

TRUST BOARD PUBLIC – 29 JUNE 2015

Agenda Item Number: 112/15

Enclosure Number: (1)

Subject:	Report from the Chief Executive
Prepared by / Sponsored by / Presented by:	Ursula Ward, Chief Executive
Purpose of paper	To update the Board on national and local items of interest.
Key points for Trust Board members <i>Briefly summarise in bullet point format the main points and key issues that the Trust Board members should focus on including conclusions and proposals</i>	Note contents of the report
Options and decisions required <i>Clearly identify options that are to be considered and any decisions required</i>	None required, for information
Next steps / future actions: <i>Clearly identify what will follow the Trust Board's discussion</i>	None
Consideration of legal issues (including Equality Impact Assessment)?	Items relating to professional staff may have some implications and will be considered.
Consideration of Public and Patient Involvement and Communications Implications?	None

Links to Portsmouth Hospitals NHS Trust Board Strategic Aims, Assurance Framework/Corporate Risk Register	
Strategic Aim	<p>Strategic aim 1: Deliver safe, high quality patient centred care</p> <p>Strategic aim 2: Develop a reputation for excellence in innovation, research & development and education in the top 20% of our peers.</p> <p>Strategic aim 3: Become the hospital of choice for general, specialist and selected tertiary services.</p> <p>Strategic aim 4: Staff would recommend the trust as a place to work and a place to receive treatment</p> <p>Strategic aim 5: Develop sufficient financial strengths to adapt to change and invest in the future.</p>
BAF/Corporate Risk Register	N/A

Reference (if applicable)	
Risk Description	N/A
CQC Reference	N/A

Committees/Meetings at which paper has been approved:	Date
None	

Report of Chief Executive

Board of Directors – 29 June 2015

1. Seven-Day Week NHS

The Prime Minister has set out the Government's vision for a modern NHS that will operate seven days a week. The government will prioritise patient access to all services, from GP access to hospital care, backing NHS England's plan for modernising the NHS.

2. Clampdown on Staffing Agencies Charging NHS Extortionate Rates

Health Secretary Jeremy Hunt has introduced new financial controls to reduce waste in the NHS, and curb spending on agency staff. The new rules will:

- Set a maximum hourly rate for agency doctors and nurses
- Ban the use of agencies that are not on approved frameworks
- Put a cap on total agency staff spending for each NHS Trust in financial difficulties
- Require approval for any consultancy contracts over £50,000

3. Five-Year Forward View: Time to Deliver

NHS England, the Care Quality Commission, Monitor, the Trust Development Authority, Public Health England, Health Education England and NICE, have jointly published the above report. The report sets out how the NHS has responded since the publication of the Five-Year Forward View. In total, 269 local areas came forward with their ideas on how to design new models of care. Following a process of peer assessment, 29 'Vanguard' sites were selected to form the initial cohort of NHS organisations and Local Authorities who will seek to improve care for over 5 million patients, in a way that can be replicated more widely across the NHS. The report sets out the priorities for 2015/16.

4. New Care Models: Vanguard Sites

The aim is to enhance the viability of local hospitals through new formal shared working arrangements between clinical specialists at different hospitals, and to improve efficiency by sharing back office administration and management functions between different sites. The new 'Vanguard' sites, to be developed as part of implementing the Five-Year Forward View, build on the proposals in the recent report from Sir David Dalton.

The closing date for applications is the end of July 2015 and the programme anticipates announcing a small number of 'Vanguard' sites by September 2015. Successful applicants will be expected to make swift progress and will receive financial and practical support to help them do so.

5. Inpatient Survey 2014

The Care Quality Commission has published the results of the Inpatient Survey. This provides information on the experiences of people admitted to an acute or acute specialist NHS hospital in England in 2014.

Survey results are available for England as a whole, comparing back to the previous survey in 2013. Results are also available for each individual Trust showing where they have performed 'better' or 'worse' than would be expected, when compared with all other Trusts, and showing changes since the 2013 survey.

6. NHS Success Regime: A Whole Systems Intervention

On 3 June Monitor, the Trust Development Authority and NHS England published 'The Success Regime: A Whole Systems Intervention' a guidance document for the new success regime for challenged local health economies.

This regime is intended to create the conditions needed in these health economies to overcome the challenges they face, through aligned intervention and support. The regime signifies a shift from focussing solely on institutions to taking a system-wide approach to dealing with challenges.

The Five-Year Forward View included a number of commitments from NHS England, Monitor, the Trust Development Authority, the Care Quality Commission, Health Education England and Public Health England to provide aligned national NHS leadership in order to support the development of new care models and deliver the changes needed to continue to meet the expectations of patients and the public. This included a commitment from Monitor, the Trust Development Authority and NHS England to work together to create greater alignment between their respective assessment and intervention regimes for Foundation Trusts, NHS Trusts and Clinical Commissioning Groups, and the development of a whole-system, geographically based intervention regime.

The regime will be overseen jointly by NHS England, Monitor and the Trust Development Authority, working closely with the Care Quality Commission. It will involve Providers, Commissioners and Local Authorities across whole health and care economies, addressing systemic issues rather than focussing solely on individual institutions. The expectation is that any intervention or transformation plans will contribute to the improvement and sustainability of the whole health system.

The regime aims to provide increased direction and support in three main areas:

- Short term improvement against agreed quality, performance or financial metrics
- Medium and longer term transformation, including the application of new care models where applicable
- Developing leadership capacity and capability across the health system

7. Monitor and the Trust Development Authority to Move to Single Leadership

The Secretary of State has announced that Monitor and the Trust Development Authority (TDA) will be brought under the leadership of a single Chief Executive, as well as an initial analysis of the implications for NHS Foundation Trusts and NHS Trusts. The announcement confirms closer working between the two bodies, encompassing the functions and duties of both organisations, as well as moves to more consistent support and interventions for both Foundation Trusts and NHS Trusts. The announcement importantly confirms that no changes to the Foundation Trust model are currently envisaged and continued political support for the principle that NHS organisations should have access to greater freedoms as their delivery for patients and taxpayers improves.

The Chairs of Monitor and the Trust Development Authority will run a competitive process to identify a new single Chief Executive by the end of the summer. David Bennett, Chief Executive of Monitor, will support the transition to the new arrangements but has already confirmed his intention to step down in due course.

8. Monitor's Risk Assessment Framework Consultation

Monitor has published a consultation on proposed changes to its Risk Assessment Framework (RAF). Monitor is proposing these changes to strengthen its regulatory regime to deal with the current financial challenges facing the Foundation Trust sector, a move prompted by the Department of Health announcements on value for money and the urgent need to move towards financial balance. The proposed changes will make it easier for Monitor to take regulatory action earlier if a Foundation Trust is in deficit, failing to deliver its financial plan and/or not providing value for money.

9. Referral to Treatment Waiting Time Targets

All NHS Providers and Clinical Commissioning Groups have received a letter from Simon Stevens about changes to the Referral to Treatment (RTT) waiting time targets.

These changes follow a review undertaken by Sir Bruce Keogh to ensure that all waiting time measures make sense for patients and are operationally well-designed.

Sir Bruce pointed to the fact that the 18-week Referral to Treatment standard was being measured in three conflicting ways – through admitted, non-admitted and incomplete standards, and that using these three measures results in perverse incentives. The admitted and non-admitted standards essentially penalise Providers for treating patients who have waited more than 18-weeks, whereas the incomplete standard, introduced in 2012, incentivises hospitals to treat patients who have been waiting the longest. Simon Stevens has accepted Sir Bruce's proposal to abolish the admitted and non-admitted measures as soon as practically possible, using only the incomplete standard as a measure.

10. Rt Hon Jeremy Hunt MP Speech

Rt Hon Jeremy Hunt MP gave his speech at the NHS Confederation Conference on 4 June 2015 and is attached at Appendix A.

11. Simon Stevens Speech

Simon Stevens' speech was framed around progressing the Five-Year Forward View through:

- A financially sustainable basis this year
- A redesign of urgent and emergency care provision
- Focus on prevention
- New ways of working locally and nationally

Key points from the speech are attached at Appendix B.

12. Local News

A copy of Team Brief is attached for information.

Appendix A – RT Hon Jeremy Hunt MP Speech – 4 June 2015

Improvements in quality of care: Over the last parliament, significant increases in number of cancer tests and operations carried out, fastest A&E turnaround in the world, greater safety and control over MRSA, with remarkable performance under winter pressures. We will build on Norman Lamb's legacy to ensure mental health is centre stage.

Values based leadership: NHS depends on this; government can help but NHS leaders are crucial. Now is the time for action. Need to think about culture from the start.

Challenges faced: The system is under massive pressure from national deficit, ageing population and rising expectations. But the NHS has a plan --- the Five year forward view --- and government backing for it. Government is putting £2bn towards NHS now, and at least £8bn a year by 2020. Time for discussion about whether that is the right amount has passed. Now need to focus on making the £22bn efficiencies that the NHS has also committed to.

Costs and safety: The mantra of Virginia Mason in Seattle is that the path to lower costs is the same as the path to safer care, and they have found their costs are 20-60% lower than similar hospitals. This has also been found in the NHS and in other industries, such as the airline industry. After Mid Staffs, the rest of the NHS did not argue that was an isolated case --- it accepted there were wider areas of poor care, and this has transformed the approach to safety and quality in the NHS.

Government support for local leaders: efficiencies will take a lot of effort, and they can't be delivered by the government. However, government can provide help, and sought to support cost control in recent announcements on agency staff, and very senior managers and management consultant costs.

Procurement: Hunt confirmed that Lord Carter will publish his report shortly. The NHS is not good at buying products --- there is significant price variation (currently 35 per cent, not efficient 2 per cent) and an inefficient number of product lines (currently 500,000 not efficient 7-9,000), with nurses also spending significant time on admin rather than patient care. Lord Carter in September will provide a figure for the savings that could be made, and by December that figure will have been agreed with the NHS. From January 2016 those savings will need to be delivered.

Sharing best practice: The NHS is not good at spreading its good practice through the system. Hospital chains can help this, and in September first four NHS chains will be announced by NHS England and Monitor.

Performance data: Sir Bruce Keogh has set out the inconsistencies in performance data publication, with some released weekly, monthly or quarterly. These will now be produced monthly, on the same day.

Out of hospital: Hunt confirmed that the government will publish its childhood obesity strategy this year.

Commissioning: The government will look to bring transparency and accountability to CCGs in the same way as for providers. The King's Fund is developing the metrics for holding CCGs to account for the delivery of healthcare --- because, while others are involved, CCGs hold the chequebook. Metrics will be outcomes and patient focused and five key groups have been provisionally identified: older people, those with long term conditions, those with mental health conditions, mothers and children, and the generally health. Alongside those, resilience and transformation will also be monitored.

Driving change: There is a need to move beyond targets, and look to transparency, peer review and learning as the way to improve. That will be transformational. Nye Bevan talked about "universalising the best"; the NHS has universalised access, but has been less good at universalising quality.

Appendix B – Simon Stevens Speech – 3 June 2015

Funding: He warned that the health service should not expect a further increase in funding in the current financial year on top of the extra £2 billion already announced by the Treasury. There is a need to get the next annual commissioning round on the level of funded activity and capacity planning right --- that didn't happen this year.

Agency staffing: This is single largest cause of provider deficits; it is understandable but unsustainable. The NHS needs to make use of its collective purchasing power to create more flexible permanent jobs. Temporary staffing is first of many areas where muscular action will be taken to reduce costs.

Service developments: There is a need to ensure new standards --- such as emergency care, cancer, and mental health targets --- are delivered. There is also need to be realistic about the new asks made of the NHS. Sir Bruce Keogh has been asked to review how 'referral to treatment' (RTT) targets are working. Jane Cummings is to look at new nursing guidelines for urgent and emergency care and vanguards.

Success regime: This will involve coordinated support for parts of the country that have had long-standing service and financial problems, and where individual hospitals have in some cases for many years struggled to tackle them on their own. First three areas are Cumbria, Essex and North, East and West (NEW) Devon. If traditional approaches were going to work, they would have done so by now. The success regime will bring full range of freedoms to bear, not just for individual organisations --- potential for multiyear financial control --- to ensure care models evolve.

Efficiency: Action needs to be taken at three levels: nationally, organisationally and collectively. Individual NHS organisations have too often worked alone, and there is too little use of collective financial muscle. There is too much clinical variation. There is underinvestment in general practice. Collaborative working with frontline leaders, patient groups, ALBs and the Government will feed into the spending review and converge with the next financial planning round, so that by the autumn we will have the building blocks for efficiency between 2016 and 2020. This isn't just about money, but about the kind of health and care system we want; it needs to be sustainable and backed by efficiency.

Urgent care: Stevens called for more convenient urgent care services, in a bid to make the health service more responsive to the changing needs of an aging population, and better able to cope with rising demands. Substantial redesign is required. This includes seeking urgent care "Vanguards", testing new approaches that aim to overhaul and join up GP out of hours services, the NHS 111 helpline, and improve the links between ambulance services, care homes and A&E departments.

Prevention: Now is the time to step up efforts to improve prevention, make services more efficient and change the way care is delivered, so that more care is done outside of hospital. We are failing the younger generation on obesity.

Transformation: The big challenge for NHS leaders is to focus on practical change that enables them to both manage the pressures of today and get ready for tomorrow at the same time. Transformation is a means to sustainability; they are not two separate tasks. The NHS needs to take collective action now to address immediate pressures without putting the future on hold.