The Queen Elizabeth Hospital King's Lynn NHS Foundation Trust

REPORT TO THE BOARD OF DIRECTORS (IN PUBLIC)

SUBMITTED BY:	REPORT FOR:		IMPACT:		
Patricia Wright CEO	Decision		High	Med	Low
CONSULTATION:	Information	✓			✓
N/A	REPORT TYPE:		RELATED WORK:		
	Strategic	✓			
	Operational	✓			
	Governance	✓			
BAF ref:	N/A				
Monitor Compliance Framework:	N/A				
CQC Essential Standard Reference:					
NHSLA Standard Reference:					
Media / Communications:	N/A				

Meeting Date: 30th July 2012
Report Title: CEO Update

Purpose:

To update the Board on pertinent internal and external events and issues.

Financial Implications / Efficiency Savings / Quality Improvement:

None as a direct result of this report.

Risk Assessment (cross-reference with Risk Register where appropriate):

Strategic / External	Operational/ Organisational	Financial	Clinical	Legal/ Regulatory	Reputational / Patient Experience
✓				✓	✓

Recommendations: The Board is invited to note the update.

Author: Patricia Wright **Date: July 2012**

CEO Update

1. INTERNAL

1.1 June / July 2012 update

There is a great deal happening in and around the Trust this summer; in most cases, the culmination of careful planning and hard work. I have included just two of many possible notable achievements below.

1.1.1 Developing 24/7 Vascular Services

On 6 June 2012, the Midlands and East Specialised Commissioning Group (MESCG) launched a 10 week consultation on 'Proposed changes to vascular surgery services in Norfolk and Cambridge' (copy available from the Trust Corporate office).

The context for the review arose as a result of the Vascular Society of Great Britain and Ireland (VSGBI) Nov 2011 report setting out new standards of care for people requiring vascular surgery. It aimed to significantly improve survival rates for vascular operations and to reduce the complications that arise from vascular disease. To do this, they said hospitals wishing to do vascular surgery, must:

- Have on-site Consultant Vascular Surgeons and Interventional Radiologists available **24 hour / 7 days a week** to deal with all **vascular emergencies.**
- Have dedicated vascular wards.
- Have a **24 hour / 7 days a week critical care facility.**
- Have state of the art equipment.
- Be able to treat more than 33 patients per year with certain vascular conditions in order to ensure surgeons and other staff maintain and develop their skills and knowledge.

In response to this and working in close partnership with hospitals, doctors, nurses, surgeons, patients and Primary Care Trusts (PCTs), the MESCG has developed proposals that will build on existing arrangements to bring round the clock quality care to all patients in Norfolk and Cambridge.

In outline, the proposal is to develop an integrated vascular service for the Norfolk and Cambridgeshire areas, with two designated hospitals (Addenbrookes and the N&N) able to meet the nationally set criteria providing round the clock, high quality, lifesaving care.

Integration is likely to have direct implications for some patients, patients‟ families and staff. In particular, elective and emergency vascular patients in the west Norfolk area who need inpatient services will receive these at either Addenbrooke‟s or the Norfolk & Norwich University Hospital, and patients from the Peterborough area will go to Addenbrooke‟s Hospital.

Issues that need to be considered

A small number of elective patients in the west Norfolk and Peterborough areas, and their families / carers, will need to travel further although this will be planned with the families.

Staff at the Queen Elizabeth Hospital Kings Lynn and Peterborough City Hospital will need to change their working practices to enable them to take part in vascular networking arrangements and manage a time of transition. There may be some need for additional travel between the main centres. Integration will further strengthen opportunities for professional development.

Staff in the ambulance service will need to change their working practices for the integration, and to manage the transition.

The Queen Elizabeth Hospital Foundation Trust has been working closely with the MESCG over the last 12 months developing the proposals and has now established an internal working group to address the changes that will be required to services at the trust if the proposals outlined are agreed in September 2012.

1.1.2 Radiology

The QE has become only the fifth NHS Hospital in the country to receive national standard accreditation for radiology (The Imaging Services Accreditation Scheme). The department met rigorous evidence requirements against standards in 4 areas:

- Clinical
- Facilities, resources and workforce
- Safety
- Patient Experience

Audits were also carried out, followed by an assessor site visit. This significant achievement means that the communities served by the QE can have confidence in high standards of diagnostic care.

Well done and congratulations to the Radiology Team.

1.2 Meetings with key strategic partners since the last CEO update have included:

- DoH Leadership Academy – supporting the Trust with the development of its Strategy
- Airedale Hospital – regarding their experience of 'Telehealth'
- Local Care Homes – follow up meeting to discuss how the trust can work more closely with the Care Home sector.
- NHS Confederation Conference – the CEO attended the conference on behalf of the trust and used the opportunity to maintain and develop key relationships as well as gathering intelligence on developments across the health sector
- Burnham Market Surgery – part of a series of visits being made by Executive Directors to local GPs

2. EXTERNAL

2.1 Monitor

2.1.1 NHS Foundation Trusts: review of twelve months to 31 March 2012.

Monitor has published its NHS Foundation Trusts: review of twelve months to 31 March 2012.

The majority of FTs continued to be rated green for governance. At Q4, 29% of FTs were red or amber-red, compared with 27% at Q4 in the previous year. The proportion decreased from 42% at Q3, when 20 (14%) FTs were amber-red as a result of Care Quality Commission moderate concerns, which were not scored under Monitor's revised *Compliance Framework* in Q4.

Overall governance risk ratings (GRR) were marginally worse than at Q4 2010-11. There was improved performance against some targets (C. difficile and cancer), but deterioration in others (18 weeks Referral to Treatment (RTT) and A&E).

The financial performance of the FT sector at Q4 was fairly robust overall. Income; earnings before interest, tax, depreciation and amortisation (EBITDA); surplus; and cash were all ahead of plan. Improved delivery of cost improvement plans (CIPs) compared to previous years contributed to overall financial performance being slightly better than planned.

Overall EBITDA margin at 6.1% was in line with plan (6.1%), but below last year (6.7%). This reduction partly reflects the addition of lower-margin community services and partly reflects a decline in actual performance. The decline in financial performance continues the pattern exhibited over the last few years. Margins in some parts of the Sector (e.g. small acute FTs) are at levels (5%) which might cause concern as to financial sustainability.

The Q4 average financial risk rating (FRR) of 3.4 was above plan (3.2), but below the previous year (3.5). This is consistent with the trend over recent years. The mental health sector average FRR of 3.5 deteriorated slightly from Q3 (3.7) but continued to outperform the acute sector, whose average FRR was 3.3, representing an improvement from Q3 (3.2).

The number of FTs in significant breach of their terms of authorisation at the end of Q4 increased to 17 compared with 10 at Q4 in 2010-11, with 11 of the 17 having financial issues as one of the primary concerns. This is consistent with the downward trend in FRR and this year's challenging health settlement.

2.1.2 'Fair Playing Field' – For The Benefit Of Patients

The Secretary of State has invited Monitor to carry out an independent review of matters that may be affecting the ability of providers of NHS services to participate fully in providing NHS services. Section 8 of the Health and Social Care Act 2012, states:

'The Secretary of State must, within one year of the passing of the Health and Social Care Act 2012, lay a report before Parliament on the treatment of NHS health care providers as respects any matter, including taxation, which might affect their ability to provide health care services for the purposes of the NHS or the reward available to them for doing so.

The report must include recommendations as to how any differences in the treatment of NHS health care providers identified in the report could be addressed.'

The purpose of the review is to examine whether there are matters that mean not all NHS-funded health care providers operate on an equal footing – and if so, whether something can be done that would address problems and result in significant benefits for patients.

2.2 Foundation Trust Network

The Foundation Trust Network has announced that Chris Hopson will become its new chief executive, taking over from Sue Slipman, in September 2012. Chris Hopson joins the FTN from HM Revenue and Customs. His career has spanned Whitehall, strategic communications and corporate affairs in a regulated industry, and experience running a large public sector customer service business.

2.3 DoH

2.3.1 Enactment of the NHS Health and Social Care Act 2012 - Private Patient Income Cap (PPIC)

While the majority of the provisions of the NHS Health and Social Care Act 2012 will not be enacted until April 2013, the PPIC will be lifted from October 2012, with appropriate safeguards in place. This will mean that FTs will be able to earn up to 49% of their income from private sources.

The cap covers not only private patients but also income from innovations including research, joint ventures and the sale of intellectual property.

The Health and Social Care Act is clear that the responsibility for any NHS organisation in the future is to provide NHS services and that any private work is supplementary. However, at a time of austerity, lifting the cap has the potential to allow FTs to expand the range of services they offer and to bring more money into the NHS.

2.3.2 Role for NICE in the assessment of very high cost drugs

As one of the reforms being put in place through the Health and Social Care Act 2012, which also establishes the NHS Commissioning Board, The National Institute for Health and Clinical Excellence (NICE) are to take forward work to assess very high cost drugs for people who suffer with rare conditions, work currently being managed by the Advisory Group for National Specialised Services (AGNSS).

The DoH expects that giving this role to NICE, from April 2013, will create an impartial and robust mechanism for providing independent recommendations on which drugs the NHS Commissioning Board should commission as part of its new role of national commissioner for specialised services.

3. CONSULTATIONS

3.1 Monitor:

Strategic Options for Costing

Under Payment by Results (PbR), the National Tariff is used to reimburse acute providers for certain NHS-funded services. In 2011, £28bn worth of NHS-funded secondary care was paid for through PbR. The National Tariff is based on Reference Costs – the average reported cost of a service across NHS providers. The independent report, 'An Evaluation of the reimbursement system for NHS-funded care' found that the information underpinning reimbursement (including Reference Costs) needed significant improvement.

Monitor commissioned PwC to identify and assess options to improve the cost data from acute providers that is used to set prices. Improving data quality was the foremost objective of PwC's assessment.

This PwC report makes a number of recommendations and will inform Monitor's policy development on requirements on providers for the collection and submission of costing data. Monitor is seeking feedback from stakeholders on the recommendations in the report, and intends to develop and publish a costing strategy based on this later in the summer.

3.2 DoH:

Health Overview and Scrutiny

Proposals to update local accountability have been put forward as part of a DoH consultation launched in July 2012, on regulations governing local authority health overview and scrutiny.

The changes proposed in this consultation will update the arrangements and regulations for local authority health scrutiny and help to ensure that the interests of patients and the public are at the heart of the planning, delivery and reconfiguration of health services.

Draft Care and Support Bill

The Department of Health is consulting on the draft Care and Support Bill, which will of course have the potential to impact on acute services. There is a section of the bill concerned with the integration of services.

4. MEDIA COVERAGE

The following report provides an overview of the Trust's media coverage from 15 May – 10 July 2012.

Press[1]

Between 15 May 2012 & 10 July 2012 there were a total of 34 articles about the Trust, which appeared in the local, regional press and trade magazines. Of these, 24 articles carried a picture. The average size of each article was 44 column centimetres. Of the 34 articles, 12 were negative, 3 were neutral and the remaining 19 were positive. The total number of column centimetres of coverage during this period was 1,657 with an AVE of £50.269.30

FMUK (Facilities Management UK) – Our security upgrades and CCTV featured in FMUK magazine with an interview with Gary Morris.

Radio

KLFM/BBC Radio Norfolk

Marentia Teasdale was interviewed about National Transplant Week, appealing for more people to join the organ donor list. (Positive)

BBC Radio Norfolk

- Complaint about way we treat patients with Alzheimer 's disease. (Negative)
- Smoking shelters at the trust (neutral)
- BBC Norfolk – Nursing job cuts (neutral)

KLFM

- League of Friends charity concert (positive)
- Dr Holliday's charity rowing event, interview (positive)
- BMA Industrial action (positive)

[1] Press coverage for the Trust has been reviewed for average column centimetres per article, number of articles, total column centimetres, tone – positive, neutral or negative and Advertising Value Equivalent (AVE). A ratio of 1 to 2.5 has been used to calculate AVE.

- Staff Parking permits being withdrawn (negative) with interview with Barbara Cummings
- Antenatal care in West Norfolk (positive)

TV

BBC Look East/Anglia Tonight

- Smoking shelters (neutral)

BBC Look East/Anglia Tonight

- BMA Industrial action (positive)