

NORTHUMBERLAND, TYNE AND WEAR NHS FOUNDATION TRUST

BOARD OF DIRECTORS

Meeting Date: 27 January 2016

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. NHS Improvement and CQC new approach
2. Junior doctors contract and industrial action
3. Guidance from Monitor
 - a. Planning Guidance
 - b. Agency Staffing
 - c. Whistleblowing Policy
 - d. Freedom to Speak up Guardian

Regional issues

4. North East Devolution

Trust issues

5. Care Quality Commission Inspection
6. CEO Advisory Group Appointment
7. Change to Responsible Officer Status
8. Executive Director Portfolios
9. Time to Change Employers Pledge
10. Governor Elections

Outcome required: For Information.

Chief Executive's Report

January 2016

National issues

1. NHS Improvement and CQC New Approach

NHS Improvement and the CQC have written to trusts highlighting the important role they have to play in supporting trusts to deliver financial balance and quality.

The letter sets out their shared perspective that quality and financial objectives cannot trump one another. It says, 'We want to clearly and unequivocally state, with the full support of our other arms' length body colleagues, that your task as provider leaders is to deliver the right quality outcomes within the resources available.'

The letter goes on to confirm that the two organisations will jointly design the CQC approach to assess trusts use of resources and will share information. Equally the approach that NHS Improvement will take towards assessing quality will be jointly designed. This will become a single unified framework with a single way of measuring success.

2. Junior doctors' contract and potential industrial action

The Junior Doctors' strike took place from 8am on 12th January 2016 until 8am on 13th January 2016. Full planning took place with the command centre in operation throughout the day collating information for the NHS England returns. The Trust remained largely un-affected by the action.

28 junior doctors attended work as normal, not taking strike action. Of these 28 doctors 7 were on call so 'exempt' from the strike as they were providing emergency cover. There were no closures or suspension of services and no adverse affects reported.

We have recently been informed that the 48 hour strike planned for 26th – 28th January has been stood down. A further full walk out is planned for 8am to 5pm on Wednesday 10th February.

3. Guidance from Monitor

a) Planning Guidance

Within the recent Spending Review, the Government committed to provide an extra £8.4bn additional funds in real terms for the NHS by 2020/21. £3.8bn of this is being allocated into 2016/17. There is also a £1.8bn Sustainability and Transformation Fund.

This latest guidance clarifies that the Sustainability and Transformation Fund will have two elements in 2016/17, a general fund targeted at providers of acute emergency care, to alleviate the deficit across the NHS provider and particularly acute sector, and

a smaller (as yet to be determined) specific fund targeted at schemes which organisations have identified which will generate a rapid return in terms of financial delivery.

All Trusts are requested to identify all opportunities for further savings in the current year, and any failure to deliver planned targets for the current year will lead to further efficiency requirements in 2016/17.

All Trusts have also been given a control total for the outturn position required for 2016/17. Trusts are required to confirm acceptance of this control total by 8th February 2016, and it is then expected that operational plans submitted in February and April will be consistent with or better than this total. Access to the Sustainability and Transformation Fund will be dependent on acceptance of and delivery against this control total. For NTW this has been set at £4.7m, which is £1.2m above the size of surplus the Trust had been provisionally planning.

The guidance also makes clear that the Trust should distinguish within the operational plan between essential and strategic investments within their capital plans. This is intended to prepare providers for restrictions to both access to external finance and deployment of existing cash reserves to ensure that the NHS does not exceed its capital budget. This has potential implications for the Trust in terms of its existing transformation plans, which will need to be carefully considered as more detail becomes available.

The implications of this are addressed in the Draft Operational Plan for 2016/17 submitted to the Board this month. A copy of the letter from Monitor is attached as appendix 1.

b) Agency staffing

The Board are aware that Monitor introduced price caps for agency staff that are intended to ensure that no staff are paid at more than 55% of base rate by 1st April 2016. This is being addressed in a phased way, as shown in the table below:

	Max Charge from 23 rd Nov 2015	Max charge from 1 st Feb 2016	Max charge from 1 st April 2016
Junior Doctors	150% above basic	100% above basic	55% above basic
Other Medical Staff	100% above basic	75% above basic	55% above basic
All other clinical staff	100% above basic	75% above basic	55% above basic
Non-clinical staff	55% above basic	55% above basic	55% above basic

The Trust is in a relatively good position with all agency medical staff in compliance with the November rate only and a very small number of shifts for nursing and psychology exceeding these rates. Compliance is being reported from this month through the finance dashboard. As we move to the February rate, 13 of the 26 medical agency staff rates will be in breach, and the number of shifts in breach for

nursing and psychology staff will increase significantly. Furthermore, the guidance issued on 15th January confirmed that there is a requirement for all staff groups to only use agencies that are on a national framework. For nurses this is currently in force but will apply to all staff groups from April 2016. The company that the Trust uses for nursing agency is not currently on the framework despite having the capacity to fill posts locally and having comparably good rates. This is subject to further discussion with Monitor.

The further guidance issued on 15th January confirms that:

- The requirement to use national framework agreements extends to all staff groups from 1st April 2016
- Framework suppliers will need to negotiate or re-tender contracts to ensure compliance
- The price caps will be changed to express the amount that the worker receives at a level equivalent to NHS terms and conditions
- Frameworks will specify staffing rates with agencies competing on the basis of agency fees
- Steps will be taken to eliminate the practice of agency workers using personal services companies to avoid taxes.

Compliance with this guidance will be strictly monitored, and Trusts will not be able to access the new Sustainability and Transformation Fund if they are not compliant. Compliance will be reported from this month to the Board through the Finance dashboard.

c) National Whistleblowing

Consultation on a whistleblowing policy for the NHS has recently closed. This was in response to Sir Robert Francis' Freedom to Speak Up review. Monitor, NHS Trust Development Authority and NHS England are proposing to introduce a national whistleblowing policy. The Government intend for the policy to be adopted by all NHS organisations in England except for primary care providers and it is also hoped that it will be adopted by independent providers of NHS healthcare.

It is intended that NHS organisations will have their own local process that sits beneath the national policy, and reflects their own size and set up. Provided the local process adheres to the requirements set out in the national policy, there is room for flexibility locally.

The Trust supported the comments submitted by NHS Employers which welcomed the approach underpinning the learning and good practice which local employers have made and supported an integrated policy to underpin this.

d) Freedom to Speak up Guardian

Dame Eileen Sills has been appointed as the first National Guardian to help lead a cultural change within the NHS so that healthcare staff always feel confident and supported when they raise concerns. For an open and transparent culture to flourish in the NHS people need to feel safe to speak up, no longer fearing that their jobs could

be put at risk. They must be confident that their concerns will be acted on in the interests of better patient care.

As the National Guardian, Dame Eileen will lead and support a network of individuals within NHS trusts appointed as 'local freedom to speak up guardians'. The National Guardian will offer advice, share good practice, report on national or common themes, and identify any barriers that are preventing the NHS from having a truly safe and open culture.

As Board members will be aware, we have already appointed our Freedom to Speak up Guardian and we are also seeking to create a network of Champions operating across the Trust.

Although hosted by the CQC, the National Guardian will be completely independent and will speak freely and honestly about where changes are needed among NHS trusts and foundation trusts.

The National Guardians work will commence from 1 April 2016. More details will be published in advance of this date. The office of the National Guardian will be establishing its own website as part of the set-up process

Regional issues

4. North East Devolution Proposals

Duncan Selbie, Chief Executive of Public Health England, has been named as chair of the Commission for Health and Social Care Integration in the North East. The commission will look at the potential for further collaboration and integration to help improve the health and wellbeing of residents and the way services are provided across the region.

The Commission is being established by the North East Combined Authority (NECA) and the NHS as part of the proposed devolution agreement signed in October last year. It will look across a range of services, including acute and primary care, community services, mental health services, social care and public health. It is expected to report in the summer of 2016.

Trust issues

5. Care Quality Commission Inspection

The Care Quality Commission (CQC) has informed the Trust when it will be conducting its Comprehensive Inspection of NTW in early June 2016. Directors will keep in regular contact with the Inspectors during this pre-inspection period and will keep the Board informed about the CQC's plans and our arrangements to ensure we are ready to host the inspection team.

6. CEO Advisory Group Appointment

I was delighted to be asked by Jim Mackie, CEO of NHS Improvement, to join a new Provider CEO Advisory Group who will meet with Jim every couple of months to exchange views and ideas, discuss the challenges faced by the system and test solutions.

I look forward to taking part in this Group to represent both the Trust and Mental Health and Disability Services more generally.

7. Change to Responsible Officer Status - Revalidation

Medical revalidation is the process by which licensed doctors demonstrate that they are fit to practise. Without a license to practice, a doctor may not prescribe medications and may not sign a number of statutory forms, including death certificates and Medical Recommendations under the Mental Health Act.

The purpose of revalidation is to provide assurance for patients and the public, employers and other healthcare professionals that licensed doctors are up to date and fit to practice. Revalidation is supported by a number of processes, including a strengthened form of medical appraisal that is based upon the doctor collecting and reflecting upon specified data about their performance, also known as 'supporting information'.

Due to the stepping down of Dr Douglas Gee, Executive Medical Director and Responsible Officer on Friday 15 January 2016, Dr Rajesh Nadkarni will be acting into this post from Saturday 16 January 2016 for the interim period.

8. Time to Change Pledge

I was delighted to sign the Time to Change Employers pledge on behalf of NTW at a ceremony on Thursday 14th January. By signing up to the pledge NTW is making a public commitment to support people who have lived experience of mental health services and to challenge the stigma that we see in society.

The Trust has developed an action plan to set out the activity we will undertake to live up to our pledge. This was shared with the Board at the development session in December 2015 and will be monitored through the organisational development group meetings.

The trust will be encouraging staff to support the national 'Time to Talk Day' on 4th February 2016 by taking time to talk about mental health with colleagues and think about how we can support each other's wellbeing.

9. Governor Elections

The recent election process for vacant Governor seat has now concluded and Lucy Reynolds has been appointed as Governor for Neuro Disability service users.

The process for electing the remaining five unfilled vacancies (Adult, Learning Disability, Neuro Disability and Older People's Services Carers' constituency and one Staff Governor in the Medical constituency) has commenced with a view to this being completed by 31st March 2016.

John Lawlor
Chief Executive
January 2016