

# Report to the Meeting of the

**CoG 02/2017**

(Agenda item: 6)

# Oxford Health NHS Foundation Trust

# Council of Governors

**08 March 2017**

**Chief Executive’s Report**

**For: Information/Approval**

The main focus of activity since the last Council meeting, both nationally and locally, has been the reconciliation of STP plans with the outcome of the recent contracting round and the conclusion of the operational planning process. In Oxfordshire the public consultation about the first phase of the transformation process has continued.

**Local Issues**

1. **Business Planning – Operation Plans FY18 to FY19**

There has been no further feedback following submission of the final version of the Trust’s operational plan and our response to the regulators initial feedback submitted in accordance with discussions and agreement at the various stages of Board’s consideration of the delivery risks.  Only recently NHS mental health trusts have been required to sign off CCG returns relating to investment in mental health services.

1. **NHS Improvement – Annual Plan FY17**
2. **FY17 Plan**

The financial result for the ten month period to the end of January is an Income & Expenditure position of break-even which is a shortfall to plan of £1.5m, largely due to operational overspends and delayed CIP delivery.  All of these aspects continue to be worked upon to recover the position as quickly and as much as possible.

A total of £2.0m of the £4.3m Contingency Reserve has been released into the year-to-date position to cover operational pressures at the half-way point in the year, and at this stage it is assumed that the remaining £2.3m of Contingency Reserves will be sufficient to cover any shortfall in the second half of the year and as such the full year forecast remains in line with plan.

The Trust is working hard to address agency costs but spend remains more than 50% above the ceiling set by NHSI resulting in additional scrutiny and a maximum financial Use of Resources risk rating of 3 (where 1 is least risk and 4 is highest risk).

NHS Improvement has announced an incentive scheme for Trusts to receive additional Sustainability & Transformation Funding (**STF**) this year. This incentivises Trusts to deliver an outturn better than the agreed control total by offering £1k in additional STF income for every £1k better than the control total that the Trust achieves. Given that Oxford Health’s plan for FY17 exceeds the agreed control total by £974k, achievement of the planned deficit of £0.6m should enable the Trust to achieve commensurate additional STF income, which would be paid to the Trust in April 2017. At a national level the outturn for Q3 is reported to have shown deterioration across the provider sector, with some notable changes in a number of trusts.

1. **Contract Position FY17**

The Oxfordshire CCG contract for 2016/17 has finally been agreed in line with expectations set out in the annual plan. An agreement has been reached about the expected number of community hospital episodes (subject to the impact of DToC on achieving that number), which allows a solution to outstanding funding issues relating to the Henley RACU, which will open this month.

1. **Contract Position FY18**

All main contracts for 2017/18 were agreed by the deadline of 23rd December set by NHS England and NHS Improvement. Agreements with Buckinghamshire and NHS England were in line with the assumptions in the Annual Plan.

The contract discussions with Oxfordshire CCG made good progress on outstanding issues from 2016/17, and also established a mechanism for sharing overall system risk arising from the contracting round, which is essentially activity related. In total that risk amounts to £18m of which £2m relates to OHFT activity, the rest to acute activity. Up to £28m of measures to mitigate that risk have been identified, though the full potential of those measures has yet to be validated, and it is not assumed that all will be effective. It has been agreed that the residual risk should be shared 20:40:40 between OHFT, OUHFT and the OCCG. In addition some potential gain share opportunities have been identified with the OCCG.

It has also been agreed by all three parties that following a system wide review of mental health services and primary care capacity in 2017/18 then agreed priorities will be funded in 2018/19.

Work is continuing to develop the proposals with OUHFT and Oxford’s GP Federations to establish opportunities for more formal partnerships and collaboration in the context of the broader transformation themes and contracting arrangements. Whilst it is intended to be operational across much of the County in some form from 1st April, it is recognised that this is part of a longer term process which may need to evolve over time.

1. **CQC Inspection and Improvement Plans**

We continue to await the formal draft report from the CQC with regard to the inspection in November of our GP Out of Hours services.

The community hospitals’ mock inspection was undertaken by the Trust’s internal review team from 9th January to 13th January 2017 as planned. The overall findings from the inspection were generally positive. A comprehensive report will be produced by the team and will be considered by the Quality Committee.

1. **Electronic Health Record (EHR)**

The Trust is currently beta testing the next Carenotes upgrade (Version 5.7).  We are focusing on the Mental Health instance, alongside Worcestershire Mental Health Trust.  Colleagues from Guys and St Thomas NHS and Your Healthcare are beta testing the Community Health instance, including the Child Health module.  Overall the beta testing has identified a relatively small number of issues, most of those on the community side. The supplier is now proposing an additional round of beta testing once the identified issues have been resolved.  This will mean a slight delay to the planned go-live which is now likely to occur in April/May 2017.  Reassuringly, the supplier’s management and process of deployment of Version 5.7 appears to have improved on previous versions.

Good progress continues to be made with internal developments to Carenotes and Adastra.  Initial testing of functionality associated with the electronic transfer of discharge information to GP systems has been completed - piloting on Wintle ward will commence imminently.  Work has begun to introduce the Carenotes mobile app across community services – this should significantly help services such as district nursing to outcome appointments and capture key clinical information at the point of care. Testing of the interface between the Trust’s Adastra system and the new Adastra system in SCAS has also been completed.

A specific piece of work is being undertaken to improve the functionality of the Child Health module. The Trust’s EHR Team has been working with the supplier to find a resolution and has committed significant time and effort to this goal.

The Trust has been invited by NHS England to submit a proposal to become a Global Digital Exemplar (GDE) for mental health and receive up to £5million of funding for digital health initiatives.  The Trust’s proposal was submitted by the 19 January deadline.  A decision was due soon after this date.  However, NHS England has since communicated that there will be a delay announcing the successful Trusts.  No timeframe for the delay has been given at this time.

1. **Southern Health – Learning Disability Services**

As previously advised, to support the request from NHS England to determine whether Oxford Health would consider taking responsibility for the provision of the Evenlode unit until the clinical services review at Southern Health is concluded, the due diligence process was extended to provide for a full assessment of the services delivered on the Evenlode unit. We have set out the basis on which we consider the transfer of the service could take place, including the need to develop a low secure component to the clinical pathway to facilitate discharge and flow.

Given that this is likely to involve substantial capital investment, and that NHS England has indicated that it is unlikely to be able to provide a capital sum, we have made clear to NHS England, NHS Improvement and Southern Health that we consider it necessary that the Slade site, which has historically been associated with the Oxfordshire Learning Disability services (and which was transferred to Southern Health from the Ridgeway Trust when it took on the service in 2012) should be transferred to Oxford Health if we are to be able to take on the operation of the Evenlode Unit. In fact the site is at the moment the home to some of the teams forming part of the local community service transfer due to take place in July this year. This element of the proposal is not yet agreed and is the subject of continuing negotiations at the moment.

The capable provider process for community services has concluded, including ratification at the OCCG Board on the 26th January 2017.

1. **Academic Health Science Centre (AHSC)**

I give below a flavour of recent developments with our AHSC:

* The website (<http://www.oxfordahsc.org.uk>) went live on the 23rd of December. Initially only minimal content has been uploaded on such as news items, twitter feed and events plus descriptions of the themes.
* Partners remain committed to establishing a Charitable Incorporated Organisation (subject to the Charity Commission and all party Board approvals). Once this is complete we can create any trading subsidiary which may be required.
* The six AHSCs (COO representatives or equivalent) met for the first time on the 13th of January to establish a regular programme of meetings and information exchange. The group felt that closer working was important to maximise the benefit of the AHSC initiative and it was clear that all six share the challenge of delivering effectively on the vision of digital healthcare, managing Brexit and promoting the life sciences industry in the UK. The group will meet every two months throughout 2017 to prepare for reaccreditation in 2018.

1. **Academic Health Science Network (AHSN)**

On a similar reporting theme, I give below an update on matters concerning our AHSN:

At its meeting on 31 January the Board of the Oxford Academic Health Science Network agreed changes to the organisation in preparation for the AHSN relicensing process. The aim is to ensure its work is aligned to future national expectations of AHSNs and to local priorities, and also to ensure financial sustainability. Read more in this letter: <http://www.oxfordahsn.org/wp-content/uploads/2017/02/170202-Oxford-AHSN-Board-decision-letter-2-Feb-17.pdf>

The Oxford AHSN is working with regional partners across the NHS, universities and industry including Oxford Health to identify opportunities for reducing carbon emissions which could save millions of pounds. This new report captures the progress to date. <http://www.oxfordahsn.org/wp-content/uploads/2017/01/Sustainability-Report.pdf>

More than 150 people attended a ‘Driving with cognitive impairment’ event last month run by the Oxford AHSN Dementia Clinical Network with the Thames Valley Strategic Clinical Network. It was chaired by Dr Rupert McShane of Oxford Health. More here: / <http://www.oxfordahsn.org/our-work/clinical-networks/dementia/network-news-and-events/dementia-and-cognitive-impairment-conference-january-2017/>

Oxford Health will once again host a ‘partner showcase’ with the Oxford AHSN in May following a similar event in May 2016 which will take place on 18 May and which governors are welcome to attend.

1. **Sustainability and Transformation Plans (STPs) and local transformation processes**

The pre-consultation business case (**PCBC**) for the first phase of Oxfordshire transformation programme has now been approved by NHS England, and Oxfordshire CCG, as the statutory body responsible, and formal public consultation commenced on 16th January. A decision on the outcome of that consultation will be taken by the CCG Governing Body after the local elections in May. Whilst the Oxfordshire Transformation Board is the forum in which all the various partners in the system have come together to develop the overall direction of travel and the case for change, the formal responsibility for consultation on specific changes sits with the CCG.

1. **New Models of Care for Tertiary Mental Health Services**

Previous reports have described the mental health care partnership bid following the opportunity to express an interest in secondary mental health providers managing care budgets for tertiary mental health services.

Discussions are continuing to take place with NHS England about the details of the financial assumptions underlying the project on conclusion of which the terms of MOUs and contract variations will be agreed and adopted.

1. **Carter Programme – Community and Mental Health extension**

A review into community and mental health trusts, building on Lord Carter’s approach to productivity in the acute sector is now commencing.  As a first step, and to mirror the approach taken in the acute sector review, a cohort of just over 20 trusts across both community and mental health has been set up with which more detailed engagement will be focussed over the initial stages of the review process over the next six months.   I am pleased to advise that the Trust is part of the cohort.  Lord Carter is overseeing and steering the review in his role as a Non-Executive Director in NHS Improvement. His intention is to follow a similar structure and methodology of the acute review, with some significant tailoring to community and mental health. The engagement that will be undertaken in developing their findings will look to understand:

* How organisations in mental health and community trusts operate;
* What good looks like;
* What approaches to improving productivity and efficiency are already in place and what opportunities there are to drive these further; and
* What metrics and indicators are required to support the development of the model

As they develop their understanding it will enable them to jointly scope, iterate and finalise the findings of the review and specify the benchmarking criteria for an “optimal model” NHS community or mental health care trust.   They will be providing updates on progress and thinking as it develops at regular intervals and after significant milestones and will also be doing some Board level engagement throughout the review process, and will discuss findings with all organisations before they are published in the autumn of 2017.

**Recommendation**

The Council of Governors is invited to note the report.

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