

BOD 92/2016

(Agenda item: 6)

# Report to the Meeting of the

# Oxford Health NHS Foundation Trust

# Board of Directors

**27th July 2016**

**Chief Executive’s Report**

**For Discussion/Approval**

It has been a particularly eventful month with a number of significant developments, both locally and nationally.

Following the recent publication of aggregate results, the NHS is reported to have ended the financial year 2015-16 with a deficit of £1.85 billion, the largest aggregate deficit in its history. The recent King’s Fund report, [*Deficits in the NHS*](http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/Deficits_in_the_NHS_Kings_Fund_July_2016_1.pdf)  reveals evidence of the gap between the quality of care we all want the NHS to provide and the funding available and suggests that this position is unsustainable and cannot be continually passed onto NHS trusts.

Interventions are planned by regulators in the coming weeks to regain control of NHS finances. Efforts to reduce the provider deficit are set to focus on 20-40 trusts where the pay bill either increased substantially last year, or which have planned for growth in 2016/17.

1. **NHS Improvement – Annual Plan FY17 submission and ongoing review of financial sustainability.**
   1. **FY17 plan**

The FY17 financial plan, amended to include the allocation of £1.8m from the Sustainable Transformation Fund (**STF**), has been agreed with NHSI who have issued confirmation of how and on what terms this additional funding allocation will be distributed. For OHFT, the funding will be paid quarterly in arrears subject to the achievement of the financial plan within the NHSI control total. The current plan includes an estimated agency staff spend of £11.6m which exceeds the ceiling of £9.1m set by NHSI, although it has been confirmed that this will not be a risk to the receipt of the STF money if we remain within the control total.

The focus on reducing agency staff spend continues with the third wave of the e-rostering system rollout commencing and the recruitment of new staff to the OHFT internal bank. Whilst demand for agency staff remains relatively high, the prices have started to reduce noticeably.

1. **CQC Inspection and improvement plans**

I attended our routine CQC update meeting which included a discussion on the situation with regard to our June re-inspection. It was suggested that subject to review by our lead inspector, the draft reports would need to go through the CQCs quality assurance process and we may possibly receive draft reports for review during the week of 18th July. Should that be the case, a more up to date position will be provided at the Board meeting.

1. **Contract position**

**FY17**

Agreement has now been reached with Buckinghamshire CCGs and we await receipt of a signed contract. Specialised commissioner contracts have been signed and for Oxfordshire CCG the interim contract signed by OH, the CCG and OUH has been extended for one month to the end of July to enable the parties to develop an integrated partnership approach, particularly around the frail & elderly urgent care pathway. Oxfordshire CCG has now issued a draft contract for the full year which is now being reviewed.

The proposals developed with support from McKinsey about arrangements for Oxfordshire continue to be discussed as consensus is sought. A further meeting is due to take place immediately after the Board meeting. For the remainder of 2016/17 the proposal under consideration is a very simple three way risk share in relation to non-elective activity between OUH, OH and the CCG, based on a pragmatic partnership approach focussing on the achievement of service improvements (about which there is a high degree of consensus) to bring maximum benefit during the year. Such an arrangement would be short term; from 2017/18 onwards it is essential that primary care is fully involved, and discussions with Oxfordshire GP Federations in the City and the north and west have progressed to the point where some formal partnership options can be explored in more detail. This important, not least because the CCG has indicated that it wishes to consider options concerning the long term direction for the delivery of this important element of the transformational change in Oxfordshire at its July Board meeting, which will be particularly key if consensus on arrangements for 2016/17 is not obtained.

An update will be given at the Board.

**Forward view**

1. GP Federations – joint working

Over the next five to ten years, in common with many other cities and counties across England, Oxfordshire’s transformation plans propose that in order for our patients to receive better health outcomes, more care will be delivered by a high quality, responsive, easily accessed primary care led system, and when it is needed specialist care in hospitals will be reliably and consistently excellent and accessible.

To that end, we are progressing conversations with Oxford’s GP Federations to establish opportunities for more formal partnerships and collaborations, and other aspects of this agenda will feature as part of wider consultation and engagement activity in the context of the broader transformation themes.

1. Collaboration between mental health and community trusts

As part of the very significant changes occurring across the NHS a number of acute hospitals have recently embarked on the establishment of ‘chains’. The purpose of these arrangements varies, but can include the development of clinical networks, the adoption of common improvement methodologies and standard operating systems, and the sharing of so-called ‘back office functions’.

Mental health and community trusts are more used to operating in networks and as systems as a matter of course, and therefore the ‘chain’ model has already to some extent been anticipated. Nevertheless it is an appropriate time to explore what more may be possible, not least because new projects such as the devolution of commissioning for specialist mental health services effectively reinforce this trend, and recent guidance for STPs encourages more collaboration, especially in support functions. The potential for this to realise savings can sometimes be overstated, but it can improve effectiveness and capability, especially when recruitment to key posts is a challenge – as it is increasingly in this area. If Trusts assume more responsibilities for commissioning services, then existing commissioning functions in CCGs, CSUs and NHS England will need to be brought together closer to the clinical services. Combining support services is much more likely to work where they are related to common goals, activities and processes – so ‘shared services’ which serve very disparate clinical activities can often leave some of them in the back room of the back office.

With this in mind we have started to identify areas of common interest with other Trusts providing similar service profiles. In particular we have a well established track record of collaboration with Berkshire Healthcare, in large part through the clinical networks operated by the Oxford AHSN. This has already achieved levels of collaborative service improvement activity which ‘chains’ are only just embarking upon. We intend to list current joint activities and identify future areas for collaboration, and believe that it would be beneficial to formalise that at Board level, drawing on the experience of the Birmingham mental health Vanguard.

1. **BRC application**

The NHS/University partnership is due to give a presentation to the Selection Panel in support of our application on 20th July which will principally involve discussion of relatively high level strategic issues. I will update the Board on next steps at the Board meeting.

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

A further significant upgrade of Carenotes has been completed.  This now means that both versions of Carenotes in use by the Trust are the latest release of the product.  Work continues with the system supplier to improve overall performance.  Based on new insights about system functionality changes have been introduced to improve the usability of some existing features in Carenotes.  The Trust has met with the system supplier’s senior management team to agree the steps necessary to confirm the roadmap for Carenotes over the coming years.  The associated plan and schedule to deliver this are currently being produced and will be formally agreed in August / September.

1. **National Issues**

A helpful digest of national issues and guidance emerging since the last report is attached as an appendix.  Key developments worthy of particular reference are as follows:

* 1. **Sustainability and Transformation Plans (STPs)**

The June STP submission was made on 30th June and will be used as the basis for a further conversation about concrete options, impact and timelines.

There is still much to do to develop the substance of a pre-consultation business case for the Oxfordshire transformation programme, which is a substantial building block of the STP, in particular around analysis of the emerging models to ensure the options put forward are clinically sustainable, operationally deliverable and financially viable and most specifically in relation to the Urgent & Emergency care, specialist/planned care/diagnostic and primary care workstreams. Once finalised, this business case will be an important document for the Trust, and following the outcome of consultation, will set the strategic priorities for the next few years, so it is in our interests to make sure that the shape of it is right, and as such, we are contributing to it as actively as we can as it develops over the next few weeks.

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

As stated in last month’s report, we received an invitation from Stephen Firn OBE on behalf of NHS England to submit proposals to implement new models of care for low and medium secure adult mental health care and tier 4 CAMHS services, including children’s secure care. I am pleased to confirm that we were successful in our secure mental health care partnership bid.

The NHS Planning Guidance 2016/17-2020/21 identified the opportunity for areas to express an interest in ‘**secondary mental health providers managing care budgets for tertiary mental health services**’. The Five Year Forward View for Mental Health set out the rationale for developing new models of care for mental health:

* Promoting innovation in service commissioning, design and provision that joins up care across in-patient and community pathways (reaching across and beyond the NHS);
* Making measureable improvements to the outcomes for people of all ages and delivering efficiencies on the basis of good quality data;
* Eliminating costly and avoidable out of area placements and providing high quality treatment and care, in the least restrictive setting, close to home.

Oxford Health NHS FT (OHFT) led the successful application to develop a new model of care for low and medium secure adult mental health services in Buckinghamshire, Oxfordshire, Berkshire (East and West), Hampshire and Isle of Wight, Dorset and Milton Keynes. The following providers of specialist mental health care will work as a network to coordinate inpatient and community based services to improve the overall value of care provided:

* Oxford Health NHS FT
* Berkshire Healthcare NHS FT
* Southern Health NHS FT
* Central and North West London NHS FT
* Dorset Healthcare NHS FT
* Solent NHS Trust
* Response (voluntary sector provider promoting independent and community living).

The following is an outline of the critical milestones to formalise arrangements for the new model of care:

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| Critical Milestones | Who | Date |
| Agree scope of new care model with NHS England (geographical footprint and services to be covered). | OHFT / NHS E | 18th July |
| **OHFT and NHS England sign Memorandum of Understanding for New Care Model** | OHFT / NHS E | 18th July |
| Review and validate quality, operational and financial information with NHS England. | OHFT / NHS E | 31st July |
| Agree transitional commissioning/support arrangements with NHS England | OHFT / NHS E | 18th July |
| Review and due diligence of all information including risks and issues | OHFT | 19th August |
| New Care Model Clinical Oversight Group review and sign-off scope, information review, approach and arrangements. | Clinical Oversight Group | 31st August |
| New Care Model CEO Steering Group review and sign-off scope, due diligence, approach and arrangements. | CEO Steering Group | 31st August |
| **All Trust Boards across the network approve scope, due diligence, approach and arrangements.** | **CEOs** | **30th September** |
| **New Care Model officially starts** | OHFT | 1st October |

1. **Southern Health**

We are currently working in partnership with Southern Health and other key stakeholders to increase our in depth understanding of the services offered by Southern Health to people with a learning disability and their families in Oxford.

This is an extensive piece of detailed work which will guide our decision making with regard to the potential for transitioning these services into Oxford Health. A detailed decision timeline is being finalised and will be shared with the Board in due course.

1. **New Models of Care**

There have been a number of discussions over the past few months regarding new models of care, by which I refer to Multi-speciality Community Providers, Accountable Care Systems or Organisations, joint ventures, prime contracting, etc. These models are being developed in many locations and we are seeing the emergence of super-GP practices such as Modality in Birmingham. To date we have not had a focussed discussion in Oxfordshire about our direction of travel and the CCG feel that the time is right for us to now do so.

The CCG are keen to ensure we are clear about what our system wants to achieve, rather than pursuing organisational solutions without being clear about what they are designed to deliver. It is becoming increasingly clear however, that to deliver the transformation needed, particularly in primary care and community care, the current split of services between two FTs and 75 GP practices is being severely challenged.

With that in mind the CCG is organising a workshop in August to bring together GP Federation leaders, OUHFT and OHFT Chief Executives, the CCG and LMC, together with a small selected group of organisations who are working on these models such as Optum, Egton, NAPC, plus support from NHS England’s new care models team. The aim of this workshop is to explore alternative models; to establish what should be taken forward and how to achieve this.

1. **Junior Doctors**

The BMA announced in month that their members rejected the proposed new contract for junior doctors despite the best efforts of ACAS, NHS Employers and the BMA junior doctors’ committee. A total of 58 per cent of its members voted against the offer agreed at ACAS compared to 42 per cent voting to accept with a turnout of 68 per cent in their referendum.

What happens next is not yet clear, but all are keen to ensure that patients will not be made to suffer any further impact over the rejection of the contract.

1. **CEO Stakeholder Meetings & Visits**

Since the last meeting, key stakeholders with whom I have met; visits I have undertaken and meetings that I have attended have included:

* Paul Bentley, Chief Executive, Kent Community Health NHS Foundation Trust
* Oxfordshire Clinical Commissioning Group: Health Overview and Scrutiny Committee pre-meet
* Office for Strategic Co-ordination of Health Research (**OSCHR**) Board
* Trust visit to the Pennine Healthcare NHS Foundation Trust
* Oxfordshire Clinical Commissioning Group: System Resilience Group
* McKinsey Stocktake meeting with Chairs and Chief Executives
* Oxford Academic Health Network: Informatics Oversight Group
* Values Focus Group Session with Talent Works
* HETV EQV visit
* Oxfordshire Clinical Commissioning Group: Chief Executive meeting
* New Models of Care – Forensic interview
* Oxfordshire Health Overview and Scrutiny Committee: Oxfordshire Transformation Board presentation
* South East Mental Health Chief Executives’ Mental Health Group
* Bio-medical Research Centre interview preparation: Department of Psychiatry
* Professor Charles Vincent, Oxford Academic Health Science Network
* NHS Improvement CEO Advisory Group
* Senate and SCN System Transformation Programme Event
* Bio-medical Research Centre interview
* Linking Leaders Conference, Swindon
* Senate Council
* Care Quality Commission: Natasha Sloman
* Department of Health: Mental Health Payments Steering Group
* Oxfordshire Clinical Commissioning Group: Oxfordshire Members of Parliament and Chief Executives
* Mental health service user event: Celebrating our Lives
* System Transformation Programme review and challenge meeting with Simon Stevens and other national bodies

1. **Consultant appointments**

Dr Nienke Verkuijl has been appointed as a Consultant in Child and Adolescent Psychiatry to join our community CAMHS team based in Witney, Oxfordshire. Dr Verkuijl completed a BSc (Hons) in Psychology at University of Groningen, The Netherlands, to become a clinical psychologist, this inspired a career change that led her to undertake her medical degree. Upon successful completion of Dr Verkuijl’s medical degree she actually began training in Paediatrics and completed the MRCPCH exams, this would provide her with invaluable skills to manage the physical health conditions that can present in children with mental health problems. After making the decision to specialise in Psychiatry she moved to the UK and joined the Oxford Deanery to embark on psychiatry training where she has remained and subsequently achieved her CCT in Child and Adolescent Psychiatry

1. **Other appointments**

Interviews for the Deputy Medical Director and Director of Human Resources will take place over the coming weeks.

1. **Recommendation**

The Board of Directors is invited to ratify the consultant appointments and to note the report seeking any necessary assurances arising from it or its appendices.

**Lead Executive Director:** Stuart Bell, Chief Executive