

THE NEWCASTLE UPON TYNE HOSPITALS NHS FOUNDATION TRUST

EXECUTIVE REPORT – CURRENT ISSUES

**1. Quarter 2 monitoring of NHS Foundation Trusts**

The current ratings assigned by Monitor are:

- Financial risk rating: 5
- Governance risk rating: Amber
- Mandatory services risk rating: Green

The Amber Governance rating reflects the failure in ensuring compliance with the MRSA target ie. maximum of 37 cases over the year. As a consequence Monitor have subjected the Trust to monthly monitoring and all this entails in relation to performance and progress against rectification action plans.

The Quarter 2 aggregate performance of the NHS Foundation Trust sector is of interest and included under Agenda Item 12. In addition, the Executive Summary of the Newcastle Hospitals is attached, showing with the exception of the incidence of MRSA, a satisfactory achievement.

**2. Review of Self Certification Process**

Monitor has raised concern about the self-certification process at some NHS Foundation Trust boards and identified 11 trusts with ongoing breaches or risk of breaches for MRSA targets. The "Compliance Framework" developed by Monitor specifies that *"where there is a significant difference between a NHS Foundation Trust self certification and its track record for governance. Monitor will wish to explore the basis for self certification in more detail"*. In order for Monitor to operate its compliance regime which combines the principles of self regulation and minimal information requirements, Monitor must be able to rely on the accurate assessment of risk by NHS Foundation Trusts.

Newcastle is one of the 11 Foundation Trusts which:

- did not achieve required MRSA year-on-year reductions in 2006/07;
- did not declare a risk of a breach of MRSA trajectory at annual plan 2007/08;
- declared a likely breach of MRSA trajectory for 2007/08 in Q1 and/or Q2 2007/08; and
- has an MRSA trajectory for 2007/08 of 13 cases or above.

Based on the above criteria, Monitor requested that the Trust secure an independent review of the basis for self-certification made at annual plan 2007/08. The Board of Directors commissioned Deloitte to address the following:

- the sequence of events and circumstances that gave rise to the breaches;
- the system that feeds the overall self-certification process adopted by the Board;

- the Board Assurance process and whether this is fit for purpose;
- the adequacy of the reports and the reporting mechanisms internally within the Directorate and to the Board focusing particularly on the MRSA target;
- the reliability of the information provided to the Board;
- the extent, and the effectiveness, of the challenge from the Board and the decision to self-certify compliance to the governance targets; and
- other assurance processes within the Trust including the use of Internal Audit.

In summary Deloitte advise in a report dated 31<sup>st</sup> December 2007 and which has been submitted to Monitor ie.

*“Our overall conclusion is that there is scope to improve the Trust's assurance procedures supporting the self-certification process.*

*Our review found that there is evidence of an extensive amount of work ongoing within the Trust to reduce the number of MRSA cases with wide involvement and ownership across the Trust, and based on our walkthrough testing of the process to record and collate information, the information provided to the Board is both reliable and timely.*

*The Executive Team play a key role in the governance framework and it is important that accountability between the Executive Team and the Board of Directors is more transparent. In this regard there is scope to improve the information provided to the Board in terms of both sources of assurance for the Board statements in the Annual Plan and the quarterly declarations to Monitor, and the links between the performance information currently reported and the implications for those statements/declarations. Strengthening these processes will serve to further enhance good governance and all this entails and will ensure that the appropriate level of challenge from the Non-Executive Directors which we are assured occurs is sufficiently evident within the decision-making process.*

*The Chairman and the Non Executive Directors have made it clear and in most unequivocal terms that they are pro-active and well informed on the issue of infection control and are determined to take a positive rather than a risk-averse stance in relation to self certification encompassing the MRSA targets and prospective compliance”.*

An action plan covering eight recommendations that are primarily about enhanced coordination of failsafe ‘signposting’ of documentation and more detailed minutes at Board level are acknowledged to facilitate assurance in respect of any future audits. In addition, there is a recommendation that the *‘Trust might take a more proactive role in coordinating activities to tackle the level of unavoidable cases of MRSA bacteraemia across the wider health and social care community’.*

The Chairman will give an update on this overall issue at the meeting and advise Governors accordingly.

### **3. Finance and Overall Trading Position**

Dashboard attached and which serves to illustrate a sound situation in respect of (a) financial outcomes (risk rating of 4.8) and (b) the ongoing requirement for corporate level intervention in certain areas of the activity portfolio to ensure order book requirements are met.

### **4. Patient Care Performance**

Dashboards illustrate key elements from the Governor perspective:

(a) Healthcare Commission Targets

Attention is drawn to: risks surrounding reduction of MRSA and *C.difficile* and also compliance with the 18 week pathway.

(b) Patient Experience & Quality

Attention is drawn to: exposure to 'harmful agents'.

The Medical Director and the Nursing & Patient Services Director will advise further at the meeting.

### **5. Medical & Professional Education Training (MPET) Funding**

The Board of Directors continue to be pro-active in doing all that they can to mitigate the risk of erosion of the £47 million funding stream that is now bundled together as a single sum being allocated and managed by North East SHA rather than the Department of Health.

A significant component of the MPET monies is attributable to the Service Increment for Teaching (SIFT) ie. £23 million and since the inception of the NHS in 1948, the established London and provincial teaching hospitals have been supported in meeting the burden of the additional infrastructure in promoting excellence and innovation via these sums. However, the SHA is undertaking a review of the MPET allocations across the North East in what is believed to be an exercise in advance of a national initiative and one seeking justification of the expenditure. It is in this context the claim to be a 'teaching' hospital has significantly diminishing weight as all of the North East hospitals are regarded to be of such status. The call is for 'transparency' and 'equity' in the distribution of revenues across all the regions hospitals.

In essence, SIFT is something of a misnomer being a catch-all for extra-ordinary funding for institutions that operate over and above the norm, yet if taken literally as it can be in the MPET funding bundle ie. the teaching of medical students, the designated English University teaching hospitals will in the absence of a compensatory formulae be asset stripped and obliged to rapidly reconfigure to remain as going concerns.

This is an issue of fundamental concern to the Trust and Newcastle University and the intention is to provide a more comprehensive briefing and explain what action can be taken to mitigate against these risks.

The Finance Director will advise further on developments.

## **6. Healthcare Acquired Infection**

Is addressed with Agenda Item 3 (iii) and clearly an issue Governors will wish to continue to be aware of.

## **7. Sale of the Sanderson Hospital site**

A planning permission has been secured to progress with a housing development (plans on display) which now enables completion of the sale to George Wimpey North East Ltd. The capital receipt will be utilised as part of the Transforming Newcastle Hospitals investment programme.

## **8. Redevelopment of the Newcastle General Hospital site**

Planning permission is being sought from the local planning authority ie. Newcastle City Council in respect of a reconfiguration of the whole site.

Plans were deposited on 18<sup>th</sup> December 2007 in respect of (i) Detailed Application for the front line of the site ie. retail facilities to be operated by Tesco and (ii) Outline Application for the remainder of the site for a range of accommodation that will primarily encompass a mixed economy of health, research and related infrastructure embracing the partnership interests of the Trust and Newcastle University.

Plans and supporting material will be on display at the meeting.

## **9. Information Governance and Transfer of Data**

In the light of concern about public sector data protection, the NHS Chief Executive has restated key responsibilities and accountabilities for securing effective information governance and to clarify required actions.

The Medical Director will give an update.

## **10. Staff Behaviour – Obscene and Offensive Material**

Governors are briefed on this issue.

The Nursing & Patient Services Director will give an update.

## 11. Key Impact Documents from Government/Regulators

### i) Department of Health - Section 242, NHS Act 2006

Section 11 of the Health and Social Care Act 2001 is now section 242 of the consolidated NHS Act 2006 and which applies to Strategic Health Authorities, Primary Care Trusts, NHS Trusts and Foundation Trusts. Section 242 states

*Each relevant English body must make arrangements, as respects health services for which it is responsible, which secure that users of those services are, whether directly or through representatives, involved (whether by being consulted or provided with information, or in other ways) in*

- a) the planning of the provision of those services*
- b) the development and consideration of proposals for changes in the way those services are provided, and*
- c) decisions to be made by that body affecting the operation of those services.*

The duty applies if implementation of the proposal, or a decision (if made), would have impact upon

- a) the manner in which the services are delivered to users of those services, or
- b) the range of health services available to those users.

### ii) Monitor – Revised Audit Code

Came into effect 1<sup>st</sup> December 2007 and implemented accordingly.

### iii) Monitor – FT Review and Consolidated Accounts 2006/07

In essence, a summary of Foundation Trust annual reports and accounts for 2006/07. One in three acute trusts is now a Foundation Trust. Of the 19 Trusts rated “excellent” for both Use of Resources and Quality of Services in the Annual Health Check for 2006/07, all were FTs. Strong financial performance continued in the year, enabling FTs to invest in the development and improvement of patient care. However, Monitor expects to see more improvements in performance. More needs to be done to tackle healthcare-acquired infections and to improve clinical productivity. There are substantial opportunities for FTs to use their strong financial positions to invest in these areas.

### iv) Clean, Safe Care: Reducing infections and saving lives

Published by Department of Health on 9<sup>th</sup> January 2008, this is a strategy to tackle healthcare associated infections (HCAI's) and improve cleanliness.

*Clean, Safe Care* sets out where there are national expectations and requirements. It also guides NHS organisations and staff as to the actions and investment that will be most effective in continuing to tackle infection and improve cleanliness in their local area.

Recent initiatives that are consolidated in the document include:

- introducing screening for all elective admissions by March 2009 and for all emergency admissions as soon as possible within the next three years;
- annual infection control inspections of all acute Trusts using teams of specialist inspectors;
- a new regulator – the Care Quality Commission – to be set up in 2009 with the power to impose fines on poor performers;
- a new bare below the elbows dress code for hospitals;
- an increase to 5000 hospital Matrons by May 2008; and
- every hospital to have undergone a deep clean by March 2008

Further areas for focus are highlighted alongside ongoing policies and resources:

- investing in specialist staff – additional funding to support PCTs and providers in recruiting additional staff such as infection control nurses, pharmacists and isolation nurse;
- stringent requirements on NHS Foundation Trust applicants – only top performers on HCAs will be considered for NHS Foundation Trust status;
- the national tariff uplift including an element to tackle infection – Trusts have the resources for further investment;
- a new national contract – allowing PCTs to fine Trusts that are not hitting local targets on *C.difficile* improvement;
- promoting innovations – a range of programmes designed to accelerate the development and uptake of new technologies;
- guidance on HR procedures to be developed in conjunction with Trade unions – including the importance of induction and training on infection prevention and control for staff

It is to be noted that as set in the NHS Operating Framework 2008/09, the Trust will have to reduce the annual number of MRSA ie. bacteraemia bloodstream infections to less than half the number prevailing in 2003/04 (ie. 93) and by 2011 there will need to be a 30% national reduction in *C.difficile* infections from 2007/08.

The impact on the 2008/09 MRSA target quantum arising out of the 50% reduction policy statement is uncertain hence clarification is being sought at a national level in relation to what the number will be for the Newcastle Hospitals.

Note: £57 million is being invested nationally in 'deep cleaning' in 2007/08 with £3 million accorded to North East SHA for this task. However, no additional funds have been made available to the Newcastle Hospitals.

The Nursing & Patient Services Director shall give an update on the action being taken.

iv) Healthcare Commission – Women’s Experiences of Maternity Services in England

Overview of a national survey, allowing Trusts to compare their local data with the national picture. Overall, the vast majority of women reported a positive experience of the care received during pregnancy and labour.

Trusts specific reports are due to be published later this month but it is understood that Newcastle Hospitals have retained an “excellent” rating.

v) Picker Institute – NHS Maternity Survey 2007

72 questions were put to new mothers about their maternity care. The Newcastle Hospitals scored significantly better than average on 29 questions, significantly worse on one (had not met any of the staff before went into labour – 83% versus 77% average) and average on 42 of the remaining questions.

vi) Department of Health – consultation on Local Involvement Networks (LINKs)

Following a review of the arrangements for patient and public involvement in 2006, the Department of Health published ‘*A Stronger local voice: A Framework for creating a stronger local voice in the development of health and social services*’. The document set out the Government’s proposals for replacing Patient and Public Involvement (PPI) Forums with Local Involvement Networks (LINKs).

A LINK will be a network of local people and organisations, funded by government and supported by an independent organisation to hold commissioners and providers of care services to account. There will be a LINK in every local authority area that has social services responsibility.

LINKs will have a range of powers, so that they can say how local services should improve. They will be able to:

- make reports and recommendations and get a reply within a set period of time
- ask for information and get a reply within a set period of time
- enter some types of health and social care premises to see what they do
- refer issues to the local overview and scrutiny committee (OSC) and get a response.

A draft version of the regulations was published on September 28<sup>th</sup> 2007 and which will impose duties on commissioners and certain providers of health and social care services to respond to requests for information from LINKs as well as reports and recommendations made by LINKs.

vii) Healthcare Commission – Health Services for People with Learning Difficulties

Published December 2007. The Healthcare Commission said that sweeping and sustained changes are needed to services for people with learning difficulties if they are to meet the standards expected in the 21st century. Key findings were: insufficient attention paid to safeguarding vulnerable people across all aspects of their care; care poorly planned and did not involve people with learning difficulties; services not

monitored by the organisations that commissioned them; a lack of stimulating activities and opportunities; a lack of leadership; physical intervention practices were appropriate; residential care was provided by health services in institutionalised settings.

Note: The Chief Executive is a member of the Independent Inquiry into Access to Healthcare for People with Learning Disabilities established by the Secretary of State for Health following Mencap's report 'Death by Indifference' which highlighted issues relating to the quality of care provided for six people with learning disabilities who died in acute hospital settings.

In this context, it is suggested that Governors may wish to establish a group to for example, address issues such as:

- Listening to carers
- Communication
- Pain management
- Parents and carers being able to stay with their relations when they are in hospital
- Staff assumptions about risk (eg. if someone with a learning disability is also ambulatory)
- Complaints/grievances/handling of concerns
- Duty of care
- Staff attitudes/understanding
- Training

viii) Healthcare Commission – State of Healthcare Report

Published December 2007. Significant improvements have been made in healthcare services but there is still a way to go before everyone gets world class care. The Commission makes six recommendations to the government and healthcare providers ie. improve the planning and commissioning of services; improve access outside the waiting time targets; promote a culture of safety more effectively; improve healthcare for children and young people; demonstrate more sensitivity to the needs of the individual; and use information better.

Key findings from the Report included:

- The health of the population is improving with significant increases in life expectancy, but there are major disparities around the country, particularly in poorer areas where there are often fewer GPs.
- Patients are positive about hospital services overall but some organisations perform poorly. Beneath the headline figures there are concerns about aspects of care such as dignity and privacy.
- There have been dramatic improvements in waiting times but there are hidden waits for some services, which are not measured and therefore difficult to address.

- NHS Trusts are performing better overall on quality of services, but the performance of primary care trusts (PCTs) has declined, with many not getting to grips with the needs of their communities so as to provide services to match.
- There is progress towards a stronger culture of safety and grounds for cautious optimism in reducing healthcare-associated infection - but Trust Boards need to show stronger leadership.
- New figures show that more independent healthcare providers meet core standards, mirroring a similar trend among NHS trusts. But there are concerns about compliance among independent providers of mental healthcare.
- The NHS often fails to meet the needs of children and young people and there are concerns about other groups requiring specialist care, such as people with mental health problems and with learning difficulties.
- There have been dramatic improvements in responding to the big killers - cancer, circulatory and respiratory disease - but five-year survival rates for cancer, and mortality rates for respiratory disease, are worse than in other comparable countries.

ix) Department of Health - NHS Operating Framework 2008/09

The NHS Operating Framework for 2008/9 was released by the Department of Health on 13<sup>th</sup> December 2007. The Operating Framework sets out a brief overview of the priorities for the NHS next year, together with a list of new tariffs and 'rules of engagement' to enable constructive dialogue between Commissioners and Providers.

In summary, the Operating Framework sets out:

- i) *The health and service priorities for the year ahead:* 2008/09 is the start of the next three-year planning round and the Operating Framework determines the priorities and planning framework NHS in 2008/09 within the context of the three year Comprehensive Spending Review period 2008/09 – 2010/11. The focus is on: “freeing up the front line by moving to local stretch targets, whilst delivering on national priorities”.

To note: Newcastle Hospitals is in the second year of a three year contract and intends to continue with the current contract for 2008/09. Commissioners are aware of this and supportive.

- ii) *The reform levers and enabling strategies:* the focus will be on: “developing world class commissioning as the key agent for change on behalf of patients and the public, using the full range of levers and incentives to transform services and improve outcomes”.
- iii) *The financial regime:* aims to “incentivise transformational improvements in services within available resources. Key to this will be the need to sustain the surpluses the NHS is on track to deliver”.
- iv) *The business processes:* “ensuring a business-like and transparent approach to planning that supports locally led decisions whilst providing accountability. There is a strong emphasis on genuine partnership working at a local level with local government and other partners to ensure that local

health and wellbeing needs are better understood and addressed in partnership”.

It is understood PCT funding has been increased by 5.5%.

ix) Health Inequalities in the North East- Issues Arising

The Audit Commission; Deloitte; and PricewaterhouseCoopers have been reviewing how organisations across the North East work together to address health inequalities. The review has incorporated interviews, a survey, and a workshop involving organisations who are responsible for addressing health inequalities. Two reports have been produced to summarise the work so far.

***Health Inequalities in the North East- Issues arising.*** This report summarises the work to date, identifying the barriers to progress, the success stories, and the key challenges to making further progress.

***Health Inequalities in the North East –Survey results.*** This report contains the detailed results of the survey on health inequalities.

Next steps are to decide on the focus of phase three of this review. Individual organisations have already committed to support this work through their audit plans. Further work to be discussed with key regional stakeholders over the next three months.

xi) Aspiring to Excellence – Final Report of the Independent Inquiry into Modernising Medical Careers (January 2008)

Governors were briefed at the November Council meeting of the findings and recommendations that arose from the Interim Report, published in September 2007.

Arising out of feedback and extensive consultation in the national setting some 45 recommendations have been firmed up encompassing eight key areas which the Inquiry identified as demanding corrective action. These are:

1. *Clarification of the policy objectives of postgraduate medical training and the adaptation of the mechanisms (key policy instruments) by which those objectives are met*
2. *Clarification of the roles of the doctor at various career stages including the service contribution of trainees*
3. *Strengthening of DH policy development, implementation and governance including risk management and improved collaboration between the health and education sectors*
4. *Strengthening of the workforce planning capability of the DH, with an immediate priority of addressing the bulge in demand for training positions in coming years and accommodating local issues for all four nations*

5. *Strengthening of the medical profession's ability to influence policy, in part by providing more coherent input*
6. *Strengthening of the commissioning and management of postgraduate medical training*
7. *Streamlining the regulation of the continuum of medical education*
8. *Adapting the structure of postgraduate medical training in line with governing principles that embrace broad based foundations, flexibility and an aspiration to excellence*

In formulating the necessary corrective action the Panel believes that a presumption of an aspiration to excellence is crucially important if the health and wealth of our society is to be maximised in coming decades. Both health and higher education are now global commodities. It can no longer be assumed that the enviable position that postgraduate medical education (and related biomedical research) historically enjoyed in the UK will be sustained unless such issues are addressed.

The Panel has developed the view that the resolution of many of the issues raised is best served by the formation in England of a new body, NHS Medical Education England (NHS:MEE), established for that purpose. The functions of NHS:MEE should include:

- *Holding a ring-fenced budget for medical education and training for England*
- *Defining the principles underpinning Postgraduate & Medical Education Training (PGMET)*
- *Acting as the professional interface between policy development and implementation*
- *Ensuring coherent integration of policy with professional and service perspectives as curricula are developed*
- *Developing and coordinating coherent advice on matters relating to PGMET*
- *Promoting national cohesion of Postgraduate Deanery activities in England*
- *Scrutinising SHA medical education and training commissioning functions*
- *Commissioning certain sub-speciality medical training*
- *Liaising with equivalent PGMET bodies within the Devolved Administrations to facilitate coordination of activities at the policy:implementation interface*

The Medical Director will advise further at the meeting.

Please note that the Trust Secretary can provide abstracts or the full documents on request.

**L R Fenwick**  
**Chief Executive**  
**8<sup>th</sup> January 2007**