NORTHUMBERLAND, TYNE AND WEAR NHS FOUNDATION TRUST

BOARD OF DIRECTORS

Meeting Date:	23 September 2015

Title and Author of Paper:	Chief Executive's Report John Lawlor, Chief Executive

Paper for Debate, Decision or Information: For Information.

Key Points to Note:

National issues

1. Mental Health Taskforce
2. Mental Health Payment Systems
3. Better Leadership for Tomorrow

Regional issues

4. North East Combined Authority Devolution Proposals
5. Developing a new vision for mental health services in Newcastle and Gateshead
6. Vanguard bids for new models of care

Trust issues

7. NHS Staff Survey
8. Community Transformation Update
9. Transformation of Corporate Services
10. Tans Restaurant and Coopies Lane Employment Project

Outcome required: For Information.

Chief Executive's Report

September 2015

National issues

1. Mental Health Taskforce

The Mental Health Taskforce has been established to develop a new 5 Year national Strategy for mental health covering care and support for all ages. It will sit alongside the NHS 5 Year Forward View and is Chaired by Paul Farmer, Chief Executive of MIND. It is expected to be published in the Autumn of 2015.

The Mental Health Taskforce brings together health and care leaders, people using services and experts in the field. This will be the first time there has been a strategic approach to improving mental health outcomes for people of all ages in the health and care system, in partnership with the health arms-length bodies.

The taskforce has recently published its public engagement report, which summarises the feedback received from stakeholders. Over 20,000 comments have been received, many from people who have used services. The report highlights the key themes which have been raised, including stigma, discrimination and access. The full report is available here http://www.england.nhs.uk/mentalhealth/wp-content/uploads/sites/29/2015/09/fyfv-mental-hlth-taskforce.pdf

2. Mental Health Payment Systems

One of the deliverables of the Mental Health Taskforce is to support the development of payment systems that incentivize and support the aims and objectives of mental health policy as recommended by the taskforce. To this end the taskforce is working closely with the existing Mental Health Payment Systems Steering Group, which includes Monitor, NHS England, provider and commissioners representation, professional representation, wider representation from the 3rd sector and user and carer groups. There is now a clear direction that the payment system should increasingly be outcome/value based, with a core payment to cover service costs and an associated payment for delivery against value/outcome based objectives. Further detail on this will be published by Monitor and NHS England following the publication of the initial recommendations of the taskforce.

The Trust continues to be heavily engaged in this work. The Deputy Chief Executive is a member of the national Steering Group and Chair of the Business Systems Sub-Group, and is working closely with the taskforce, Monitor and NHS England on developing the next steps, including guidance for 2016/17.

The critical piece of work now is to focus on development of value and outcome measures. Again the Trust is heavily engaged in this work, with Dr Jonathan Richardson and Dr Jane Carlile leading a working group from the Royal College of Psychiatrists to develop effective outcome measures. This work has now been joined up with existing work streams through the Mental Health Payment System and national workshop is taking place in October (date to be finalised) to coalesce current thinking and set out a clear direction for development. As from 5 October 2015 Dr Richardson will be seconded to NHS England for two days a week as a national

Clinical Advisor on mental health informatics, for a period of six months, to support this work.

The Executive Director of Performance and Assurance led a workshop with commissioners in September to update on national developments and agree a way forward towards contracting for value locally. The Trust and its commissioners are in a unique position to lead this work nationally. The event was very warmly received and a joint action plan is being drawn up to take forward the outcomes arising from the discussion, moving us towards a value based payment system.

This work will be the subject of a future Board development session.

3. Better Leadership for Tomorrow

The Secretary of State for Health asked Lord Rose to conduct a review into leadership in the NHS. The review asked:

- What might be done to attract and develop talent from inside and outside the health sector into leading positions in the NHS?
- How might strong leadership in hospital trusts help transform the way things get done?
- How best to equip Clinical Commissioning Groups to deliver the Five Year Forward View.

Lord Rose found much to build on in the NHS but raised concerns about is failure to harness its potential and the inherent goodwill of staff and the public. He highlights the lack of a collective a clear vision or ethos, and an overemphasis on targets and bureaucracy. He does not support widespread structural change but supports increased focus on nurturing talent, developing real leadership potential at all levels, and developing a more proactive approach nationally to developing and realising talent.

Further observations include the decision between clinicians and management, the overemphasis on caution, and widespread inability to take positive risk, and the lack of a positive performance management culture. Finally he sets out concerns regarding the lack of system leadership and the overwhelming tendency for leaders to look internally to protect their organisations. Indeed he argues that the system is set up to encourage this.

There is much to be welcomed in the report (see Appendix 1), which is thoughtful and well-balanced. Most of the themes Rose identifies are themes that we are currently grappling with within the Trust, and across partners. It is to be welcomed if on a wider national level, system levers, incentives and systems are aligned to encourage and promote the approach to leadership advocated within the report.

The final report contains 19 recommendations, but highlights two pre-conditions before any other recommendations can be implemented:

- Forming a single service wide communication strategy to cascade good (and sometimes less good) news and information as well as best practice to NHS staff.
- Create a short NHS handbook/passport/map setting out NHS Core Values simply, distributed and owned throughout the NHS.

The other recommendations covered:

- Training.
- Performance management (the management of staff, managers in particular, not targets).
- Bureaucracy.
- Management support.

Of note in the recommendations:

- The proposed move of the NHS Leadership Academy into Health Education England.
- The merging of Monitor and Trust Development Agency.
- A rationalisation and harmonisation of the amount of regulatory data required.
- The development of agreed functional and behavioural competencies for managers.
- Formal review of the roles of NED's.

While there have been some developments in some areas of the recommendations in the report there has yet to be a formal system wide response.

Regional issues

4. North East Combined Authority Devolution Proposals

The North East Combined Authority (NECA) has issued a statement of devolution intent, setting out the premise on which it wants to engage with central government on the devolution of powers.

It sets out an ambition to create a thriving North East economy, building on the growth of recent years, and recognizing that the North East is the only region in England to have a manufacturing trade surplus, but also recognizing that the economy is too small, with too few private sector jobs. The growth strategy will be enabled by a range of supporting strategies:

- Human capital development-transforming aspiration and opportunity through linking early years intervention, and family support with targeted community employment initiatives, education and skills provision.
- Long term investment, with the aim to create an additional 100,000 private sector jobs.
- Regional export lead for the UK, reaching out to investors and developing plans for a programme of nationally and internationally significant business cultural and sporting events.
- Fiscal devolution to support North East International and to remove the risk of competitive disadvantage with Scotland.
- Better connectivity and infrastructure integration, improving transport links and promoting the long term developments of the ports and establishing new international routes from Newcastle International Airport.
- Public Service Reform, focusing on citizens, communities and their interaction with public services. This will include a Health and Social Care Commission, looking at the future model of delivery for the North East.
- Regulatory devolution to Councils and Local Communities, enabling bottom up,

community empowerment.
- Rural growth and stewardship.

Alongside this the NECA will consider the most appropriate governance structures to oversee new powers drawn down from government, including an elected mayor.

The proposal has been very well received by Government and negotiations are ongoing, aligned with the ongoing process of the Public Sector Spending Review. The Board will be kept up to date with developments.

5. Developing a new vision for mental health services in Newcastle and Gateshead

Planning continues at pace to deliver the consultation process relating to secondary community mental health services. This follows a substantial listening process which included both new and traditional methods of engaging with the public.

This process has been led throughout by the Clinical Commissioning Group as commissioners of the service, and has also engaged the two Local Authorities affected.

NTW has supported the work with both clinical engagement and project management support. It is expected that the consultation will commence on 14 October 2015 and run into January. A summary of the case for change and the consultation document will be presented to the October Board meeting.

6. Vanguard bids for new models of care

Following the process for identifying 'Vanguards' for developing new models of care, a further opportunity was offered to NHS organisations to submit bids to become a national Vanguard site for urgent and emergency care.

I am pleased to announce that the Trust was involved in the successful bid by the North East Urgent Care Network to become one of eight urgent and emergency care Vanguards. This will benefit the whole of the North East region; a region with a population of 2.61 million and made up of three major conurbations, spread across both urban and rural areas.

The Network includes all the physical health, mental health and social care stakeholders and providers. It already has a strong history of working collaboratively to deliver successful innovative projects to support the recommendations made in the urgent and emergency care review as well as improving patient outcomes and experience. This programme will enable us to transform the regional system and its services so that we are able to further improve consistency and clinical standards, reduce fragmentation and deliver high quality and responsive health and social care to patients.

It will also enable us to create and implement one urgent and emergency care model across the region so that we are able to provide consistent and seamless care, wherever patients present, whatever the day or hour with no difference in the clinical outcomes delivered.

Trust issues

7. NHS Staff Survey

The 2015 NHS annual Staff Survey will launch on 24 September 2015 and will be open for 10 weeks closing early December. The Picker Institute will administer the survey on behalf of the Trust. It has been decided that all staff across the Trust will be asked to participate.

Additional standard modules have been included in this years' questionnaire around the areas of leadership and health and safety and patient experience. In addition, there will be a local question around the embedding of conversations. A communications plan is in place for the duration of the survey.

8. Community Transformation Update

Transformation work has been ongoing in community services in Sunderland and South Tyneside, (previously referred to as Principal Community Pathways). The Sunderland South Team has moved to its new base at Doxford Park and the pilot Universal Crisis Response Service has been introduced which will be evaluated in October this year.

Building on this work, we have started the community transformation process in Newcastle, Gateshead, North Tyneside and Northumberland. Staffing structures for the new teams have been proposed and a formal consultation with staff on hours, job descriptions and base will start in November.

It is hoped to start the roll out plan for the new arrangements in April 2016, with the expectation that they will be fully operational with the correct staffing numbers by the end of March 2017. This will include pathways for non-psychosis, psychosis and older person's services.

9. Transformation of Corporate Services

Work has continued to finalise the proposed future model across corporate services and a formal 30 day consultation period with the Trade Unions and staff commenced on 2 September 2015. The proposals include a move into Groups for a number of advisory functions, across workforce, finance and commercial roles as well as the creation of a new, transactional centre which provides essential day to day services across, e.g. finance, workforce and supplies functions. This is phase 1 of the transformation programme and directly affects only those post holders at bands 8a and above. Once appointments into new roles are confirmed, these post holders will begin work with the Programme Directors to design the new teams and roles at band 7 and below. It is envisaged that a further formal consultation period for this second phase will begin in January in order that the full new model can be operational from 1 April 2016. This programme is aiming to deliver £3.7 million of recurring savings over a two year period.

10. Tans Restaurant and Coopies Lane Employment Project

Following discussions with Northumberland Council, the Trust has received a formal letter form Northumberland Council giving notice on these services.

Service users in both services have all had individual reviews of their needs and preferences which have been led by the local authority and supported by the Trust. The majority of users have now moved to new placements.

Staff consultations are ongoing (at the time of writing) and the service is confident that appropriate solutions will be found for all staff. We understand that Northumberland Council is in discussion with a potential community and voluntary organisation which may be interested in running the Tans service, and the trust is keen to support this.

John Lawlor
Chief Executive
September 2015

Better Leadership for Tomorrow

NHS Leadership Review, Lord Rose

July 2015.

"The NHS is one of our society's proudest achievements, but the challenges it faces could hardly be more daunting."

Key questions

- Leadership is the key to making changes stick. How is great leadership recognised across the NHS?
- How do we find and nurture the people that are needed to lead the NHS over the next 10 years?
- How do we help all NHS staff become the best versions of themselves at work?

Setting the scene

- A time of rapid and extraordinary change
- The NHS has strength and opportunities
- Significant shortcomings in how staff are managed
- Lack of strategic oversight
- Regulatory burden
- Short CEO tenures
- A time for transformation NOT structural reorganisation
- Key and pressing strategic drivers
- Five Year Forward Vision carries an 'adapt or die' message: we need long term radical solutions not 'short termism'
- People need to be equipped to manage change
- Talent management and career development are key
- Space and time to try new things is key
- Freedom to act without blame is key

Findings: shaping the evidence, framing the recommendations

1. **NHS Vision and Ethos (one vision, one ethos)**
   NHS is a Federation. Different organisations with variations but similar needs. Great story to tell. We have shared values but little clarity on vision for the NHS as a whole. Vision and values can be effectively delivered locally but leadership needs required throughout are the same. "The NHS, as a whole, lacks a clear and consistent, view of what 'good' or 'best' leadership looks like."

   Good leadership characteristics: visibility, listening, understanding, cross boundary-thinking, challenging, probity, openness and courage.

   Principal among these is "the ability to create and communicate vision and strategy." "There is a culture of fear, it's all too difficult, there is an obsession with targets and it is impossible to operate in the current climate of suspicion and change. Or, what is its plan? What is its vision?"

"Some people remain afraid to raise concerns fearing that either nothing will happen or that if something does there will be a negative consequence to it. There is a lack of basic training for leaders and managers on how to listen to people and an increased feeling of unconscious pressure being brought to bear to achieve targets at the expense of staff who are willing to raise issues."

2. **Leading Constant Change**
   No appetite for wholesale structural reform. Change fatigue. Lack of stability. Recent changes have not been supported by the development of the skills needed to deliver them. We need to be better prepared, and to manage our talent more effectively." "Leadership is key to change." Bold, courageous leadership, "the greater risk lies in doing nothing." To make changes stick, more stable management is needed.

3. **Training**
   "NHS management careers depend too much on chance. Training and development are often sporadic. There is limited investment in systematic leadership training for staff and as a consequence capability suffers which is ultimately poor for the patient."

   Lack of clarity about who delivers what and why. No mandatory requirement to develop management skills. Not making the most of NHS Grad Scheme students. Clinical students not taught how NHS works. Need for all managers to have leadership skills. No clear career development pathway for clinicians to become managers. Need training for all managers. NHS Leadership Academy trains large groups of staff but does not have the status to make it the key provider for people development in the NHS. All courses should be to a recognised and uniform standard. Remove barriers to recruiting external managers. Lack of interchange of managers within NHS, making the most of the talent pool.

4. **The Management Environment.**
   Perception that "management is the dark side." Doctors and Nurses can be seen to position themselves in opposition to management. The short-termism of NHS management thinking derives from two things: the need for constant regulatory data, and the fear of not being able to change fast enough. "Many of the best leaders are successful despite the system; or they had found a way to work it to achieve what they needed. They knew there was no single or mandated way to get things done. For the better leaders, this presents an opportunity to solve or work around a problem; but for weaker and/or newer leaders in less well-resourced areas, this presents a real problem and erodes morale."

   "Risk taking within acceptable clinical and commercial parameters is not encouraged, recognised or rewarded. An avoidance of failure is often noticed more than drive for innovative success."

   The churn of CEO's creates instability. 7% of posts unfilled, average tenure is 700 days. Creates unsettled senior teams. "Initiative fatigue." Inspections add to stress. "There is not enough management by walking about and listening. The NHS remains stubbornly tribal."

5. **Performance Management (refers to the performance of staff, managers in particular, not of targets)**

   "There is little differentiation between the good, the bad and the ugly." Great variation in how managers are performance managed ("haphazard and weak") and renumerated.

"Performance management means thinking about how best to train, equip and assign the right people to the right roles; it should help managers and others plan their own careers and acquire the necessary professional skills. However, throughout the NHS the phrase 'performance management' when applied to individuals is synonymous with something negative; when it should mean a communication process that occurs throughout the year between manager and employee to support both the employee's and the organisation's objectives, it can equally be considered as a regular conversation on an individual's career development."

As a whole the performance management culture within the NHS is lacking: objective setting, reviewing, and clear lines of responsibility and accountability are absent.

Performance management needs to be delivered in a consistent way.

Talent cannot be managed without a single competency framework for all NHS staff. There isn't one. This absence, combined with the lack of a systematic appraisal, makes development and deployment of key talent almost impossible.

Throughout the NHS there appears to be a marked lack of holding people to account for their performance. The NHS is still seen to routinely move staff upwards or sideways, not out, even when they're not performing. This must stop.

Performance is vital at Board level.

6. Bureaucracy

The NHS is drowning in bureaucracy. This is evident at all levels. There are two reasons for this: first, the NHS is too vertically structured; and second there are too many regulatory organisations making too many reporting requests. Too much regulation. Regulators are in overdrive. Concerns about fragmentation between Monitor and TDA.

The Review notes that the influence of targets, regulators and inspectors is seen as ubiquitous and wearing. Bureaucratic reporting has made both individual Trusts' and the NHS' views short-term.

Too much is being done by numbers. Within the NHS, everyone is managing upwards by means of complying with data requests; for good leadership to flourish, they should be delegating downwards. People need to be and to feel trusted beyond compliance.

7. Balkanisation of Trusts and Silo Working

Collaboration is difficult in an environment designed to create competition. There are too many "city-states" and not enough cooperation between them.

There is no mandate for system leadership. There are two classes of Trust, the rich have got richer and the poor poorer. No predisposition to close the gap. Trusts tend to work in isolation from each other, "resolutely separatist, silo organisations; often they think tactically rather than strategically. They are therefore not keen to lend out staff, and consequently both the individual and the organisation feel unable to grow (this is a particular problem at middle management level)."

Recommendations

Two pre-conditions that must be met before any recommendations can be implemented.

R1: Form a single service-wide communication strategy within the NHS to cascade and broadcast good (and sometimes less good) news and information as well as best practice to NHS staff, Trusts and Clinical Commissioning Groups.

and

R2: Create a short NHS handbook/ passport/ map summarising in short and/ or visual form the NHS core values, to be published, broadcast and implemented throughout the NHS.

Training

R3: Charge Health Education England (HEE) to coordinate the content, progress and quality of all NHS training including responsibility for the coordination and measurement of all management training in the NHS. At the core of this is a 90-day action cycle. HEE must promote cross-functional training in all disciplines and at all levels, coordinating the teaching of management basics such as appraisal, motivation, negotiation and leadership.

R4: Move sponsorship of the NHS Leadership Academy from NHS England into HEE.

R5: Include accredited/ nominated training establishments as part of a diverse training effort.

R6: Review, refresh and extend (x10) the NHS graduate scheme; establish career pathways, a greater variety of placements and a guaranteed job after three years' training (quality and assessment permitting).

R7: Refresh middle management by training and a more porous approach both from within the NHS and externally (recruitment from, and secondment to, other sectors).

R8: Require senior managers to attend accredited courses for a qualification to show that consistent levels of experience and training have been reached across the NHS. On completion of this course they will enter a senior management talent pool open to all Trusts.

Performance Management

R9: Set, teach and embed core management competencies and associated expected behaviours at each management level.

R10: Establish a mechanism for providing on-going career support for all those in a management role allowing individuals to increasingly take charge and identify their own development needs.

R11: Establish and embed an NHS system of simple, rational appraisal (a balanced scorecard for individuals) supported by a regular course in giving and receiving appraisals as part of the core provision of the single training body. At a senior level, these appraisals should be standardised across the NHS.

Bureaucracy

R12: Review the data demands of regulators and oversight bodies; these can then be rationalised and harmonised in order to produce consistent, clear and simple reporting that does not distract staff from patient care.

R13: Merge the oversight bodies, the Trust Development Agency (TDA) and Monitor. R14: Spend time, on a regular basis, at all levels of the NHS to review the need for each data returns being requested and to feed any findings to the Executive and Non-Executive Teams to review.

R15: Establish and maintain a clearer system of simple rational appraisal (balanced scorecard for the organisation).

R16: Health and Social Care Information Centre (HSCIC) should develop an easily accessible Burden Impact Assessment template and protocol.

Management Support

R17: Create NHS wide comment boards. Website and supporting technology to be designed and implemented to share best practice.

R18: Set minimum term, centrally held, contracts for some very senior managers subject to assessment and appraisal.

R19: Formally review Non-Executive Director (NED) and CCG lay member activity (including, competence and remuneration); and establish a system of volunteer NEDs from other sectors.