

THE NEWCASTLE UPON TYNE HOSPITALS NHS FOUNDATION TRUST

EXECUTIVE REPORT – CURRENT ISSUES

1. Finance and Overall Trading Position (Month 6 as at 30th September 2008)

The Acting Finance Director shall give a presentation with distinct emphasis on income trend and emerging cost pressures. See dashboard attached.

A financial risk rating of 4.2 will be noted (4.4 in the previous month) and can still be regarded to be highly satisfactory. However the Earnings Before Interest, Tax, Depreciation & Amortisation rating of 3 does necessitate ongoing management across the whole financial picture.

2. Patient Care Performance

The attached dashboards are self-explanatory. The Nursing & Patient Services Director will provide a commentary and seek comment on any aspect of interest.

3. Healthcare Acquired Infection

It is to be noted that October closed with a single MRSA bacteraemia and November to date has seen one case. The target for the year is 46 and so far is within the cumulative trajectory that Monitor would look to the Trust not to breach.

NHS 'North of Tyne' is pursuing arbitration proceedings to mediate a reduced, locally imposed MRSA bacteraemia target rather than accept the national standard of a 50% reduction of the incidence incurred in 2003/04.

In respect of the incidence of *C. difficile*, the reduced number of cases is encouraging but caution must be expressed as the Winter months set in and the inevitable caseload which presents from community settings.

A detailed report is provided for discussion under Agenda Item 10 (ii).

4. Transforming Newcastle Hospitals (TNH) Investment Programme

An update on progress will be given at the meeting by the Project Director - Agenda 10 (iii) refers.

It is to be noted that the first major phase of the 'Transforming the Newcastle Hospitals' investment programme has been completed. The new Northern Centre for Cancer Care and Renal Services Centre at the Freeman Hospital opened its doors for Renal Outpatients in September 2008 and Radiotherapy Treatment in October 2008.

Further inpatient, day patient and support services will continue to transfer into the new building over the next few months and the Centre is expected to be fully operational by spring 2009.

An integral part of the new Centre is the Sir Bobby Robson Cancer Trials Research Centre – a purpose-built facility due for completion early next year which will provide the ideal environment for ground-breaking research carried out by world-leading cancer specialists.

The design quality of the new development has already been recognised at the 10th national 'Building Better Healthcare Awards' on 12th November 2008. Chosen from a large field and from a shortlist of four, the Centre was presented with the most prestigious award – that of Best Hospital Design.

The scheme was commended for the close working relationship between the Trust, architects and contractor. There was praise not just for the quality of the architecture and patient environment, but also the great lengths the team had gone to on the detailing.

5. Bids for the provision of 'Primary Medical Care and related services' in Newcastle upon Tyne and Greater Tyneside (national Equitable Access Initiative) involving the development and subsequent operational delivery of Health Centres or GP Surgeries.

All in all, a complex set of procurement circumstances have been encountered with the Trust shortlisted to progress detailed bids in relation to the areas of Walker; Cowgate/Blakelaw; and Benwell/Scotswood in Newcastle upon Tyne as well as Battle Hill, Wallsend.

It is to be noted that the Trust's bid for Benwell/Scotswood has been withdrawn but significant momentum was maintained in relation to the other areas and proposals for these three schemes were submitted by the due deadline. It is understood the outcome of the bidding process will be advised on 5th December 2008.

6. IM&T Strategic Partner – Developing the Newcastle 'e-record'

Good progress can be advised of in collaboration with the University of Pittsburgh Medical Center.

7. Redevelopment of the Newcastle General Hospital site

It was anticipated that the Local Planning Authority would have determined the two Planning Applications (Detailed and Outline respectively) by the end of October 2008, having been deposited in December 2007.

The Chairman and the Chief Executive are now pursuing this matter directly with the Leader and the Acting Chief Executive of Newcastle City Council to ascertain precisely what now needs to be done to bring about an informed decision.

An update on developments will be given by the Chairman.

8. The Sir Bobby Robson Foundation

The fundraising has reached £1 million and the Clinical Trials Unit is in the course of construction at the new Northern Centre for Cancer Care, Freeman Hospital. Completion is expected in January 2009.

9. Key Impact Documents from Government/Regulators/Others

(i) Risk Evaluation for Investment Decisions by NHS Foundation Trusts (Monitor – October 2008)

First published February 2006 but now reinforced and issued as ‘best practice’ advice to help Boards responsibly use their freedom to invest. It is not mandatory guidance and does not seek to prescribe a specific approach to making investments. However a more structured approach is clearly called for including the establishment of an Investment Committee.

Key principles of best practice are seen to be:

1. Development of a written investment policy, which is reviewed by independent professional advisors (including legal experts as required), approved by the Board and reviewed annually.
2. Ensuring that the written investment policy addresses the following best practice elements:
 - investment committee functions and structure;
 - investment philosophy and objectives;
 - attitude to risk process for managing risk;
 - decision rights; and
 - process for evaluating and managing investment.
3. Establishment of an Investment Committee if major investment is being proposed.
4. Confirmation of the legal power to make the proposed investment.
5. Engagement early on in the investment evaluation process of independent external advisers with demonstrated expertise in advising on transactions of the size and nature being proposed.
6. Rigorous evaluation of all proposed major investments using a thorough evaluation, execution and monitoring process (a checklist is provided).

In relation to an Investment Committee functions and structure Monitor advise:

‘Typically the functions of the Investment Committee will be to improve investment and borrowing strategy and policies, approve performance

benchmarks, review performance against benchmarks, ensure proper safeguards are in place for security of the NHS Foundation Trust's funds, monitor compliance with Treasury policies and procedures, approve proposals for acquisition and disposal of assets are a de minimis amount and approve external funding arrangements within their delegated authority.

The Investment Committee will comprise Executive and Non-Executive Directors, with a majority of Non-Executive Directors. It should be chaired by a Non-Executive Director with relevant decision-making experience. It may well be a committee of the Board, or the Board itself in the case of the small NHS Foundation Trusts'.

The Chairman shall advise of the progress made in addressing this requirement.

**(ii) 'Leading the Way in Health Protection'
(Health Protection Agency – October 2008)**

A new Vision Statement and five year prospectus has been published which serves to reinforce and draw together role and purpose in national and regional settings.

The HPA exists to protect the population from infectious diseases and the health effects from exposure to environmental hazards. Work focuses on identifying and responding to threats to public health. There are a growing number of areas in which the HPA can be further involved and in the context of the North East, the Trust has a close working involvement.

There is to be a roadshow in Newcastle on 27th November (pm) which shall inform aspects encompassing infectious disease; chemical hazards and poisons; radiological hazards; environmental hazards; and standard and control of biomedicines.

**(iii) Bringing Wider Public Benefit from Individual Complaints
(Parliamentary and Health Service Ombudsman – October 2008)**

The Ombudsman received 4,011 enquiries in 2007/08 relating to 4,257 complaints against the NHS. Some 703 cases were accepted for investigation and 49% of complaints were upheld in full or in part.

A range of case histories are highlighted and the common themes of which shall be addressed as part of a learning set at a future meeting of the Complaints Panel.

(iv) Healthcare Commission – Annual Health Check (October 2008)

An improvement on the previous year was secured i.e.

- Quality of Service : Excellent (previously Good)
- Use of Resources : Excellent (previously Excellent)

Alan Johnson MP Secretary of State for Health and Profession Sir Ian Kennedy, Chair of the Healthcare Commission have written to commend the Trust ie

'May we congratulate you and everyone in your Trust on your performance in the Healthcare Commission's Annual Health Check for 2007/08.

As you will know, the Health Check is the most comprehensive assessment of the NHS' performance that has ever been carried out. It draws on thousands of items of data relating to performance, targeted inspections and intelligence from patients and the public.

To do well, your Trust must perform strongly across a broad range of standards and targets covering what really matters to patients.

According to this assessment, your Trust's services were among the best in the country in 2007/08 and your organisation has also performed well over time. So we want to thank you and your staff personally for all that you have done to achieve this on behalf of patients. Your organisation has achieved a level of performance that all Trusts should aspire to'.

Further detail will be addressed under Agenda Item 4 (i).

(v) NHS Foundation Trusts – Review and Consolidated Accounts (Monitor – November 2008)

This publication reports on the performance of the 89 organisations authorised at 31st March 2008 and outlines a positive picture.

It is to be noted Monitor escalated regulatory actions in relation to governance concerns at a number of Foundation Trusts where MRSA targets were a major issue and subsequently five of these Trusts were found to be in *significant* breach of their terms of authorisation.

The Regulator in the Foreword to this document does make some pertinent remarks:

'Quiet periods are not common in the NHS – the four years that have passed since Monitor authorised the first NHS Foundation Trust bear testament to this. While the future shape of the NHS is, as always, the subject of much debate, there is now a broad consensus that the Foundation Trust model and its regulatory regime has worked.

In general, national healthcare targets and standards are being met, membership is increasing – now well over a million – and NHS Foundation Trusts have demonstrated they can maintain a strong financial base, deliver efficient service and build surpluses to invest in improved patient care.

Within the sector some variation exists. However, the Annual Health Check ratings produced this month by the Healthcare Commission show a very positive picture. Of the 107 NHS Foundation Trusts authorised at the point at which this report is published, only one was classified as weak in relation to its

overall rating for quality of services provided or use of resources. Of the 42 Trusts rated 'excellent' in both categories, 38 were NHS Foundation Trusts.

This may be enough to ease the doubts of those who questioned whether Foundation Trusts could succeed, but it is no grounds for complacency. Getting to this point is only the beginning. The challenge now facing Foundation Trust Boards is continuously to improve the quality of care their Trusts provide. That is what the Government has asked for in the Next Stage Review, and it is an objective Monitor firmly supports.

Our message is clear – yes, the basics have largely been achieved but the Next Stage Review sets a new and demanding agenda for the whole NHS healthcare system. Foundation Trusts have the potential to exhibit real leadership in the response:

- *In pushing forward the quality of care;*
- *Understanding quality outcome as recognised by both patients and clinicians;*
- *Innovating in clinical care and management of services;*
- *Working with commissioners to produce investment plans that will meet the health needs of local populations in the short and long term; and*
- *Meeting the need for increased out of hospital provision.*

As the economic climate toughens, Foundation Trusts will be exposed to pressures just like the rest of the NHS. This will demonstrate why Monitor places such emphasis on good Boards and sound financial management. If these fundamentals are in place, Foundation Trusts will be able to make full use of their unique freedoms to deliver ever better results for their patients'.

In the context of the above, the Board of Directors shall endeavour to refresh the interest of commissioners in '**Our Vision For Shared Care**' that received a less than encouraging response when submitted to NHS 'North of Tyne' for consideration in September 2007.

**(vi) 'Human Rights in Healthcare – framework for local action'
(Department of Health – October 2008)**

The purpose of this framework is to assist NHS organisations to develop and use human rights based approaches (HRBAs) to support their core business of planning and delivering high quality and accessible health services for all. As such, it is a starting point for NHS organisations seeking to:

- put NHS values such as dignity, respect and equality into practice;
- shape services and procedures that put the human at the heart of healthcare;
- effectively support their staff and commissioned providers to fulfil their specific duties under the Human Rights Act 1998, as well as progressing Care Quality Commission standards on human rights and patient treatment;
- support and add value to their work on related duties and priorities such as;
 - Next Stage Review
 - Commissioning a Patient-led NHS

- ensuring equality
- Dignity in Care
- delivering patient choice
- providing more personalised services and ensuring that people have a stronger voice
- protecting the most vulnerable people

The framework is relevant for a broad range of people who make up the NHS organisations but it is primarily targeted at decision makers and those who have a responsibility for take forward human rights and linked projects, including Directors, Managers and Governors. It is also of interest to a number of key stakeholders such as the voluntary and community sector or private organisations, which are commissioned by NHS organisations to provide services, and patient advocacy groups. The framework is however not designed to advise patients or their families in relation to specific human rights issues.

A shortened version, “Human Rights in Healthcare – a short introduction”, which aims to make the key information in the framework more accessible and provide an easy ‘way in’ to human rights and healthcare for a wide range of stakeholders, including frontline staff and service users is also available. A copy of this version will be circulated at the meeting.

It is suggested that more detailed consideration is given to the subject at the next Council of Governors.

**(vii) NHS ‘North of Tyne’ Strategic Plan 2008 - 2013
(October 2008)**

This has been released as a ‘draft’ document and shall require analysis, initially for consideration by the Board of Directors and then by the Council of Governors. It is understood the deadline set to provide a response is the end of December 2008.

To put the Plan in context, the following Chair and Chief Executive’s Foreword is of interest:

‘Our vision: To maximise wellbeing and health with local people.

This strategy highlights our key areas of focus over the next five years. We view this plan as the delivery vehicle for the NHS North East vision – ‘Our Vision, Our Future’ – based on Lord Ara Darzi’s Next Stage Review. However, in taking this forward we are clear that it is our duty to above all reflect the health needs and priorities of our local population. We have already captured much of this in the direction of travel set in the 2008/09 Annual Operational Plan.

We aim to improve wellbeing and health through transforming health services for local people with a clear focus on reducing inequalities. To optimise delivery of our vision, it is our intent that support is fairly distributed to people across all stages of life from birth to death. It is for this reason that, where possible, we have chosen to articulate our strategic plan around life stages.

In transforming health services we want to make a shift to a preventative agenda by focussing on health and lifestyle issues such as smoking, diet, teenage conceptions, sexual health and screening. When people require care we will work to ensure that they have appropriate choice and that services are provided in the right setting. Above all we will strive to ensure services are of the highest quality and safety, whilst representing the best and most efficient use of public money.

By articulating our strategy around stages of life from birth to death, we are also seeking to make it understandable by our public in order that we can positively engage them in refining and delivering it. We see such engagement as an ongoing process that will inform the annual refresh and three yearly rewrite of this strategy.

Whilst this plan describes our intentions as commissioners of health services, we recognise that we will need to work jointly and collaboratively with practice based and local authority commissioner colleagues in each of Northumberland, Newcastle and North Tyneside. In addition, the local delivery of our vision will need to be supported by the work of the Local Strategic Partnerships’.

*Gina Tiller
Chair
NHS North of Tyne
Commissioning Board*

*Chris Reed
Chief Executive
Newcastle and North Tyneside
Primary Care Trusts and
Northumberland Care Trust*

The impact of this strategic Plan if adopted on the Trust as a services provider does require detailed consideration and some measure of critical appraisal, albeit within a rather demanding timescale. In addition, other Primary Care Organisations in the North East are drawing together similar strategies which also need to be addressed. Every endeavour will be made to pursue this task and the input/involvement of Public Governors in particular shall be welcomed by the Board of Directors.

[Please note, if you wish to have a copy of any of the above documents, please do not hesitate to contact Steven Reed, Trust Secretary.]

10. Academic Health Science Centres

The Department of Health convened a meeting in London on 15th October 2008 that generated open discussion following presentations surrounding the anticipated selection and designation process to establish a ‘small’ number (not quantified) of Academic Health Science Centres. The essence was to capture and designate ‘*the best of the NHS*’ and partner universities to further develop research and development that shall translate into demonstrable benefit for the community at large – spoken of in statements ranging from ‘*SHA Darzi inspired vision being a fundamental plan of success*’ to ensuring ‘*International standing and fostering accelerating partnerships being more than a sum of their parts*’.

It is clear that following the success in securing Biomedical Research Centre status in respect of Ageing and Vitality, Newcastle must give serious consideration to drawing together the necessary application material.

Preparatory work is underway with Professor Day, Pro Vice-Chancellor of the Faculty of Medical Sciences, Newcastle University and the Chief Executive taking the lead.

The application process shall involve the following:

- Outline description of a proposal submitted by 9th January 2009 (proforma driven).
- Shortlisting by international panel and announcements made 26th January 2009.
- If shortlisted more comprehensive documentation lodged by 18th February 2009 with interviews in early March 2009.

All in all this is an essential pre-requisite to our strategic direction and that of Newcastle University as well as NHS North East, ie the Strategic Health Authority.

For ease of reference see Annex A attached, which is a question and answer paper published by the Department of Health on 7th November 2008.

11. Outcome of public consultation to change the service provider of ENT services in Gateshead.

NHS 'South of Tyne and Wear' has advised:

'We need to inform that following a meeting of the Commissioning Board of NHS South of Tyne and Wear, Gateshead PCT has formally endorsed the recommendations and outcome of the consultation. This means that we will proceed to change the existing provider of ENT Services accessed via Gateshead Health NHS Foundation Trust from Newcastle Hospitals NHS Foundation Trust to City Hospitals Sunderland NHS Foundation Trust'.

Disappointingly there was no dialogue with NHS 'South of Tyne and Wear' or Gateshead PCT leading up to this decision which from our perspective was a desktop exercise. However it is assumed that the recommendations to Gateshead PCT are well founded via an evidence based assessment encompassing quality; safety; patient convenience; service repertoire and value for money, hence disclosure of the relevant documentation has been called for so that the Council of Governors and the Board of Directors can be appropriately informed.

The Trust has sought assurances in relation to the continuing availability of choice for the General Practitioners and patients including carers/parents. Such assurances were sought in the consultation response but are not yet forthcoming.

Steps shall now be taken to bring about a safe and effective withdrawal from the Queen Elizabeth Hospital. In addition, it is to be noted that the experience

has led to much closer working relationships with Primary Care and in anticipation of the outcome of consultation, the Newcastle based ENT service is migrating into community-based settings that are more convenient for the patient.

A copy of the formal response to the consultation is included under Agenda Item 14.

12. Executive Director Replacements

Recruitment processes are underway to fill the posts of:

- (a) Finance Director and (b) Chief Operating Officer utilising the vacant post of Business Director.

The role of Operations Director has been revised to that of Business & Development Director, which proved to be most successful during the early months of operating as a Foundation Trust.

Sir Leonard Fenwick CBE
Chief Executive
14th November 2008