

TRUST BOARD PUBLIC – 3 March 2016

Agenda Item Number: 26/16
Enclosure Number: (1)

Subject:	Report from the Chief Executive
Prepared by / Sponsored by / Presented by:	Ursula Ward, Chief Executive
Purpose of paper	To updated the Board on national and local items of interest.
Key points for Trust Board members	Note contents of the report
Options and decisions required	None required, for information
Next steps / future actions:	None
Consideration of legal issues (including Equality Impact Assessment)?	None
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 Reference (if applicable)	N/A
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 – 3 March 2016

1. NHS Apprenticeships

The NHS will create 100,000 apprenticeships (almost 7 times the current number) across the country by 2020, offering opportunities to thousands of young people who want a career in the health sector. The roles will be created in a range of areas within the NHS, including:

- Nursing and healthcare assistants
- IT, estates and facilities
- Domestic and housekeeping services
- Business administration and accounting

This is expected to boost the NHS apprenticeships programme with an estimated 17,000 new roles in 2015 to 2016.

Portsmouth Hospitals NHS Trust has a target allocation set from Health Education Wessex of 70 apprenticeship schemes. Currently we have 150 apprenticeship schemes, including such roles as Health Care Support Worker, Administration, Pathology and Imaging. We have been asked to attend a Ministerial Event on 15 March 2016. This event is to celebrate apprenticeships within the NHS and, as Portsmouth Hospitals Trust is the Trust within Wessex that has delivered the most apprenticeships in 2015/16, we have been chosen to be the representative for the Region.

2. The Carter Review

Lord Carter was asked to carry out the review by Jeremy Hunt as part of his aim to make the NHS the safest and most efficient healthcare system in the world. Lord Carter and his teams have spent the last 18 months visiting hospitals across the country and reviewing productivity to ensure the NHS gets the best value from its £102bn annual budget and help the NHS to implement a 7-day service.

His review found unwarranted variation in running costs, sickness absence, infection rates and prices paid for supplies and services. As part of the review a 'model hospital' has been developed this will advise NHS Trusts on the most efficient allocation of resources and allows hospitals to measure performance against other Trusts.

Following the 'model hospital' examples could save hospitals £5bn a year by 2020 to 2021 and put an end to the variations the review uncovered across the NHS, including:

- Average running costs for a hospital (£ per square metre) vary from £105 at one Trust to as high as £970 for another
- Infection rates for hip and knee replacements vary from 0.5 to 4%
- Prices paid by different hospitals for hip replacements range from £788 to £1,590
- The use of floor space, one Trust uses 12% for non-clinical purposes and another uses as much as 69%
- Sickness absence rates differ from 3.1% to 5%

As well as reviewing hospitals across England, Lord Carter's review looked at healthcare systems abroad, including in the US, Germany, Australia, Italy and France where hospitals have a greater focus on efficiency because they have established the clear link it has with patient care. Other areas covered by the report include:

- Staffing: The review calls for an improvement in the way the NHS deploys its staff, ending the use of outdated and inefficient paper rosters
- Procurement: As part of the review, from April 2016, Trusts will publish their receipts on a monthly basis for the top 100 items bought by the NHS such as bandages, needles and rubber gloves
- Use of floor space: Trusts' unused floor space should not exceed 2.5% and floor space used for non-clinical purposes should not exceed 35%
- Administration costs: These should not exceed 7% by 2018 and 6% by 2020
- Delayed transfers of care: Lord Carter has called for action to be taken on the major problem of delayed transfers of care, which affects hospitals and Trusts earning and spending capacity
- Working with neighbouring hospitals; Lord Carter advises Trusts to work closely with their neighbouring hospitals, sharing services and resources to improve efficiency and reduce costs

Acute NHS Trusts spend £55.6bn every year, £33.9bn of which goes on staffing. Lord Carter estimates a 1% improvement in staff productivity will save the NHS £280m a year, which equates to hospitals using new working methods that would save every member of staff 5 minutes on an 8 hour shift.

3. Review of Information Technology in the NHS

An IT expert, Professor Bob Wachter, has launched a review of computer systems across the NHS. The review 'Making IT Work: Harnessing the Power of Health IT to Improve Care in England' will look at places where IT has worked well and those areas that need improving. It will also look at different ways to implement IT in healthcare as the NHS works towards being paperless by 2020. The review will consider the experiences of clinicians and Trust leaders as well as the current capacity and capability of Trusts IT systems. The Review will be formed of an Advisory Committee, the National Advisory Group on Health Information Technology in England, the membership will comprise:

- Robert Wachter, MD, (Chair) Professor and Interim Chairman, Department of Medicine, University of California, San Francisco
- Julia Adler-Milstein, PhD, Associate Professor, Schools of Information and of Public Health, University of Michigan
- David Brailer, MD, PhD, CEO, Health Evolution Partners (current); First U.S. National Coordinator for Health IT (2004-6)
- Sir David Dalton, CEO, Salford Royal NHS Foundation Trust, UK
- Dave deBronkart, Patient Advocate, known as "e-Patient Dave"
- Mary Dixon-Woods, MSc, DPhil, Professor of Medical Sociology, University of Leicester, UK
- Rollin (Terry) Fairbanks, MD, MS, Director, National Center for Human Factors in Healthcare; Emergency Physician, MedStar Health (U.S.)
- John Halamka, MD, MS, Chief Information Officer, Beth Israel Deaconess Medical Center; Professor, Harvard Medical School
- Crispin Hebron, Learning Disability Consultant Nurse, NHS Gloucestershire
- Tim Kelsey, Advisor to UK Government on Health IT
- Richard Lilford, PhD, MB, Director, Centre for Applied Health Research and Delivery, University of Warwick, UK
- Christian Nohr, MSc, PhD, Professor, Aalborg University (Denmark)
- Aziz Sheikh, MD, MSc, Professor of Primary Care Research and Development, University of Edinburgh
- Christine Sinsky, MD, Vice-President of Professional Satisfaction, AMA; Primary care internist, Dubuque, Iowa
- Ann Slee, MSc, MRPharmS, ePrescribing Lead for Integrated Digital Care Record and Digital Medicines Strategy, NHS England
- Lynda Thomas, CEO, MacMillan Cancer Support, UK
- Wai Keong Wong, MD, PhD, Consultant Haematologist, University College London Hospitals; Inaugural chair, CClO Leaders Network Advisory Panel
- Harpreet Sood, MBBS, MPH, Senior Fellow to the Chair and CEO, NHS England and GP Trainee

4. Independent Review of Junior Doctors' Morale, Training and Support

An independent review of junior doctors experience of their NHS training and employment will be conducted to better understand and deal with the longstanding issue of low morale. The review will be led by Professor Dame Sue Bailey, Chair of the Academy of Medical Royal Colleges. Professor Bailey will work alongside representatives from other organisations including the Royal Colleges, Health Education England, NHS England, NHS Employers and junior doctors. The review will explore and make recommendations on the longstanding non-contractual issues that are believed to affect morale, including:

- Relationships between junior doctors and their employers – junior doctors' placements can be as short as 4 months, which sometimes results in a breakdown in relationships between hospitals and their doctors. The NHS Staff Survey has found junior doctors are less likely than other staff groups to feel valued by the hospital they work for, and are less likely to understand how their role fits into the organisation or how they can contribute to work improvement
- Relationships between junior doctors and their senior medical colleagues – junior doctors often rely on good relationships with their senior medical colleagues to help them develop their careers
- Competing demands between NHS service requirements and training and education – too often junior doctors miss training opportunities or don't receive support around exam time because of pressures within the service
- Competing demands between NHS service requirements and supporting doctors to progress in their careers – doctors may not always get their first choice of speciality due to oversubscription or shortages in certain specialities
- Working environments, facilities and bullying
- Flexibility around annual leave and notice periods ahead of future placements

The review team will make recommendations to the Department of Health, Health Education England and NHS Employers by the end of the year.

5. NHS Improvement: Vision for Providers

The new body, a merger of Monitor and the NHS Trust Development Agency, in charge of improvement in the NHS will set out its vision for providers and the support it will offer the health service.

NHS Improvement, which is responsible for overseeing Foundation Trusts, NHS Trusts and independent providers, will publish the first of a series of 'roadmaps' from national health bodies which will help turn the Five Year Forward View into a reality. NHS Improvement has announced the appointment of its executive team. It includes:

- Jim Mackey, Chief Executive
- Bob Alexander, Executive Director of Resources/Deputy Chief Executive
- Stephen Hay, Executive Director of Regulation/Deputy Chief Executive
- Kathy McLean, Executive Medical Director
- Ruth May, Executive Director of Nursing
- Adam Sewell-Jones, Executive Director of Improvement
- Lyn Simpson, Executive Regional Managing Director
- Dale Bywater, Executive Regional Managing Director
- Adrian Masters, Executive Director of Strategy
- Helen Buckingham, Executive Director of Corporate Affairs

The remaining executive team appointments will be made in due course.

6. Monitor and NHS England Propose Changes to the Tariff for Providers in 2016/17

The proposals are aimed at giving commissioners and NHS providers the space to manage increasing demand, restore financial balance and to make ambitious longer term plans to improve patient care.

The basis of the proposals is the 2015/16 Enhanced Tariff Option (ETO). There will be additional enhancements for providers and local commissioners that will lead to an average increase in national prices of 1.8%. These changes recognise the challenging financial situation facing the NHS and will help providers to manage demand and provide services to their patients more efficiently. The adjustments to the 2015/16 ETO offer include:

- An inflation uplift of 3.1%
- An efficiency deflator of 2.0%
- An adjustment to reflect the anticipated increase of 17% in contributions to the Clinical Negligence Scheme for Trusts, equivalent to 0.7% uplift on average across national prices.

Monitor and NHS England have listened to the feedback from providers and commissioners on previously proposed changes to the national tariff, and as a result are delaying some changes until 2017/18 including:

- The move to the HRG4+ currency for payment for admitted patient care
- The new set of top up payments for specialised services
- A specialised services marginal rate rule (known as the risk share rule under the ETO arrangements used by over 80% of providers in 2015/16)

The changes to payments, including the average increase, recognise the complexities of treating different types of patients and illnesses, underlying costs and wider financial pressures. We want hospitals to be able to break even in 2016/17, and believe that the changes we have proposed will give providers the breathing space they need to prioritise and focus on long term improvements.

The proposed tariff will be supported by a new £1.8bn Sustainability and Transformation Fund which, as part of the Five Year Forward View, will help challenged hospitals to achieve financial balance while focusing on changing the way they provide high quality care for patients.

Recent action by Monitor to reduce how much hospital's spend on agency staff has also begun to make headway, cutting out extortionate agency staff rates and incentivising permanent workers back to the NHS.

Monitor and NHS England are seeking views on the proposals for 28 days, and depending on the outcome of the consultation the final tariff will be published by the end of March.

7. £1bn will be Invested in Mental Health Care by 2021

£1bn will be invested in mental health care by 2021 and a million more people will get mental health support. The announcement follows the publication of a report by the Mental Health Taskforce, chaired by Paul Farmer, Chief Executive of Mind. The taskforce has reviewed mental health care and has set out its vision for preventative, holistic mental health care and making sure that care is always available for people experiencing a crisis. The recommendations to be delivered by 2021 include:

- An end to the practice of sending people out of their local area for acute inpatient care
- Providing mental health care to 70,000 more children and young people
- Supporting 30,000 more new and expectant mothers through maternal mental health services
- New funding to ensure all acute hospitals have mental health services in emergency departments for people of all ages
- Increasing access to talking therapies to reach 25% of those who need this support
- A commitment to reducing suicides by 10%

8. Q3 Finances Nationally

Monitor and the Trust Development Authority published Quarter 3 finances for the provider sector, covering the period 1 April 2015 to 31 December 2015.

Key headlines include:

- The Q3 net deficit for the sector is £2.26bn, compared to £1.6bn at Q2, this is £622m worse than planned and driven by:
 - Ongoing high level use of contract and agency staff
 - Significant impact of delayed transfers of care
 - Failure to deliver planned levels of cost improvement schemes
 - Around £100m of the variance in operating expenses relates to the purchase of healthcare services from other providers
- 179 (75%) out of 240 providers are reporting a deficit, compared to 182 (76%) of the sector at Q2, a total of 131 acute providers are in deficit (95%) of the sector
- The current forecast outturn for 2015/16 is £2.37bn but based on the current run rate, the full year deficit could be over £2.8bn
- Monitor and the TDA highlight that this is neither sustainable nor affordable and they will be working relentlessly to target the provider control total of a £1.8bn deficit for the full year
- Since Q3 providers have identified £452m of financial improvement opportunities which is expected will make an impact in Q4. This is in addition to the £781m improvement already actioned and will reduce the forecast outturn to £2.37bn
- Ensuring the best possible financial outturn for 2015/16 is essential to allow the sector to receive the maximum benefit from the Sustainability and Transformation fund. It is not yet clear what the implications will be for the 2016/17 settlement if the sector breaches its £1.8bn control total

9. Hampshire and the Isle of Wight: Sustainability and Transformation Plan

The planning guidance sets out an expectation that local systems will develop Sustainability and Transformation Plans (STP), with a timescale for completion by June 2016. The guidance published provides more detail on the content of the STP. In order to meet national expectations, organisations are going to have to work together intensively over the course of the next four months.

The Chief Officer of Fareham and Gosport CCG and South Eastern Hampshire CCG has agreed to coordinate the work over the next few weeks to establish a local STP programme and will be working with Chairs and Chief Officers of the eight CCGs in Hampshire and the Isle of Wight to kick-start the programme.

In the interim, however, the following actions have been initiated to help meet the challenging timeframe set out in recent guidance:

- Conversations held with all local health and care Chief Executives and Chief Officers to understand aspirations and expectations for this programme
- Discussions with the Strategy leads from all healthcare provider organisations to ensure there is a shared understanding of the programme and to seek views on the governance structures for the STP
- An inaugural meeting of key STP partners has been scheduled for 2 March 2016 to:
 - Approve proposed governance structures
 - Approve the programme leadership arrangements
 - Approve the initial STP work programme (including scaling the local challenge)
 - Approve the resourcing model required to develop the STP

10. Development of Vanguard

Hampshire was selected as a pilot site to develop new out-of-hospital care models, as part of NHS England's Vanguard programme. Since then 'Better Local Care' has built on strong foundations in the three initial communities of Gosport, South West New Forest and East Hampshire to make significant progress including:

- Improving access to primary care through the creation of extended access hubs at Lymington Hospital and Gosport War Memorial Hospital
- Bringing together extended primary care teams including GPs, community clinicians, social care, third sector and hospital colleagues through a bespoke team development programme and integrated patient information systems
- Reducing the number of steps to specialist care by bringing specialist clinicians into the GP practice, including mental health nurses, physiotherapists and respiratory specialists
- Improving prevention, education and engagement through pilots such as care navigation, and surgery signposting and exploring new ways to involve patients and communities

11. Team Brief

A copy of Team Brief is attached for your information.