

Council of Governors' Meeting: 14th January 2014**B****Chief Executive's Report****1. Introduction**

- 1.1 This paper provides an update to the Council of Governors on the current issues for the Trust. I will be happy to respond to questions Governors may have on these or any other issues.

2. Performance & Compliance

- 2.1 The Trust achieved its planned Financial Risk Rating (FRR) and a Green Governance Rating for the quarter ended 30th September 2013 and expects to maintain its planned position for the remainder of 2013/14. Particular attention is being paid to the Care Programme Approach 12-month Review target in December to ensure compliance in quarter 3 with this indicator.
- 2.2 The Council of Governors' Finance, Planning & Performance Sub Group continues to review the Trust's performance, including key operational targets.
- 2.3 I have previously mentioned that the Trust had been in discussion with Monitor over the interim arrangements we had put in place in respect of the Director of Nursing vacancy. Following further correspondence and discussion, Monitor has written to the Trust highlighting that the interim arrangements did not comply with the Trust's Constitution, namely to have a registered nurse or midwife on the Board of Directors. Monitor has asked that the Trust ensures that in future it remains compliant with its Constitution. Whilst the Board recognised that the interim arrangements were not consistent with Constitutional requirements, it had taken the view that, in terms of materiality, this situation should only exist for a period of eight weeks (which indeed was the case) and therefore considered this was a reasonable and proportionate response given the exceptional circumstances and its confidence that any potential risks relating to the interim arrangements had been identified and mitigated.

3. Care Quality Commission (CQC) Inspection Regime

- 3.1 In June 2013 the CQC published its consultation "A New Start" which proposed significant changes to the way it inspects and regulates care services. Following this, the CQC has published its response to the consultation.

- 3.2 Alongside the consultation process, the CQC is delivering a number of significant changes, including:
- 3.2.1 The introduction of new hospital inspection teams, headed by a senior clinician or executive, working alongside senior inspectors. The teams are significantly bigger than those under the previous inspection regime and include professional and clinical staff as well as trained members of the public.
 - 3.2.2 The CQC teams hold public listening events before each inspection and proactively seek the views of people who use services and national and local partners, including local Healthwatch.
 - 3.2.3 The CQC uses “intelligent monitoring” of more than 150 different indicators (for acute trusts) covering a range of information including patient and staff experience. Together with local information from partners and the public, this monitoring helps the CQC to decide when, where and what to inspect.
- 3.3 Trusts will be given a rating of Outstanding, Good, Requiring Improvement or Inadequate.
- 3.4 The changes to the way the CQC inspects NHS hospitals will be finalised in April 2014 when new regulations will be introduced to underpin them.
- 3.5 The approach the CQC will use to inspect mental health inpatient services will be similar to the approach developed for acute hospitals.
- 3.6 In December 2013 the CQC published its plans for a new inspection regime for community healthcare providers to be implemented from October 2014. It will still be based on the CQC’s overarching inspection model described above. To reflect the increasing importance and complexity of community based healthcare provision, the new regime will examine such issues as:
- Provision of universal services to specific groups with focus on improving health and early intervention
 - Preventing people from being admitted and readmitted to hospital
 - The quality of long term conditions management
 - The quality of integration across health and care services

The period between January and September 2014 will see the CQC piloting and consulting on its proposed approach towards inspection of community health services.

3.7 I know a briefing for Governors on the new CQC regime is being planned currently for Spring 2014.

4. Healthier Northamptonshire

4.1 I reported at the last meeting that 9 workstreams have been established to progress the goals of Healthier Northamptonshire. Some headlines from the workstreams include:

4.1.1 *Transformation of General Practice:* A high level strategy has been put together for General Practice Transformation. A population based care approach to support out of hospital service provision will be considered.

4.1.2 *Health and Social Care Integration:* A series of task and finish groups have developed the core components of the future operating model for health and social care integration. These groups have run intensive workshops where commissioners and providers of community services work in collaboration to develop a shared understanding of the transformation required to deliver an integrated, financially sustainable model that improves outcomes for the people of Northamptonshire. The groups have focussed on the following three specific areas of the system where there are opportunities for integration; developing integrated community teams, reconfiguring the community bed base and rolling out a full scale crisis response and discharge team. The proposed operational model focuses on self-management, leveraging the work of the voluntary and community sector, and supporting people to help themselves wherever possible.

4.1.3 *Commissioning Pathway Based Care:* A framework has been developed for the design of future care pathways. This framework focuses on moving services out of the acute and into the community, and highlights the key levers that need to be pulled to make this a reality. A number of task and finish groups are in the process of being mobilised to design and implement the pathways. These groups will take input from service users, carers, their families and health and social care practitioners from across the care economy. The groups will prioritise resource on developing new pathways for those conditions that are affecting the population of Northamptonshire the most and from where the most benefit can be gained for both the patient and the health and social care system.

4.1.4 *Urgent Care:* On the 20th November an urgent care stakeholder event was held to help decide the future model for urgent care streaming services for Northamptonshire. Invitations were sent to delegates in NGH, KGH, NHFT, LMC, EMAS, NCC, GPs, Nene CCG, Corby CCG and Healthwatch Northamptonshire. This service model is anticipated to better manage the range

of urgent care demands that present in Northamptonshire's A&Es as patients with urgent care needs being seen by a single reception desk, which will stream patients to the most appropriate place to deliver their care including re-directing them back to other community services, such as General Practice.

4.1.5 *Acute Service Collaboration and Reconfiguration:* The workstream is currently being reframed and will then concentrate on undertaking a clinical sustainability review across both Kettering and Northampton General Hospitals. This review is looking at the quality challenge to reach 7/7 standards across both Trusts.

4.2 Healthier Northamptonshire remains a significant driver for the strategic development of the county's health and social care economy and I will keep Governors updated on progress.

5. Commissioning & Service Developments

5.1 *Nene Clinical Commissioning Group*

5.1.1 Governors may have seen recent local media coverage over NHS Nene CCG's financial position. The local NHS is under unprecedented pressure, with the small increase in NHS budgets allocated this year being outstripped by high levels of local demand. As a result there is a gap in this year's CCG budget. NHS Nene CCG has significantly reduced the shortfall however it is anticipated that if the same number of patients continue using the system until the end of the financial year, the CCG will have a year-end gap of £8.6m. A further £6m improvement is required to deliver the national requirement of a 1% surplus. A robust, systematic and clear plan to manage the gap is currently being developed and was begun earlier this year. Nene CCG is taking a number of steps to reduce the deficit by year end and it is currently working with NHS England to produce a Financial Recovery Plan and establish a Financial Recovery Group.

5.1.2 It is important to recognise this financial challenge facing our principal Commissioner and the potential implications this may have for NHFT. Moreover, it highlights the critical role Healthier Northamptonshire has to play in finding strategic solutions to the county's current health and social care pressures.

5.2 *New Older Peoples' Unit at St Mary's Hospital, Kettering*

5.2.1 I am pleased to say that the new 24-bedded Older Peoples Unit at St Mary's Hospital is nearing completion. The scheme, costing approx. £7.4m, replaces the outdated inpatient accommodation of Ian Bennett and Carlton wards.

- 5.2.2 The main project commenced early 2013, with the original programme to have the building handed over to the Trust late December 2013. Under the original plan, the Trust would install its furniture and equipment in January 2014 and the patients would be relocated during February 2014.
- 5.2.3 Since the original brief was provided, there has been a late change requested by the Trust to install anti-ligature sensor flow wash hand basins in all the en-suites and patient areas, resulting in a 4 week delay to the original programme. The revised programme is now for the patients to move during March 2014. The scheme remains on target to be delivered within budget.
- 5.2.4 Once patients have been relocated from Ian Bennett and Carlton wards there will be further demolitions and completion of the rear external gardens to the new Unit.
- 5.2.5 The new unit has the potential to be used flexibly and also has the ability to be extended in the future as a consequence of the forward thinking design of the building.
- 5.2.6 The current plan is to allow staff and Governors the opportunity to visit the new unit in early March 2014, just ahead of the patient moves.

5.3 *Peterborough and Cambridgeshire Integrated Older Persons Services tender*

- 5.3.1 Governors have already received confirmation from the Company Secretary that, following a comprehensive review of the risks and benefits of pursuing this service development opportunity, the Board of Directors has taken the decision to withdraw from the tender process. We have learnt a lot from participating in the process and this knowledge and skills will be transferable to other projects.
- 5.3.2 We will of course continue to look at all service/business development opportunities which are consistent with the Trust's Strategic Plan. I know a number of Governors have taken the opportunity to hear more about the Trust's approach towards business development as part of the Governor Training and Development programme.
- 5.3.3 I will of course continue to keep Governors informed of service/business development opportunities as they emerge.

6. Strategic/Annual Plan Update

6.1 *2013/14 Progress*

- 6.1.1 I wanted to give Governors an update on progress with regard to this year's Annual Plan. Colleagues will recall that the Plan set out five main transformation programmes: Children's Services, End of Life, Mental Health & Wellbeing, Frail & Elderly and Corporate Services.
- 6.1.2 Children's and End of Life Services are both scheduled to be tendered by Commissioners. Work has already started on developing new service models and long term strategies and therefore I believe the Trust is well positioned to respond to our Commissioners' service specifications. The Children's Services tender is expected to be launched at the end of January 2014 with the new service commencing from October 2014. The initial stage of the End of Life tender process has already commenced although Commissioners have now delayed the process for moving to the next stage.
- 6.1.3 In respect of the Mental Health & Wellbeing programme, the Trust is working with key stakeholders and has developed a new primary care mental health model which is currently being piloted in the Northampton West locality. A new role of Primary Care Liaison Worker has been introduced with the remit of bringing forward the screening process to much earlier in the care pathway. The model, which has been well received by GPs, is scheduled to be rolled out across all localities by the end of 2013/14. Further work is taking place to evaluate how the new model will deliver planned efficiencies agreed with Commissioners.
- 6.1.4 I have regularly updated Governors in my previous reports about the Frail and Elderly project which is also a key part of the Healthier Northamptonshire programme. The Crisis Hub was successfully launched on 5th November 2013. The first few weeks have focused on embedding operational systems and processes, both in the Crisis Hub itself and between the newly integrated team. Work is currently taking place on reviewing the first month's data to understand how the service model is working in practice and the delivery of key performance indicators.
- 6.1.5 I will update Governors on the Corporate Services redesign within the context of the Board of Directors' restructure which is described later in the report.

6.2 2014/15 Plan: Emerging Themes

- 6.2.1 The 2014/15 Plan is being developed within the context of a rapidly changing environment, including the commissioning and competition landscapes, within which the Trust is operating. The five transformation workstreams being driven forward in 2013/14 will continue to feature prominently in the Trust's 2014/15 priorities.
- 6.2.2 The Trust's Strategy is to remain a viable and sustainable organisation, focusing on growth opportunities which are consistent with the Trust's overall strategic direction. These growth opportunities may exist both within and outside our county boundaries.
- 6.2.3 The Trust will continue to be a significant player within the Healthier Together Northamptonshire programme. It will seek to develop innovative ways of working/service models, engaging with its partners, e.g. social care, voluntary sector, to respond to the financial challenges of the local health and social care economy.
- 6.2.4 There will also be a continued focus on building organisational capability and capacity to underpin delivery of the Trust's ambitious and challenging agenda.
- 6.2.5 I am pleased that the Council of Governors' Finance, Planning & Performance Sub Group is continuing to take the lead in securing Governor and member engagement in the Plan's development. Member events focusing on the Annual Plan are being scheduled for February 2014. There will be a further update on the Plan at the March 2014 Council of Governors' meeting.

7. Board of Directors' Restructure and Corporate Services Redesign

- 7.1 I wanted to take this opportunity to keep the Council updated on Board restructure matters. The key changes are as follows:
 - 7.1.1 The creation of the position of Chief Operating Officer which brings together all operational areas of the organisation, combining locality management and specialty services. I am pleased to say that Richard McKendrick has been appointed to this position.
 - 7.1.2 Alfred Hanson, Director of Operations, has indicated his desire to retire in 2014. I have asked him to stay on until then to drive the CIP/QIPP agenda and other priority workstreams.

- 7.1.3 The creation of an information hub which will pull together all the sources of information and data that we need to be proactive and responsive to our regulators and stakeholders, and importantly that will help us improve our intelligent use of data/information and our decision making. By doing this we aim to remove duplication and improve our capability to achieve future success through improved information management. I am pleased to say that Louise Payne, currently Director of Compliance and Governance, has agreed to lead this piece of work and assume responsibility for a range of corporate responsibilities, including governance and compliance, as Director of Corporate Support.
- 7.1.4 The transfer of responsibility for the quality agenda, including patient safety, to the Executive Nurse and the Medical Director. The relevant areas of responsibility will transfer to the new post of Director, Nursing and Quality and the Medical Director. Partnership working between these two directors will be critical. This move clearly signifies the importance placed on the quality of care we provide and the need for strong clinical leadership. The new role of Director of Nursing and Quality will integrate the areas of responsibility previously held by Hilda Hayo and Sharon Dennis with some of those areas held by Louise Payne. Julie Shepherd, formerly Countywide Lead for Long Term Conditions, has been appointed to this post on an interim basis for a period of 12 months.
- 7.1.5 Dr Alex O'Neill-Kerr will continue in the role of Medical Director, with additional responsibilities, including clinical audit.
- 7.1.6 The Finance Director role will also include lead responsibility for contracting, the integration of additional corporate services and the development of financial analysis to enable future development of the Trust. Bill McFarland will continue in his current role as Finance Director.
- 7.1.7 As these changes will require support during the transition period, I have asked Bronwen Curtis, Director of HR and OD, to extend her contract until the end of June 2014. The process to recruit Bronwen's substantive replacement will commence in January 2014.
- 7.1.8 Some activities previously undertaken by executive directors will be delivered through the short term use of specialists and in this way limit our fixed costs.
- 7.2 I am confident that we are putting in place a Board structure fit for the future but one that has also delivered a significant cost reduction for 2014-15.

7.3 Linked to the Board Restructure, work is currently progressing on redesigning Corporate Services. The Board has set a target to reduce the cost of corporate services by at least 20% by March 2015. We have done this to protect, wherever possible, frontline services and to enable the reduction of overheads.

7.4 Over the next few weeks, we will be finalising the detailed allocation of responsibilities to Directors' portfolios. This will be followed by the development of proposals in respect of individual Directorate structures. All staff affected will be treated in accordance with the Trust's Policy on Organisational Change.

8. Visit by Monitor Relationship Team

8.1 Every Foundation Trust is assigned a Monitor Relationship Team. Our Relationship Team is meeting with the Board of Directors on 8th January 2014. This is a routine visit and issues for discussion include the local health economy position, the Trust's Strategic/Annual Plan and the key challenges faced by the organisation. Monitor will also be meeting with colleagues from Nene CCG. I will be happy to provide feedback from the Monitor meeting at the Council's meeting.

9. Recommendation

9.1 The Council of Governors is asked to receive this report.

Angela Hillery
Chief Executive
23rd December 2013