

NORTHUMBERLAND, TYNE AND WEAR NHS FOUNDATION TRUST

BOARD OF DIRECTORS

Meeting Date: 28 October 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. Monitor Quarterly Report
2. Agency Nurse Cap
3. Junior Doctors Contract Negotiations
4. Transforming Care Programme

Regional issues

5. Newcastle Academic Health Partners
6. North East Leadership Academy Awards

Trust issues

7. CQC's Fit and Proper Person Test Update
8. Community Transformation Update
9. Flu Vaccination Campaign
10. Positive Practice Awards
11. Staff Survey
12. Harvest Festival Garden Party

Outcome required: For Information.

Chief Executive's Report

October 2015

National issues

1. Monitor Quarterly Report

The Quarterly Report by Monitor on the performance of the Foundation Trust sector showed that the 151 licensed NHS Foundation Trusts recorded a net deficit of £445m for the three months to the end of June 2015. 118 NHS Foundation Trusts generated a deficit of £445m, offset by a gross surplus of £40m at 33 Trusts. This shows a sector in significant financial distress, and while measures such as stretch targets for individual organisations and the introductions of caps of agency costs will have some impact, this is unlikely to be to a significant degree in 2015/16. In terms of operational performance, the sector struggled in meeting a range of indicators, a summary of which can be found in the attached infographic. This is particularly the case for the acute hospital sector.

In the mental health sector 25 of the 43 NHS Foundation Trusts were in deficit, with the sector generating a net surplus of only £7m. However, mental health continues to perform relatively strongly with an aggregate EBITDA of 4.6%, and being the only sector to deliver a net surplus. Four Mental Health Foundation Trusts have a red rating for governance. Overall the sector performed better in terms of delivery against the four standards by which they are measured under Monitor's current code. At the end of quarter 1 nine mental health Foundation Trusts reported breaches against at least one of the standards.

37 Foundation Trusts were subject to regulatory action as at the end of September, and nine new investigations were launched in the quarter. Two day visits were made to 47 Foundation Trusts in response to annual plans.

Non-Foundation Trusts reported a deficit of £485m in the quarter. With Clinical Commissioning Groups now forecasting a surplus for the year of £358m this looks like a very challenging year from a financial perspective.

2. Agency Nurse Cap

The cost of temporary staffing, particularly for nurses and doctors, presents a challenge for most Trusts. Fundamentally, this is because there is a supply gap across many professional groups in the system.

The supply gap can be attributed to a number of issues including workforce planning, attrition rates in training and a post-Francis rise in required nursing numbers. In some regions of the country shortages of supply are even more pronounced.

Monitor have highlighted that Trust spending on agencies has increased to the extent that it is one of the most significant causes of deteriorating Trust finances and evidence suggests it can be linked to quality concerns.

Monitor has introduced an annual ceiling for total nursing agency spending for each Trust, and mandatory use of approved frameworks for procuring agency staff.

Following the guidance issued by Monitor in August 2015, NTW have reviewed the levels of nursing agency spend and are within the 3% threshold, however overall agency spend across all groups of staff is 3.6%.

The price cap rules apply to nursing agency spend only, with rules on spending on other agency staff to follow shortly. The annual ceilings are for nursing agency spend as a percentage of total nursing staff spend. The ceilings set depend on Trusts' 2014/15 nursing agency spend percentage of their total nursing staff spend.

Trusts are expected to provide a monthly profile of the planned nursing agency spend that enables it to achieve its ceiling for October 2015 to March 2016. Trusts will be held to account on a quarterly basis for meeting their ceiling in that year. In assessing value for money, Monitor is likely to look at the extent to which Trusts have followed good practice.

In addition from 19 October 2015, Trusts subject to this agency spending rule will have to secure nursing agency staff via framework agreements. This rule is designed to bring:

- Greater transparency on nursing agency spend.
- Greater assurance on quality of nursing agency supply.
- Control on cost of nursing agency spends.

NTW is actively recruiting to the Trust; it is currently compliant with the cap and framework arrangements. We will continue to measure performance against this target at Clinical Care Group level and via the Trust-wide Bank and Agency Review Group, Chaired by the Executive Director of Nursing and Operations.

3. Junior Doctors Contract Negotiations

Since 2013 NHS Employers has been negotiating a new contract for junior doctors in training with the British Medical Association (BMA). Concerns had been raised that the 13 year old contract was no longer working as well as it could for NHS Employers, doctors and dentists in training and patients. Heads of Terms were developed in October 2014 but the BMA walked away from negotiations due to concerns about the proposed new contract. The BMA subsequently released its ten reasons why they could not agree to the new contract.

In September 2015, NHS Employers proceeded to set up meetings directly with junior doctors to seek their views on the proposals but these meetings were postponed due to the new Chair of the BMA Junior Doctors Committee accepting an invitation to meet personally with Jeremy Hunt. Following this meeting a number of concessions and reassurances have been offered in an attempt to restart negotiations. The BMA responded on 12 October 2015 setting out the terms on which they would re-enter negotiations, predominantly about the need for a safe contract and now await a response.

Should the BMA continue to refuse to re-enter in discussions, there is a likelihood that consultation directly with the junior doctor workforce will commence, with employers expected to take a lead role with this. Our Executive Medical Director and Director of Medical Education have met once with some of our 126 junior doctor workforce and it is likely further meetings will be needed. The Corporate Decisions Team have considered a detailed paper on the whole position and short, medium and long term

risks. Operational services are considering possible impact on service delivery and out of hours on call issues, should any industrial action be instigated.

A helpful NHS Employers fact sheet is available via <http://www.nhsemployers.org/~media/Employers/Documents/Pay%20and%20reward/Junior-Doctors-Contract-Factsheet.pdf> and a number of questions and answers are set out on their web site <http://www.nhsemployers.org/your-workforce/pay-and-reward/national-negotiations/q-a-on-the-new-junior-doctor-contract-proposals>.

4. Transforming Care Programme

The North East and Cumbria has received £1.4m from the transformation fund to support the initial implementation of the plans to improve and strengthen community services and reduce the reliance on inpatient beds. There are a number of task and finish groups being established to implement the plan but at this stage there is an outline of funding but still no real plan on how this will be allocated locally. There is separate funding for workforce development and project management and £673k will be held back for transitional funding of individual patients with transition costs per person required. The required pace has increased with an expectation that we deliver local Clinical Commissioning Group commissioned bed reductions within three years.

The internal NTW learning disability transformation project group structure has been enhanced and is being revised to ensure that we are in a strong position to support the changes required both internally and externally. We are anticipating the publication of the national plan on 29 October 2015 which we understand will include the regional plan, projected bed closure numbers by provider and alternative commissioning models. The current internal focus is clearly describing the clinical care pathways, aligning to NICE guidance, identifying opportunities for innovation and new developments and strengthening our service user and carer engagement. This all supports the wider regional implementation.

Regional issues

5. Newcastle Academic Health Partners

As previously reported to the Board, NTW has joined with Newcastle University and Newcastle Hospitals NHS Foundation Trust in a formal partnership called 'Newcastle Academic Health Partners'. This partnership has been meeting since March 2015 and was launched in the local press on Friday 9 October 2015. The partnership aims to harness world-class expertise, ensuring patients in the region benefit sooner from new treatments and earlier diagnoses and hopes to deliver pioneering healthcare through scientific research, education and patient care. The new alliance will be focusing on leading the way in scientific advances to tackle common diseases such as dementia. It will also specialise in improving understanding and treatment of cancer, diseases that affect the brain and those affecting children. The partnership has a web presence <http://nahp.org.uk/> which links to partners' organisational websites, and has also published a brochure providing some case studies. Hard copies have been provided to Board members and the brochure includes three case studies relevant to NTW (related to the Northern Centre for Mood Disorders, dementia diagnosis, and shared decision making with people in primary care with depression).

6. North East Leadership Academy Awards

Over ten members of staff from the Trust were nominated for the North East Leadership Academy (NELA) annual awards. One person from NTW has been shortlisted as a finalist. The awards ceremony will take place at the Baltic Centre for Contemporary Art in Gateshead, on Monday 23 November 2015 from 9am to 5pm. Many congratulations to all of those who were nominated.

On the 21 October 2015, five members of staff received their certificates for the successful completion of the NHS Leadership Academy Mary Seacole programme at an event in Newcastle at the Biscuit Factory. John Lawlor spoke at the event.

We are a subscribing partner of NELA, which means that we pay a sum of money to them each year (£10,000) and have free access to their interventions and activities. The Trust is represented at both the NELA partnership board and steering groups. In 2014/15 NTW received a total of 151 places on NELA development opportunities for 83 members of staff including 40 places on the accredited NHS Leadership Academy national leadership development programmes. NTW currently access more NELA activities than any of the other 24 subscribing partners and Trust staff are featured in their annual report.

Trust issues

7. CQC's Fit and Proper Person Test Update

The Care Quality Commission's (CQC) "Fit and Proper Person Test" (the "Test") was introduced from November 2014. This strengthens existing arrangements in the Trust's Provider Licence and the Trust's Constitution. The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 states that the Test applies to a director or an individual performing the functions of, or functions equivalent or similar to the functions of, such a director. In March 2015 the CQC provided guidance on meeting the regulations.

An update was provided to the May 2015 Board meeting, when the Board approved that, in addition to Board members, the "Test" should apply to the five specialist functional leads who by the nature of their roles are responsible for certain issues over and above the responsibilities of their Executive Director line manager.

A further update is as follows:

- All those subject to the Test, including new Non-Executive Directors (NEDs) and the five specialist functional leads have signed the declaration.
- Contracts for Executive Directors and the five specialist functional leads are being revised to include an appropriate entry relating to the Test.
- The Nominations Committee meeting on 30 October 2015 will review the NEDs' terms and conditions, which will include a specific reference to the Test. Recommendations for change will be considered for approval by the Council of Governors meeting on 12 November 2015.
- A draft guidance note has been prepared by the Board Secretary, including details of the Test; the Trust's declaration form; who is subject to the Test; regular actions; the maintenance of evidence; action required where a director no longer meets the requirements; and the NHS Providers' "Toolkit" to be used as a checklist in which to gauge completeness. The Board will be asked to approve the guidance note at its November meeting.

- The protocol for the appointment of the Chair and NEDs has been reviewed and strengthened. Linked to this is to ensure that the NED recruitment information pack explains the consequences for false, inaccurate or incomplete information.
- The Trust Constitution has been amended to strengthen the reference to the Test and to provide more details.

A paper will be brought to the next Board of Directors meeting to provide assurance that the Trust has made every reasonable effort to assure itself about an individual by all means available, which should allow the Trust Chair to confirm that the fitness of all new directors has been assessed in line with the CQC Regulations and to declare to the CQC in writing that he is satisfied that they are fit and proper individuals for that role. The Trust may be asked to provide the same assurance to the CQC about existing directors, where concerns about them come to the CQC's attention. The paper will also ask the Board to approve the draft guidance note.

8. Community Transformation Update

Over the summer months, work has been underway to finalise the community transformation plans for Northumberland, North Tyneside, Newcastle and Gateshead. This includes proposed plans on all the pathways that we provide which include non-psychosis, psychosis, older persons services and learning disabilities.

It is anticipated that the roll out for the new staffing structures will commence in April 2016, and will be fully operational with the correct staffing numbers by the end of March 2017. This gives a period of 12-15 months to work towards the new staff skill mix in line with our workforce plans. This approach has been agreed following the lessons learned from the introduction of new pathways in Sunderland and South Tyneside.

Formal staff consultation for Allied Health Professionals started on 12 October 2015 and a wider staff consultation for other community staff will commence on 9 November 2015. The rationale for the Allied Health Professionals consultation being carried out separately is that some Allied Health Professionals staff cover both inpatient and community services.

Other workstreams include estates and accommodation; integration within each locality; and admin support.

In Sunderland and South Tyneside, the Initial Response Service (IRS) has made good progress and patient flow has significantly improved. This service has gained national attention as a new and effective way of supporting access into mental health services.

The IRS along with their consultant colleagues in local community teams are also piloting the concept of Virtual Multi-disciplinary Teams (MDT). This means that community consultants are able to join the IRS MDT by video conference. They are finding that this approach is more flexible and saves valuable time that would otherwise be spent travelling. It means that community consultants are able to provide support to IRS for those new patients who have recently accessed NTW services, getting them onto the right pathway to meet their needs as quickly as possible. It is hoped that psychology and other disciplines will be able to join the virtual MDT in due course.

9. Flu Vaccination Campaign

Our seasonal flu vaccination campaign commenced on Monday 5 October 2015 with the arrival of the vaccines into the Trust.

The key focus of the campaign is to achieve a 75% uptake rate in front line healthcare workers so that we can achieve a level of immunity that will protect clinical risk groups. Our flu vaccination plan 2015/16 gives assurances to NHS England, and more important to our staff, service users and the local population, of our commitment to achieving the target by delivering a robust campaign with key messages.

Our Team Prevent services are holding vaccination clinics at all main hospital sites and we have increased our peer vaccinators significantly in both hospital and community settings. Once again, the flu trailer will be visiting all hospital sites providing another opportunity for Trust staff to be vaccinated.

Weekly regional reporting of frontline health care worker vaccination rates commenced on the 20 October 2015 to the Area Team, with monthly reporting to commence on the 3 November 2015 to the Department of Health through the ImmForm website.

Offering seasonal flu vaccine and pneumococcal vaccine are key priorities in protecting our patients and our frontline staff during the winter months. All inpatients who are in clinical risk groups are encouraged and supported to be vaccinated, whilst patients who receive care through our outpatient services are supported and facilitated to attend GP services.

10. Positive Practice Awards

On Wednesday 14 October 2015 the Trust hosted the national Positive Practice in Mental Health Awards in Gateshead. The awards are organised annually by the multi-agency patient led Positive Practice Mental Health Collaborative and we were pleased to provide sponsorship for the first time this year to enable the awards to be staged in the North East. We had six of our services shortlisted for awards at the event.

11. Staff Survey

The staff survey has been distributed to all staff to enable the Trust to get the maximum amount of feedback from our workforce about what it feels like to work in NTW. It also provides the Board and leaders across the Trust to engage with staff in supporting them to deliver the best services possible, especially in these challenging times for the NHS.

12. Harvest Festival Garden Party

On 2 October 2015 during a beautiful warm sunny autumn day the 2nd Harvest Festival Garden Party was held in the Ivy Centre Gardens, St Nicholas Hospital. The event was organised by the Recovery College Newcastle, and was an opportunity for all involved to celebrate successes achieved and have a good time.

There was a wonderful atmosphere as people enjoyed a barbeque and refreshments in the gardens, there was time to admire the newly formed vegetable patches and just

enjoy each other's company in the sunshine.

The afternoon showcased some performances from people who attend and support the Recovery College, including choirs, bands and recitals.

A huge amount of organisation had gone into the day to make sure it was a celebration of recovery, there was a wonderful atmosphere of hope and an opportunity for people to renew friendships that they had made whilst at the college.

**John Lawlor
Chief Executive
October 2015**