

# Report to the Meeting of the

**CoG 14/2017**

(Agenda item: 8)

# Oxford Health NHS Foundation Trust

# Council of Governors

**07 June 2017**

**Chief Executive’s Report**

**For: Information/Approval**

Following the announcement of the general election we have entered a further period of 'purdah' immediately following upon the local elections. In addition the recent global cyber-attack has had a significant impact on some parts of the NHS, and has understandably attracted national focus. More locally, demand and capacity issues and the potential impact particularly on the Oxfordshire contract risk share has become an issue of concern, especially in light of the emerging picture in relation to OUH Referral to Treatment (RTT) challenges and regulator and NHSE interventions to support a system wide solution.

1. **Annual Plan FY17**

The financial result for the twelve month period to the end of March 2017 is an Income & Expenditure surplus of £3.2m, which is £3.8m better than plan. The year-end position includes £3.0m of additional Sustainability & Transformation funding (STF) as part of the Incentive Scheme for Trusts to deliver better than their Control Total. Without this funding the year-end position is a £264k surplus, which is £0.9m better than plan.

Based on this result the Trust’s overall Use of Resources risk rating would be a ‘2’. However, the Agency metric is rated as a ‘4’ as spend on agency was 50% above the ceiling set by  NHSI resulting in an override to cap the Trust’s rating at a ‘3’.

The detailed results for FY17 will be formally presented to the Council of Governors at the September meeting / Annual General Meeting as part of presentation of the Annual Report and Accounts.

1. **Financial Plan FY18**

The detail of our performance is included in the finance report, with the financial result for the one month period to the end of April 2017 being an Income & Expenditure surplus of £0.3m, which is £0.2m adverse to plan. The forecast year-end position is a surplus of £1.8m which is in line with plan, and includes £1.9m of Sustainability & Transformation funding (STF).

Agency spend continues at 50% above the ceiling set by  NHSI resulting in an override to cap the Trust’s rating at a ‘3’. The Trust continues to work hard to address spend on agency.

1. **FY18 contract/risk share governance**

In Oxfordshire during the 2017/18 contract negotiations a contract gap of £18m was identified, consisting of £16m on the OUH/OCCG contract and £2m on the OH/OCCG contract, mainly arising from potential differences in activity levels. A risk share was agreed to address that gap with the risk being 40% with OCCG, 40% with OUH and 20% with OH. A series of schemes were identified to mitigate that risk totaling £28m if fully achieved.

Progress on these mitigations is however behind where it needs to be. This is complicated by the fact that re-modelling by OUH suggests that demand pressures for elective care may be considerably higher than forecast in December 2016 when the risk pool arrangement was agreed. OUH is required to prepare a revised plan to NHSI, but the impact of this on the assumptions made back in December will need to be assessed, to see if it represents a fundamental change. In reality the rate limiting factor is most likely to be the availability of workforce to sustain levels of activity – all of these aspects are currently being worked through between the partners.

Until that work is completed the Oxfordshire system does not yet have a comprehensive and agreed plan for mitigating these financial risks, albeit that there is positive collaborative work taking place to try to resolve this.  The Trust will need to maintain a proactive role in shaping these activities, and be cognisant of the likelihood that a proportion of these financial risks will crystallise into the picture of overall financial pressures in Oxfordshire irrespective of the impact on the risk share agreement.

We have reminded colleagues of the explicit recognition in the risk share agreement (borne out by further information from NHSE) of the need to increase the relative share of investment to treat mental illness by 2018/19, if Oxfordshire is to be able to comply with the expectations of the mental health five year forward view.

1. **CQC Inspection and Improvement Plans**

The final report for the CQC inspection of the GP out of Hours has been received. The overall rating of Requires Improvement remains the same, albeit that a number of corrections and clarifications have been accepted by the CQC. Now the final report has eventually been received, an update is included on the agenda of the Council meeting.

1. **MSK Contract**

In 2016 Oxfordshire CCG decided to serve notice on existing service providers and to approach the open market for the provision of a new Integrated Physiotherapy service. This followed an earlier procurement exercise which was abandoned. In April we were notified that a decision had been made to exclude Oxford Health from the procurement process on the grounds that the Pre-Qualification Questionnaire (PQQ) submitted was judged not to have met the CCG standards.

This is understandably of great significance in terms of the impact on our teams and the individual staff members delivering these services who now face uncertainty until decisions are concluded regarding the choice of the providers remaining in the process (all of whom are non - NHS, and so whichever is eventually selected will therefore represent a change to individuals' employment circumstances). It is important that we provide support to the individuals affected, albeit we have limited agency over the process which is affecting them. I note that the Governor Forum has also raised staff support as a matter they wish to understand in more detail and we will support this at the governor meeting.

What is of equivalent concern is that the decision to embark on this procurement predates the agreement of the risk share approach in Oxfordshire agreed last December between OHFT, OUH and Oxfordshire CCG referred to earlier. Under the terms of that agreement each party now bears some liability in relation to activity risk, and MSK physiotherapy is widely recognised as being a key element of any arrangements to manage activity risk particularly for elective orthopaedic surgery.

Moreover, in view of the most recent developments which have prompted significant revision of the assumptions used in that risk share to set levels of RTT activity following review by NHSE and NHSI, we face a situation whereby one of the central means by which the three parties which are expected to manage that risk is subject to a process in which two of those parties now have no involvement, and where, given the antiquity of the decision to embark on the process, it has not been designed to address the problem as it now presents.  I have already set out these concerns to the CCG Chief Executive, and will be following that up.

1. **IM&T Update**

Electronic Health Record (EHR) Update:

There have been no major issues with Carenotes or Adastra over recent months.  During May the Adastra system was upgraded without any untoward incidents and in fact, the supplier completed the activities just ahead of schedule.  The mental health instance of Carenotes is scheduled to be upgraded imminently and the community instance of Carenotes is scheduled to be upgraded in early June assuming all current testing indicates that there are no issues.

The draft ‘Post Implementation Review of Carenotes Project’ audit report has been received from the internal auditors.  The aim of the Post Implementation Review was to establish to what extent the implementation of Carenotes was successful, and to take stock of the project and the lessons to be learned, especially where these could inform any future implementations. The overall assurance assessment is “Substantial Assurance”.

Cyber Attack Update:

The Governors are aware of the major world-wide cyber-attack that occurred starting on Friday 12th May.  There has been much in the press about how some NHS organisations were breached, impacting clinical care delivery.

The Director of Corporate Affairs updated the Council at the time in order to reassure you about the Trust’s position, and I can report formally that the Trust was unaffected by the cyber-attack as no Trust devices have been infected (to date).  The Trust’s IM&T Team worked throughout the weekend to ensure that all necessary precautions were in place to protect the organisation.  Apart from the need to temporarily disable access to the Internet, all services were operating as normal throughout the period.

It was necessary to temporarily remove VPN access for all staff until we could confirm that all remote devices were appropriately patched against the malware.  This resulted in an unprecedented amount of calls to the IT Service Desk on Monday 15th May, but by midday Tuesday call volumes had returned to normal.  All Trust staff were extremely patient and understanding about the inconvenience caused by the actions around VPN.

As it happens, the IM&T Department recently completed a cyber-security audit of the Trust’s network and devices.  An external company specialising in cyber security conducted the audit.  The results of the audit are very positive with no major deficits identified.  The audit did make some recommendations to improve cyber security further.  These are already being actioned.

The Board has extended its thanks to the IM&T team, in particular the senior management team of Mark Walker (Head of IT), Darren Rodgers (IT Infrastructure Manager), Tris Church (IT Service Delivery Manager) and Dominic McKenny (CIO), and the response from our wider staff teams, which together has ensured that the Trust was able to respond well to what has been a major incident for many others.   This did not happen by accident and is testament to the effectiveness of our tested systems and responses and the Trust’s collaborative approach to avoid potential disaster.

Given the Governor Forum requested assurances with regard to our cyber security, Dominic McKenny is attending the Council meeting to report further on this matter and answer any questions.

Global Digital Exemplar (GDE) Update:

Since reporting to the Governors of the success of our application for funding, the main focus of GDE activities relates to the due diligence process.  The Trust has met with colleagues from NHS Digital to commence completion of the Funding Agreement and associated paperwork provide by NHS England to meet the submission deadline of the end of May 2017.

1. **Wave 2 New Care Model Applications for Tertiary Mental Health Services**

NHS England has announced the launch of the ‘Wave 2’ bidding process.  Bids have been invited for the Tier 4 CAMHS, eating disorders and secure adult services.  The Mental Health Taskforce report 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.

For the second wave providers have been invited to apply for the budget management of the following tertiary services:

* Tier 4 CAMHS services, including children and young people’s secure care
* Secure adult mental health care
* Adult eating disorder services

OHFT prepared 2 bids as follows:

1. Tier 4 CAMHS (covering Buckinghamshire, Oxfordshire, Berkshire, Gloucestershire, Swindon, Wiltshire, BaNES) with and Huntercombe Group.
2. Adult Eating Disorders (covering the same geography as above plus Hampshire and Dorset) with Avon and Wiltshire Partnership Trust, 2Gether, Berkshire Healthcare NHS FT, Weston Area NHS Trust, Southern Health NHS FT, Dorset Healthcare Trust and Priority/Partnerships in Care.

The Trust has been shortlisted with regard to its Adult eating disorder services bid, but disappointingly not for Tier 4 CAMHS services. A panel interview will take place week commencing 5th June with the announcement of successful sites to follow the lifting of the general election purdah period. The start of the new care models is scheduled for commencement in October.

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

I am delighted to confirm that we have now agreed the transfer of the community LD service from Southern Health for 1st July.  We have made a number of proposals to NHSE for the Evenlode site and are hopeful that we will conclude negotiations shortly.  We are proceeding on the assumption that the service will transfer on 1st July and Southern Health has reaffirmed their intention to transfer the Slade site to Oxford Health when these two services transfer across.

1. **Biomedical Research Centre (BRC) Launch**

The new NIHR Oxford Health Biomedical Research Centre (BRC) was launched on Friday 31 March 2017 by Nicola Blackwood MP in her capacity as Parliamentary Under-Secretary of State for Public Health and Innovation. The launch was well-attended and was covered by BBC South on its peak Friday night news programme and widely picked up by local newspapers.

The Oxford Health BRC has been set up to address the challenges of mental health and dementia, both major causes of disability worldwide, by bringing together Oxford Health NHS Foundation Trust and the University of Oxford in a powerful partnership to develop new insights, innovative diagnostics and treatments to benefit patients here and globally.

Oxford Health BRC builds on our strong track record in working together to develop new treatments and procedures, many widely implemented in the NHS and elsewhere. We aim to bring the best science to complex problems, with research informed by and contributing to quality clinical care.

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

The six AHSCs have been developing thoughts on the role that AHSCs could play in supporting the UK Industry Strategy as far as it relates to life sciences and health care.  The following areas of collaboration are emerging:

* Digital.  Rather than the focus on interoperability between the AHSCs which will largely fall under the activities of individual GDE plans, the group is keen to propose that the AHSC is supported to undertake research and evaluation into the apps, platforms and devices to stimulate a market and also to provide some national standards.  The proposal would be to request funding at re-accreditation.
* GMP manufacturing demand and the strategy for support cell and tissue therapy. We are seeking to survey for GMP manufacturing demand in Oxford and add this data to that already collected by MedCity.  This would then be used in a business case to demonstrate the need for a way to address the growing pipeline of therapeutics in this space and their evaluation.

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

As part of more regular updates on matters concerning our AHSN, the latest information is outlined below:

The Oxford AHSN Year 4 annual report 2016/17 can be found here:  [http://www.oxfordahsn.org/wp-content/uploads/2017/03/170324\_Year-4-Q4-Oxford-AHSN-FINAL.pdf](https://webmail.oxfordhealth.nhs.uk/OWA/redir.aspx?C=-JIbvwVK4XoLOW7sl-t9KBc-0CoBUU3JrlKvrarSQsUPu7DMJYPUCA..&URL=http://www.oxfordahsn.org/wp-content/uploads/2017/03/170324_Year-4-Q4-Oxford-AHSN-FINAL.pdf)

The Oxford AHSN teamed up with the Oxford Academic Health Science Centre and other partners at BioTrinity, a major life sciences event in London, 8-10 May. Details here: [http://www.oxfordahsn.org/news-and-events/events/biotrinity-2/](https://webmail.oxfordhealth.nhs.uk/OWA/redir.aspx?C=cLy9GYIXGkLt731XHKGzOGeagdK8dY40Uf6JPJ2OzdsPu7DMJYPUCA..&URL=http://www.oxfordahsn.org/news-and-events/events/biotrinity-2/)

Oxford Health co-hosted ‘innovation and impact’ events with the AHSN in May. These took place in Oxford on 18 May and High Wycombe on 22 May. Details below: <http://www.oxfordahsn.org/news-and-events/events/partner-showcase-oxford-2/>   <http://www.oxfordahsn.org/news-and-events/events/partner-showcase-high-wycombe/>

The Oxford AHSN hosted a patient safety conference on 25 May titled ‘From assurance to enquiry: conversations about safety’. Speakers included Dr Suzette Woodward of Sign up to Safety, and James Titcombe, patient safety campaigner. <http://www.oxfordahsn.org/news-and-events/events/oxford-patient-safety-conference/>

Furthermore, the Oxford AHSN contributed to a national event bringing together all 15 Patient Safety Collaboratives across England on 23 May. Their case studies added to the national AHSN Network collection which brings together the best examples of impact and collaboration include ‘Better outcomes for hundreds more people with anxiety and depression’. This focuses on improved recovery rates for psychological therapies services including those run by Oxford Health in Buckinghamshire and Oxfordshire: <http://atlas.ahsnnetwork.com/better-outcomes-for-hundreds-more-people-with-anxiety-and-depression/>

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

With regard to Oxfordshire, a decision on the outcome of the phase 1 consultation will be taken by the Oxfordshire CCG Governing Body after the period of 'purdah' for the local elections in June.  The process for phase 2 in terms of the consultation process is still expected to start later in the year.

By way of update to governors with regard to Buckinghamshire, the Trust is working with the Buckinghamshire system to develop an accountable care system (ACS) in collaboration with GP federations, the Acute/Community Trust (BHT) and councils and commissioners. The aim of the ACS is to have the best health and social care outcomes delivered by one of the safest and efficient systems across the NHS and local authority partners, which retains and builds on its strong clinical leadership. There is a natural geography for integrated care with a community of over 550,000 with a clear Health and Wellbeing strategy supported by all partners. Although it is early days for this, mental health is a clear priority for the ACS.

1. **NHSI – Single Oversight Framework (SOF)**

When the SOF came into existence, NHS Improvement segmented trusts according to the level of support each trust needs across the five themes of quality of care, finance and use of resources, operational performance, strategic change and leadership and improvement capability.

From March onwards NHSI update their website as and when individual providers’ segments change in line with support needs. By way of reminder, each trust is segmented into one of four categories, and the Trust has moved from its shadow segment of 1 to segment 2 as was anticipated last year with regard to delivery of our agency targets. The national segmentation profile can be found here: <https://improvement.nhs.uk/resources/single-oversight-framework-segmentation/>

1. **Employer Provider of Apprenticeships**

I am delighted to advise that the Trust’s application to become an Employer Provider of Apprenticeships has been successful, and we were the only local organisation to be awarded this status. This means that more of the apprenticeship levy will be utilised within the organisation as it can be used on education infrastructure for the apprentices. It will also enable us to focus development on Bands 1 – 4 staff and should help to embed a culture of on-going development that will hopefully positively affect retention.

**Recommendation**

The Council of Governors is invited to note the report and to seek any assurances arising from it.

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