THE NEWCASTLE UPON TYNE HOSPITALS NHS FOUNDATION TRUST

COUNCIL OF GOVERNORS

EXECUTIVE REPORT - CURRENT ISSUES

1. Executive Team

Particular attention is drawn to:

i) An ever increasing presentation to Emergency Care and all this entails.

ii) Impact of local industrial action arising out of national campaigning in relation to minimal salary/wage uplifts.

iii) Disclosure by NHS England of the findings and recommendations drawn up by Verita Consulting LLP that arose out of a review of Children’s Heart Surgery at Leeds and the relationship with Newcastle Hospitals.

iv) Emergence of GP Federations and collaborative working.

v) Service quality enhancements arising out of locally inspired initiatives.

vi) Partnership working with Newcastle City Council, local Clinical Commissioning Groups and Northumberland Tyne & Wear Mental Health NHS FT to maximise service delivery enhancement that is intended to arise out of the ‘Better Care Fund’ initiative.

vii) Off site development and the challenges arising therefrom.

viii) Coping with the exponential impact arising out of additional data gathering requirements and ever evolving plethora of regulatory bodies, agencies and groupings amongst others.

ix) Steps being taken to gain the best possible understanding of respective Commissioner intentions as to the scope and volume of the order book 2015/16.

x) ‘Shelford Group of Hospitals’ inspired collaboration to bring about better value procurement and product standardisation.

xi) Dynamics of the research and development portfolio in partnership with Newcastle University Faculty of Medical Sciences.

xii) Visit of the Chancellor of the Exchequer to herald the commitment made in the HM Treasury Autumn Statement 2014 in relation to the National Centre for Ageing Science and Innovation on the former Newcastle General Hospital site.
xiii) Service level pressures and the difficulties being encountered in other North East acute service providers in sustaining expectations across elective and in particular sub-specialty portfolios.

xiv) Rapid construction of two additional isolation suites (Royal Victoria Infirmary) to enhance state of readiness and functional content arising out of the Ebola epidemic in West Africa. Involved ‘step-in’ by the Trust as the building zone in question comes within the aegis of the PFI.

xv) Interventions to facilitate and sustain achievement of performance objectives and outcomes across a range of service settings.

xvi) Promotion of the Great North Trauma and Emergency Centre with ‘fly on the wall’ media coverage (BBC & ITV) throughout week beginning Monday, 8th December 2014.

xvii) Addressing financial stability and ongoing investment programmes.

xviii) A formal response to the proposed Congenital Heart Disease Standards and Service Specifications promulgated by NHS England.

xix) Tackling the challenges surrounding skilled staff recruitment and all this entails.

xx) The Transforming Newcastle Hospitals Investment Programme (Private Finance Initiative related) and the highly problematic challenges surrounding dissatisfaction with the Clinical Resource Buildings (Phase 8 of a 9 Phase course of construction at the Royal Victoria Infirmary).

xxi) Planning permission secured to enable progress of detailed design and, subject to business case approval, construction of facilities to enhance the scope and scale of provision of Children’s Cardiothoracic Services.

xxii) Success with the bid to establish a Wave 1 Genomic Medicine Centre.

xxiii) Evolving appointments to redevelop the former Sanderson Hospital site (Salters Road, Gosforth) as a health and related services offer in the changing world of care and treatment delivery.

2. Key Impact Documents/Statements from Government/Regulators/Advisory Bodies/ Others

(i) Planning for the Better Care Fund (National Audit Office)

Key findings include:

- Early local plans for the Fund, which will pool £5.3 billion of existing NHS and local authority funding in 2015-16, did not meet Ministers’ expectations or generate the level of savings the Government expected; all plans had to be resubmitted.
• Although the Government’s early planning assumption was that the Fund would save the NHS £1 billion in 2015-16, local areas’ September 2014 plans forecast at least £314 million of savings for the NHS from fewer emergency admissions to hospitals and fewer delayed transfers from hospitals.

• It was agreed by all parties involved (DH/DCLG/NHS England/LGA) that local areas would develop plans for spending the Fund with minimal central prescription, in order to drive local innovation from the bottom up, and reflecting the fact that no savings target had been formally agreed for the Fund during Spending Round 2013. As a result, there was no central programme team, no programme director and limited risk management and no analysis of local planning capacity, capability, or where local areas would need additional support. In addition, the initial scheme guidance did not mention the scale of savings expected from the Fund.

• All 151 local Health and Wellbeing Boards submitted plans in April 2014 for how they would spend their Fund allocations in 2015/16. However, NHS England concluded in May 2014 that the Fund plans would deliver only £55 million of credible annual savings, based on local areas’ April 2014 plans.

It is also to be noted that the respective Permanent Secretaries of the Department for Communities and Local Government and the Department of Health have raised distinct criticism and challenge in respect of certain of the findings.

(ii) Commissioning and Contracting for Integrated Care (Kings Fund)

This report describes how Clinical Commissioning Groups (CCGs) are innovating with two broad models for approaching commissioning and contracting as a way of driving integrated care. It draws on experiences from five geographical areas, covering different population and disease groups (cancer, end-of-life care, musculoskeletal services, mental health rehabilitation, and older people’s services), and concludes by highlighting four lessons that CCGs, other commissioners and providers should keep in mind:

• Commissioners should continually engage and communicate with providers, patients and the wider community to define the problem and identify appropriate solutions.

• Transactional as well as relational approaches are important – nurturing trust and building relationships between providers will be just as important to delivering integrated care as the overarching contract or type of partnership.

• Payment mechanisms and incentives need to be aligned across providers.

• Providers need to develop appropriate governance and organisational models; they are best placed to develop inter-organisational forums and processes for decision-making, risk-sharing and mutual accountability.
(iii) Personalised Health and Care 2020: Using Data & Technology to Transform outcomes for Patients & Citizens – A Framework for Action (National Information Board)

The National Information Board (NIB), which sets the strategy and direction for the NHS, public health, clinical science, social care and local government health and care system on technology and information, has released a ‘Framework for Action’. Taking forward ambitions set out in the Five Year Forward View, Care Act 2014 and previous commitments made on digital strategy since 2012, this document outlines the NIB’s proposals for action in key focus areas and milestones for improving data and technology utilisation in healthcare to 2020.

The NIB intends to review and report annually on progress made against the priorities detailed in this Framework; further details on how the actions will be taken forward will be set out in a set of ‘roadmaps’ to be published before end-year.

The following components are described:

- **Rationale for the Framework**
- **Helping patients make the right healthy choices**
- **Giving care professionals the date they need**
- **Make the quality of care Transparent**
- **Build and sustain Public Trust**
- **Bring forward life-saving treatments and support innovation & growth**
- **Supporting care Professionals to make the best use of data & technology**
- **Assure best Value for Taxpayers**

It does remain unclear where investment/resource will come from to support the proposals, and without this level of detail there are understandable concerns that there could be challenges in securing the necessary level of engagement and commitment across the health and social care system.

The Framework also recommends the continuation of existing initiatives such as MyNHS and the Friends and Family Test, without indicating how they will be fully evaluated.

(iv) Substantial Variations and Developments in NHS Services

Newcastle City Council Health Scrutiny Committee has determined new guidance in relation to proposed developments or substantial variations in NHS provision.

(v) NHS Charities – Conversion to Independent Status – Outline Guidance (Department of Health and Association of NHS Charities)

This is intended to be outline guidance for the Trustees of NHS Charities to assist them in understanding the issues and process relating to the possible transfer of an NHS Charity to a charity independent of the Department of Health and unaffected by the National Health Service Act 2006.

There are currently around 263 NHS Charities, with a combined income of about £327 million and asset value of £2 billion, but with considerable disparity of size
across the sector. All these NHS Charities are currently structured as charitable trusts, with their charitable purposes deriving from the National Health Service Act 2006. By far the majority have an NHS body (either an NHS Trust or Foundation Trust as corporate Trustee), but 20 (including most of the largest) have separate Trustees – 3 appointed as special Trustees for a hospital, and 17 as Trustees for an NHS Trust or Trustees for an NHS Foundation Trust by the NHS Trust Development Authority on behalf of the Secretary of State.

The guide has had input from the Department of Health and the Charity Commission.

The options that have emerged in the context of the Newcastle upon Tyne Hospitals shall need to be addressed at a future meeting.

The Chairman shall comment further at the meeting.

(vi) Regulation 5: Fit & Proper Persons: Directors and Regulation 20: Duty of Candour (Care Quality Commission)

Whilst new regulations setting out fundamental standards of care will come into force for all care providers on 1st April 2015, two of the new requirements i.e. Regulation 5 and 20 respectively came into force on 27th November 2014.

It is to be noted that this is interim guidance only, having been previously heralded and addressed when in draft form by the Board of Directors.

CQC’s new guidance on implementing all the fundamental standards, which will be implemented in April 2015, shall replace, in its entirety, the Guidance about compliance Essential Standards of quality and safety. Further the CQC current enforcement policy is also to be replaced.

(vii) Foundation Trust Network

The consequences of widening the scope of membership from the perspective of an NHS Foundation Trust are being addressed.

(viii) Payment and Tariff Assurance Framework – 2014/15 Coding and Costing Audit (Monitor)

The Trust has been ‘selected’ for a coding and costing audit. The exercise is to be undertaken by Capita CHKS who are delivering such audits on behalf of Monitor.

It is understood Monitor staff will also be involved at key stages of the audit. There is to be direct contact with the Chief Executive, Finance Director and Chairman of the Audit Committee to discuss the scope of the audit and how it relates to Monitor’s broader responsibilities and powers in creating the national tariff payment system.
(ix) National Tariff 2015/16 Statutory Consultation (Monitor and NHS England)

This important document sets out the prices, rules and methods which Monitor and NHS England propose to include in the 2015/16 national tariff.

The goal was “To set a demanding but achievable challenge for providers and commissioners to work together to both manage demand and deliver services more efficiently. The proposed national tariff is a practical package of measures that we believe would offer a realistic balance between the need for providers to maintain quality services and the ability of commissioners to pay for them”.

The consultation period commenced on Thursday, 27th November 2014 and closed immediately before midnight at the end of Wednesday, 24th December 2014.

All Foundation Trusts were encouraged to respond to this consultation.

(x) How to use surplus NHS land (Department of Health)

An update letter “encouraging all NHS Foundation Trust Chief Executives to identify any surplus land that could be made available for redevelopment and to become involved in the development of Local Authorities’ plans around future housing needs”.

The Chairman shall comment further in this regard at the meeting.

(xi) National Training Survey 2014 (General Medical Council)

National training survey reports on Patient Safety, and also Bullying and Undermining have been published.

The Survey asked doctors in training if they have experienced bullying or undermining in their workplace, or if they have any concerns about patient safety. This year, the reports review the issues raised in 2014 and describe how the GMC responded. There was also a focus as to the effectiveness of local reporting systems, particularly how concerns are investigated by local education and training boards (LETBs), deaneries, and local education providers (LEPs).

The GMC is about to complete a series of Undermining and Bullying ‘check’ visits to Obstetrics & Gynaecology and Surgical Specialties across the UK. The visits were organised in response to concerns highlighted in the 2013 and 2014 national training surveys, as well as local intelligence. The GMC will be reporting on what they found at these visits early next year. Newcastle upon Tyne (Royal Victoria Infirmary) was included in a ‘check’ visit in respect of Obstetrics & Gynaecology.

In 2015 the GMC shall publish results of new questions on how supportive training environments are, thereby enabling the opportunity to highlight the different ways that individual departments within LEPs may or may not be supporting doctors in training. Next year the GMC shall also test new questions to understand the effectiveness of local systems for reporting concerns to help us identify where there are problems, and where things already work well.
The Medical Director shall comment further at the meeting.

(xii) **Safer Staffing: A Guide to ‘Care Contact Time’ (NHS England)**

The Guide provides a suite of toolkits to “support providers in making decisions to secure safe staffing for their patients and service users and recommends that organisations review the contact time staff spend with their patients”.

The intention is also stated that the Guide “supports Commissioners working with providers to assure themselves that there is sufficient nurse, midwifery and care staff capacity and capability to meet appropriate outcomes and quality standards and to use commissioning and contractual levers to help secure improvements”.

The Nursing & Patient Services Director shall advise further in this regard at the meeting.

(xiii) **The Reconfiguration of Clinical Services – What is the Evidence? (Kings Fund)**

The King’s Fund has published a review of evidence surrounding the reconfiguration of clinical services. It aims to help those planning and implementing major clinical service reconfigurations, ensuring that change is as evidence-based as possible.

The paper looks at service reconfiguration across 13 clinical service areas, including:

- Whole-Trust reconfiguration.
- Community-based services.
- A&E and urgent care services.
- Acute medical/surgery services.
- Trauma.
- Stroke.
- Specialist vascular surgery.

Key findings include:

- The evidence did not suggest that reconfiguration will deliver significant savings.
- Improvements in quality of care can be achieved through reconfiguration, but these are greater for specialist services.
- There is no ‘optimal design’ for local services.
There is limited evidence on how many staff are needed, of what type and over what time period.

Shelford Group have determined that this paper will be particularly useful as a summary of evidence as to realisable benefits/drawbacks of service reconfiguration for those addressing commissioning/providing specialised services.

(xiv) Reforming the Payment System for NHS Services: supporting the Five Year Forward View (Monitor and NHS England)

A policy paper which serves to identify several payment approaches with the potential to help realise the vision of the Five-Year Forward View and which was addressed in the outcome at the November 2014 meeting.

NHS England and Monitor now seek to work in partnership with local providers and commissioners of care to develop the following payment approaches further:

- To support integrated care models, a form of capitated payment covering primary, secondary, community, mental health and social care.
- To support the development of urgent and emergency care networks, a three-part payment approach comprising payments for capacity, activity and quality, which shares risk between providers and commissioners across the networks.
- To support high quality elective care and specialised services, a mix of payment approaches, including payments for episodes of care linked to best practice and year of care payments for looking after patients with, for example, life-long conditions.
- To support parity of esteem for mental health services, a mix of payment approaches all linked to outcomes and recovery, and a move to national prices for episodes of care that follow established treatment pathways where appropriate.

In addition, developments to be made underpinning the payment system include:

- Introducing a single mandated patient-level cost collection across all care settings.
- Working with partners to support commissioners and providers in linking cost, activity and outcome data across care settings.
- Working with partners to develop quality measures for payment purposes.

The Business & Development Director and the Finance Director shall comment further at the meeting.
Secretary of State Statement on ‘Future of the NHS’

Prior to the Autumn Statement, the Secretary of State delivered a statement to Parliament on 1st December 2014 outlining the Government’s plans to implement the vision:

Pillar 1: Strong Economy:

- Additional funding included in the Autumn Statement.
- UK’s pivotal role in the life sciences industry – establishment of Genomics England Clinical Interpretation Partnership, bringing together external researchers with NHS clinical teams to interpret genomic information to increase faster developments in diagnostics, treatments and therapies for rarer diseases and cancers.

Pillar 2: New Models of Care:

- Focus on prevention.
- Achievements to date: Better Care Fund; parity of esteem between physical and mental health; evening and weekend GP appointments.
- Autumn Statement: £200m transformation fund to deliver new models of care set out in the Forward View.
- From next year, CCGs will co-commission primary care, specialist care, social care and public health.

Pillar 3: Innovation and Efficiency:

- Good progress in ambition to be paperless by 2018 – from next spring, everyone will be able to access their own GP record online.
- Autumn Statement: £1.5bn to frontline activity.
- Indicative multi-year budgets to local authorities and CCGs as soon as possible after the Spending Review 2015 – to allow for smarter purchasing, a stable financial environment, and therefore investment in innovation.
- CCGs will be asked to collect improved financial information, including per patient costing as well.
- Precise levels of savings for procurement, agency staff, collection of fees from international visitors and reducing litigation will be consulted on over the next 6 months.
Pillar 4: Culture:

- New measures to be announced in the next few months to improve training in safety for new doctors and nurses.
- A national campaign to reduce sepsis.
- Responding to recommendations made in the follow-up Francis report on whistleblowing.

(xvi)  Autumn Statement (Chancellor of the Exchequer)

The main points detailed in the Statement on the NHS include:

- Prioritising investment in the future of the NHS through a multi-year £3.1 billion UK-wide investment, including funding for frontline patient care, advanced care in GP-led services, and mental health services.
- The £2bn additional funding for 2015/16 will include:
  - An additional £1.5 billion on frontline patient care delivered by the NHS in England.
  - A £200 million transformation fund to deliver the first year of the ‘Five Year Forward View’.
  - £123 million in additional funding for the Scottish Government, £71 million for Wales, and £41 million for Northern Ireland.
- Fines collected from the banks that broke the foreign exchange market rules will be used to create a £1 billion fund for “advanced care” in GP practices in England.
- Additional £30 million per year, £150 million over 5 years, for NHS England to develop the best approaches to caring for young people with eating disorders in both inpatient and community settings.
- Government is investing at least £15 million into new and pioneering areas of research into dementia.

(xvii) Examining New Options and Opportunities for Providers of NHS Care (‘The Dalton Review’)

The government-commissioned ‘Dalton Review’ outlines a series of organisational forms that are said to ‘have the potential for wider adoption across NHS providers’. The review, led by Sir David Dalton, Chief Executive, Salford Royal NHS Foundation Trust suggests “new organisational responses” will be needed to remove unacceptable variation in standards across NHS providers and to implement the new models of care postulated in the NHS Five Year Forward View.

This is a long awaited review of NHS provider policy and which serves to recommend a suite of measures intended to re-energise the ‘pipeline’ of would be Foundation Trusts and also accelerate the ‘acquisition’ or ‘franchising’ of Trusts.
that for whatever reason cannot demonstrate long term viability in their current form. In this context the following are quoted: *Hospital chains; Hinchingbrooke style Management Franchises; Moorfields style service level chains; federations; joint ventures; and integrated care organisations.*

All in all the Review concludes that “many” of the 93 Trusts that have not reached Foundation status “will not reach the required standards in their current organisational form” and therefore recommends:

- ‘NHS Trust Development Authority (TDA) should publish its assessment of each of these organisations’ capacity to reach FT status, the organisations plan to do so, and the dates by which they will do so or alternatively reach another ‘suitable organisational form’.

- Department of Health should hold the TDA account for “meeting the trajectory and milestones for each of the 93 organisations” and

- The TDA should consider running “batched procurements” for these Trusts assessed as needing takeover franchise or another “innovative organisational form”.

Alongside these recommendations are a suite of proposals to accelerate such tender processes and to encourage “ambitions and successful providers to extend their reach into new areas”.


Monitor, alongside NHS England and the NHS Trust Development Authority (NHS TDA), has launched a suite of planning guidance for 2015/16. This includes:

- ‘The Forward View into action: partnership and planning for 2015/16’, a joint publication by Monitor and 5 other national organisations which describes the approach to be taken to make a start in 2015/16 towards fulfilling the vision set out in the ‘NHS Five Year Forward View’

- ‘Guidance on the 2015/16 annual planning round for NHS Foundation Trusts’, which is Monitor’s guidance for foundation trusts specifically, and addresses our expectations, requirements and process for the 2015/16 planning round.

- Specific guidance for commissioners and other NHS providers (authored by NHS England and the NHS TDA respectively) and guidance on an optional contract dispute resolution process.

Also published is a joint national health partner report on making local health economies work better for patients. This report summarises the findings of NHS England, Monitor and the NHS TDA “joint project to support 11 local health economies to develop clinically and financially sustainable 5-year strategic plans”.
(xix) Risk Assessment Framework (Monitor)

In August 2013, Monitor published the ‘Risk Assessment Framework’ (RAF) for overseeing NHS Foundation Trusts under the rules set out in the Health and Social Care Act 2012.

The RAF sets out how Monitor assess risk to the continuity of services and the risk of poor governance. The objective is to identify potential concerns, which can lead Monitor to either request further information from a Foundation Trust or to open an investigation. Further investigation is not automatic and a concern does not necessarily indicate a breach of the NHS Provider Licence.

Monitor now consider it to be a suitable time to review the RAF following its first year of use and are consulting on the following updates:

- introducing access measures for mental health services as proxies of governance.
- introducing access and outcome measures for providers of high secure and medium secure mental health services as proxies of governance.
- additional triggers for investigating financial risk at a provider to help ensure early identification and intervention for continuity of services risks.

It is also intended to:

- rename ‘quality governance’ indicators ‘organisational health’ indicators and make their use more clearly understood.
- update terminology to take into account changes relating to new policies, such as the Care Quality Commission’s (CQC) inspections regime.
- make other clarifications, as already highlighted in the Foundation Trust Bulletin in the course of the year, for example, additional exception reporting requirements on which Foundation Trusts should advise Monitor.

Consultation responses are being sought and the deadline for any submission is 5pm on 18th February 2015. To respond to the consultation the survey can be completed at https://www.research.net/s/YYFZH35

After considering the feedback, Monitor will update and publish a revised RAF in March 2015. The changes will take effect from 1 April 2015.

Sir Leonard Fenwick
Chief Executive
6th January 2015