movement to place more emphasis on quality indicators, rather than speed of response.

Table 4: Ambulance Quality Indicators, NEAS performance compared to national performances 2015/16

Ambulance Quality Indicator	Best England Average during 2015/16	NEAS best performance during 2015/16
Patients who had return of spontaneous circulation on arrival at hospital, following resuscitation	29.87%	28.26%
Patients in the Utstein comparator group who had return of spontaneous circulation on arrival at hospital whose arrest was bystander witnessed and who had resuscitation	54.09%	71.43%
Patients with definite ST-elevation myocardial infarction who received primary angioplasty within 150 minutes of call connecting to ambulance service	88.17%	83.10%
With ST-elevation myocardial infarction who received an appropriate care bundle	80.24%	95.59%
FAST positive patients potentially eligible for stroke thrombolysis arriving at a hyperacute stroke unit within 60 minutes	60.57%	71.02%
Suspected stroke patients assessed face to face who received an appropriate care bundle	97.90%	98.64%
Patients who had resuscitation by ambulance service following a cardiac arrest who were discharged from hospital alive	9.94%	11.54%
Patients in Utstein comparator group who were discharged from hospital alive	30.28%	47.62%
*data available up to August 2015		

Other quality priorities for 2016/17 include:

- Continuing to improve and promote safe services and our ‘Sign up to Safety’ campaign and the five pledges: Put safety first, Continually learn, Be honest, Collaborative, Be supportive
- Working more closely with our partners to help improve and promote falls prevention for our patients.
- Improving the early recognition of Sepsis. We are developing a care bundle and training to support staff with timely recognition and diagnosis and quick involvement of experts including intensive care specialists.
- Enhancing the quality of care provided to patients who are at the end of their life.
- Improve safeguarding arrangements. All Paramedics and operational managers will be trained to Level 3.
- Developing our training services to deliver them more locally to our workforce and bringing aspects of our training programmes together to enhance quality through improved governance and sharing of best practice. We will also commence a trial in the South Division providing an ‘IT learning hub’ to increase ease of access to e-learning.
- Procurement and roll out of a new defibrillator.
- Continuing with our essential research, including:
 - Paramedic acute stroke treatment assessment (PASTA) - trial which involves extending the stroke assessment skills and role of paramedics in hospital.
 - PARAMEDIC2 – a trial involving use of adrenaline versus a placebo in ‘out of hospital’ cardiac arrest.
 - PODPilot - pilot project for the resQpod device with a view to apply for funding to roll out the trial nationally.
- Our cultural change programme which will be supported through our commitment made to Investors in People (IIP) in 2015/16. During 2016/17 we will address the gaps identified in our self-assessment to prepare for formal assessment in 2017.

The main quality risk to our service provision is the availability of qualified paramedics. During 2015/16 the paramedic vacancies were only marginally reduced and sickness absence has remained higher than target. It is planned to significantly reduce paramedic vacancies during 2016/17 which will reduce the pressure placed on our front-line employees. Targeted work is also underway to reduce sickness absence.

This key risk is being mitigated through the following, which will continue into 2016/17, until staff in post levels significantly improve.

- Ongoing development of the ECCM role (maintaining 50% operational role). The operational element of the ECCMs (all paramedics) provides us with the equivalent of 15 FTEs.
- Deployment of Advanced Technicians as another intermediate tier role (as per the Cavendish Review, July 2014 and The Shape of Caring Review, 2014). This role operates within defined principles of practice supported by a competency framework and supports our Paramedics.
- Active national and international recruitment campaigns.
- Use of third parties.
- Use of overtime.
- Ongoing direct welfare support to help people remain at work or quickly return to work.

It is the intention to phase out third party resource and move the ECCM role to be a full time leadership/management role, however should we continue to face recruitment issues we will maintain or flex these resources as required.

The Trust's quality strategy sets our approach to quality, along with robust governance to enable the Board to discharge its responsibilities for quality. Quality is effectively monitored through a range of metrics and more recently, through the development of a quality dashboard that provides a range of intelligence that supports data triangulation.

The Trust's new Integrated Performance Board report, to be introduced during Quarter 1, offers further triangulation of quality with workforce and financial metrics at a service line level. Progress has also been made in the development of a safe staffing report working with our system supplier to enable daily assessment of the effects that our clinical staffing levels are having on performance.

The recently developed CQC Fundamental Standards and Key Lines of Enquiry also form part of our quality reviews and they have been effectively woven into our working practices and are regularly reviewed and reported upon.

Our workforce plan

We are making some subtle changes to our workforce during 2016/17. These are summarised by service area.

Emergency Care	Contact Centre	Patient Transport Services
Continue to recruit to all Paramedic vacancies to reduce the skills gap. Creation of Advanced Technician (ATs) establishment to be phased out through natural attrition. As ATs leave Paramedics will be recruited to maintain qualified to unqualified ratio in the longer term funded through incremental drift and uplift. Introduce 37 Advanced Practitioner training posts over next 2 years.	Introduction of apprenticeships Recruitment of specialist posts into the Clinical Hub* Expansion of clinician posts in clinical hub, continuing recruitment into 2016/17 to partial recruitment, initially to 23.6 FTE. (A full increase would be from 15 to 34 FTE)*	Minimal changes to establishment Recruitment of 24 apprentices
		Integrated Care and Transport (ICaT) Extension of ICaT resource (Band 3 and 2 employees) Establishment of Advanced Practitioners - 13.5 FTE.

*Subject to funding

Workforce development for 2016/17 includes:

- Paramedic recruitment
 - Continue national and international recruitment.
 - New two year diploma programme for student paramedics with Sunderland University (with first cohort proposed to commence in September 2016).
 - Attraction package and conditional offers for BSc students qualifying as a paramedic in year.

Over the course of the year we will have approximately 80 students qualifying from our in-house Foundation Degree programme with Teesside and the three year BSc programme.

Beyond 2016/17 we have no plans to reduce the pace at which we are recruiting and we intend to train 40-60 students per annum with Sunderland University. Conditional offers will continue to be made (23 students will join us in June 2017 from Teesside University) and we have supported a significant increase in the latest intake with Teesside University and they will have 120 students due to qualify in October 2018, so going forward we have a very robust recruitment pool.

- Other developments
 - Development of future skill mix model required to deliver the urgent and emergency care review and further reduce avoidable conveyance.
 - Training development for Contact Centre dispatchers.
 - ECCM and Advanced Practitioner rotation in the clinical hub and Contact Centre.
 - Alignment training to bridge differences and support transfer of skills between Paramedics and Nurses.
 - Redevelopment of Statutory and Mandatory Training (formerly Essential Annual Training).
 - Roll out of the Care Certificate to all Bands 1-4 (not just new recruits).
 - Emergency Care bank to be further developed.
 - Driving observational assessments for all qualifying employees (a new legislative requirement).
 - Continuation of Enhanced CArE training for paramedics.
 - Business case to grow Advanced Practitioners up to 22 FTE (potentially offset by Vanguard funding).
 - PTS and dispatch role observations.
 - Roll out of Contact Centre coaching and NHS Pathways probing training.

There are no significant changes planned for support services although a review is planned in-year to reflect the proposal to remove the current service line structure which may also require a re-alignment /changes to support functions.

Supporting financial plan

The Trust's underlying financial position at the 2015/16 year-end is forecasting a strong cash balance of £11.936m, although this has reduced from £12.441m in-year. The normalised deficit for 2015/16 is forecast at -£2.845m, which is better than our planned deficit position.

Our relative cost base continues to be low in comparison to other ambulance trusts for the ninth consecutive year. This continues to have a significant bearing on our sustainability and ability to deliver further efficiencies. We have had two years of planned deficit and we are about to enter a third.

Table 4 Reference Cost Index 2006/7-2014/15

Trust	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
NEAS	84	85	88	85	90	85	85	85	87
NWAS	90	88	89	91	93	95	95	96	93
WMAS	87	90	90	96	95	98	97	96	94
EMAS	107	101	96	95	98	97	100	100	99
YAS	111	104	118	111	111	109	104	102	102
LAS	124	108	95	100	95	91	97	97	103
SECAS	115	104	107	102	103	107	101	102	103
SCAS	113	110	113	111	112	110	108	104	104
SWAS	111	100	109	104	107	107	100	106	104
EEAS	107	106	109	112	108	112	112	111	110

The 2015/16 end of year forecast position includes reinvestment of financial penalties incurred for failing our three national targets. There was also an accumulation of penalties incurred amounting to £0.241m for NHS 111 performance.

There continues to be pressure placed on our EC budget due to ongoing use of third parties and overtime. The net impact is a forecast over-spend of £1.746m in 2015/16.

Financial planning assumptions

Inflation

The NHS income inflator - is assumed to be 3.1%. After application of tariff agreement efficiency requirements the inflator for fixed price contracts is assumed to reduce to 1.1%.

Pay inflation – reflects application of an assumption from latest pay guidance that a 1% 'Cost of Living' uplift is applied to all staff. Additionally, our incremental drift of 0.52% accounts for increments across all pay bands this year, whilst the removal of the NHS employers' NI contribution rebate adds a further 2.3% to pay costs. Overall, our pay inflation pressure in 2016/17 is 3.82%.

Non-pay inflation – assumed at 2.12%, which includes uplifts to CNST and CQC fees in 2016/17 and allowance for the impact of potential vehicle fuel price increases.

Future tariff development

Development of a three part payment tariff in the emergency care system will only operate in shadow form for 2016/17 and we would not expect this to impact any sooner than 2017/18.

Agency spend

There is no planned spend on agency staffing during 2016/17.

Consultancy spend

This includes some planned spend on consultancy relating to a review of our operational delivery model during 2016/17 and for work on researching organisational forms (as referred to in the 'Strategic Initiatives' section).

Fines and penalties

We are not planning to receive any sanctions or mandatory fines for 2016/17 in respect of our core EC contract. However, we have planned for the risk of some under-achievement against our NHS 111 key performance metrics to a forecasted value of -£0.219m in the year. We have also modelled the loss of income against the national flu vaccination target as part of CQUIN in our sensitivity analysis.

Sustainability Transformation Fund

We are not planning to receive any income either from the general or targeted element of this fund in our current baseline plan, though we have included receipt of some targeted fund monies as part of our scenario planning – detailed in the down/upside planning section below.

Cost improvement plan

The Cost Improvement Plan (CIP) complements the strategic transformation programmes of work. It is set to deliver savings of £6.339m, inclusive of £0.874m in revenue generation schemes.

The Trust's key schemes for 2016/17 include:

- Phased reduction in EC third party resources
- Planned refurbishments of EC vehicles to support extension of asset life
- Reduce late finish payments in EC
- Advanced Technicians budget savings due to re-designation of Advanced Technicians.
- DUCT contract extension
- Overtime reductions – Reduce medical and non-medical absences
- Fuel mileage reductions in EC

- Reduce meal break payments in EC which attract payments
- Voluntary Severance Scheme (2015) savings

Our CIP target for 2016/17 represents 5.65% of our planned operating expenditure in 2016/17. This is an increase on our average historical achievement of 4.4% (excluding revenue generation) and is significantly higher than the 2% efficiency requirement laid out in the NHS Forward View guidance and tariff agreement. This increase in our CIP requirement is reflective of our historical funding position. The Monitor Reference Tool released for 2016/17 now indicates a funding gap of £10.9m away from the national average.

We continue to protect front-line resource with our only workforce savings focussed on the reduction of overtime costs through a movement to full establishment and the elimination of vacancies and by increasing productivity.

We continue to quality impact assess all cost improvement schemes and we have further developed our process to include the assessment of all service improvements. Monthly assurances are sought by our Transformation Board utilising agreed quality and safety metrics relevant to the scheme.

Statement of comprehensive income

Financially the Trust plans to make a normalised deficit of -£3.7m in 2016/17 which is in line with our notified Control Total for the year. This produces a decreased turnover forecast of £116.2m with a small increase in pay and non-pay expenditure forecast to deliver an EBITDA of £4.032m before depreciation.

Our non-operating costs including depreciation will be -£7.140m in 2016/17, reflecting the impact of capital investment outlined below, finance lease costs and increased PDC payable.

This delivers a normalised deficit of -£3.7m. Including planned impairments of -£0.241m and profit from asset disposals of £0.792m. Our Comprehensive Deficit for 2016/17 will be -£3.1m.

Statement of financial position

In 2016/17, the Trust is planning to show a fall in Total Assets Employed from £40.4m at 31 March 2016 to £37.2m by 31 March 2017. The fall of £3.2m can be attributed to the Comprehensive Deficit as described above.

There is a planned increase in Finance Lease Obligations in June 2016 due to the replacement of all defibrillators and we are planning the disposal of two Trust sites.

Financial Sustainability Risk Rating (FSRR)

We have no long-term loans or significant long-term liabilities and the cover we have against our debt in the balance sheet is significant due to the assets we carry. Our debtor days are expected to reduce gradually from the start of 2016/17 from 14.0 days in April and will become negative by October 2016.

The I&E Margin Variance From Plan metric is consistent at 0.56% (scoring 4) throughout the year. However, our planned deficit for the year of -£3.7m is an I&E Margin of -3.81% which means actual I&E Margin will be consistently lower than -1% and will therefore score 1 throughout the year, triggering the FSRR overall restrictive threshold score of 2.

Capital expenditure and cash balances

The Trust maintains a five year capital programme which plans to fulfil the following requirements; i) ensure appropriate replacement of assets in line with designated asset lives, ii) enable delivery of transformation programmes through providing resources for investment in new development assets, and iii) retain contingency sums to ensure that any new statutory requirements can be fulfilled. The Trust's capital programme comprises the following types of assets; i) Vehicles and associated equipment, ii) IM&T and iii) Estates.

Our capital plan provide for expenditure of £12.709m which is £1.631m above the cash financing expected to be available.

The Trust's Finance Committee maintains the forward plan, and monitors the expenditure that is generally committed by the Trust's Fleet, IM&T and Estates Managers respectively on behalf of the range of services within the Trust.

The Trust is planning to start the year with £11.9m of cash with this reducing to £4.8m by 31 March 2017.

Strategic initiatives and enablers

We continue to innovate and have a number of planned service developments/strategic initiatives, some of which already feature in our cost improvement programme. There are those that are currently built into the financial plan and include the scaling back of the full ICaT roll out to the extended service only and extension of the clinical hub, initially to only 23.6 FTEs. Others such as those linked to the Vanguard programmes are subject to funding:

- Flightdeck and standardisation of the handover process
- GP Appointment booking
- Summary Care Record / Special Patient Notes
- Mobile Directory of Services
- Falls training for Care Homes
- ICaT. Increased number of Advanced Practitioners

Based on initial proposed allocations, if the initiatives are to commence there will be a requirement to scale these back in line with funding and estimated savings. However, any additional funding allocations will need to be prioritised against other schemes to mitigate immediate system pressure and quality priorities such as End of Life transport.

Financial risks to our plan

The key risks that would destabilise our financial plan and route to sustainability are:

- Limited vanguard allocation will reduce ability to implement additional system transformational initiatives.
- Over £1.4million of our CIP is still high/very high risk and is challenging to deliver recurrently, given our already low cost base (reference costs position).
- We continue to plan for a shift in our incident activity profile that benefits the system (and not NEAS) financially.
- Whole system and process efficiencies are not achieved and increases in activity and performance requirements cannot be operationally or clinically sustained without additional resource.
- Commercial revenue streams are not secured to financially support the organisation and reinvest in areas of patient care and staff health and well-being.

A number of mitigating cost improvement schemes have been identified to be brought forward to mitigate against financial risk and are included within our upside modelling, including:

- Increased multi-skilling within contact centre staffing models.
- Cessation of all non-essential training provision.
- Review of the application of local pay agreements and Agenda for Change Annex U.
- Non-pay savings from accelerated introduction of new organisational forms (see Strategic Initiatives table).

To minimise risk our strategy is focussed on the development of our core business and the UEC Vanguard. Whilst commercial activity is still set to grow within training we continue to limit this to ensure sufficient focus on stabilisation and transformation of core service provision.

Financial scenarios and sensitivity analysis

The Trust routinely models downside scenarios to highlight the plan sensitivities and associated risk. A combination of upside and downside scenarios, for example that include only partial delivery of our CIP, leads to an increased normalised deficit position of -£4.579m and a reduction in our planned cash balance.

Membership and elections

Membership strategy

We have a Membership and Engagement Plan which outlines the vision for building an effective, responsive and representative membership body and sets out the ways in which our governors will be involved and supported, and how they will engage with our members. This work is aligned to our work with our communities, service user involvement, equality and diversity, communications, public and patient involvement.

Governor engagement

Governors have indicated their preference for involvement through a number of surveys throughout 2015 and these are shown in the table below. During 2016/17 governors will be supported in these engagement activities.

- Quality Walk-rounds – with Board directors each month
- Meeting with seldom heard groups through the equality and diversity network
- Participation in collecting patient feedback and receiving a regular feedback on analysis of the patient feedback at Membership and Engagement Committee.
- Tapping into Governor's own existing networks and feeding back on issues relevant to the ambulance service
- Meetings with membership and public at community events and other public activities
- Attending public accountability groups, such as local authority overview and scrutiny committees.

We have also developed a toolkit that will support governors in engagement and support them in their role in representing the views of the members/public to the Trust; holding the non-executive directors to account; and supporting the recruitment of new foundation trust members. Toolkit workshops are planned for 2016 following approval of by the Membership and Engagement Committee.

Training

Governors have received regular training and development throughout 2015/16 on key topics such as: the role of the Governor; fit and proper persons regulations; membership engagement and representation; the outcomes of external governance reviews; and the development of the Trust's mission, vision and values.

Regular training will continue to be held throughout 2016/17, with a strong focus on supporting Governors to undertake their role, particularly in relation to engagement with members and the public.

Elections

No elections were held 2015/16, but there are elections planned for 2016/17. We will be holding elections in respect of 12 public Governor posts (eight of which are currently filled, and four of which are vacant), equating to half of our public posts.