

**Report to the Meeting of the**

BOD 136(i)/2018

(Agenda item: 5)

# Oxford Health NHS Foundation Trust

# Board of Directors

**30th November, 2018**

**Chief Executive’s Report**

**For Discussion**

**Overview**

We had a foretaste of the context in which the local NHS system prepares for winter in the first two weeks of November, when services across Oxfordshire came under a period of intense pressure as demand for urgent care peaked. The pressure on mental health services remains unrelentingly high across the Trust. I reported last month on the detailed winter planning for our system and this has been sustained as an important shared focus. Some of the lessons learned in early November have been used to refine the plans for winter, in particular in relation to where additional capacity is actually needed and where it can be practically mobilised.

As included in earlier reports to the Board, work is continuing at a national level to design the long-term NHS plan which will include the future direction for the provider sector around planning, efficiencies, performance targets, and service transformation.

As reported the FY19 contract with Buckinghamshire CCG has been signed but it remains the case that other major contracts have not, with the latest position on our three main contracts not changing significantly since my last report.

Oxfordshire CCG the finances have been finalised at a level significantly below the plan. The performance targets are being reset, based upon what can be delivered for the level of funding. The contract must now be seen in the context of the conclusions of the review into the level of investment in mental health services in Oxfordshire by Trevor Shipman. Since the last Board meeting there have been further discussions with the CCG and the wider Oxfordshire Chief Executives meeting (ISDB) about how this is progressed. Once the next steps are established and agreed any appropriate changes can be made to the contract. It is worth noting that there is in any event less than a year to run on the Oxfordshire mental health outcomes based contract where the most significant pressures sit.

Early in November we met with NHSI to discuss the implications of the Shipman review for the longer term planning of mental health services in Oxfordshire and, more specifically for the financial position of the Trust in the remainder of this financial year and next year. It is clear that in the absence of any change to the current situation either there will need to be a very significant retrenchment so that capacity can be matched to the resources available, or there will need to be a significant financial readjustment to address the conclusions of the review. NHSI have asked OHFT and the CCG to prepare jointly a package of proposals which constitute an outline of what we might be aiming towards in the context of any ‘mental health recovery plan’ for Oxfordshire, and work is progressing on that. We anticipate a further discussion with NHSI and NHSE early in December.

We are still awaiting further guidance on how provider deficits will be handled nationally, but the only information available to date appears to relate to the way in which acute provider deficits will be addressed through the tariff; there is no detail on how, or indeed whether, mental health and community provider deficits will be the recipient of any relief as yet.

NHSE Specialised Services consistent with my last update, will have the contract and finances agreed and signed once evidence of meeting the Mental Health Investment Standard has been provided to OHFT which remains outstanding. This is an NHS England expectation of all commissioners, including NHSE Specialist Commissioning.

Detailed work is progressing with regard to our financial recovery plan and its implementation and attention is directed specifically on the key areas causing the most significant variance from plan, covered in more detail through financial reporting.

**Local issues**

1. **2019/2020 Oxfordshire System Agreements**

I mentioned in my last report that in the light of current national guidance on the development of integrated care systems that an important aspect of this will be the basis on which contracts are concluded for the forthcoming financial year, the extent to which PbR still plays any part, and the relationship between cost, demand, capacity and financial risk sharing across the system as a whole.

By way of update, and in preparation for the 2019/2020 contracting and operating plan requirements, the Oxfordshire CCG has proposed a system approach for Oxfordshire in recognition of the national policy direction and the growing operational and financial pressures on the Oxfordshire health and social care system. The intention is to mobilise our efforts to establish a shadow form Integrated Care System (ICS) from 1 April 2019 to deliver a sustainable offer to our local population.

The CCG has stated there will be the potential need to reset the profile of existing investment, directing resources to meet agreed priorities while at the same time managing the collective risk that comes with competing demands. The CCG intends that we develop a system perspective to include the position on all areas of commissioning spend resulting in multiyear investment and dis-investment plans.

The CCG is aiming to have fixed value contracts in place with Oxford Health NHS Foundation Trust (OHFT), Oxford University Hospitals NHS Foundation Trust (OUHFT) and the GP Federations for community, acute and primary care services that unite and enable the development of integrated pathways and population health management. This will be managed by an overarching provider partnership agreement which includes wider provider participation as appropriate to the service.

A key design principle of these agreements will be how they address delivery and management of financial and performance risk on a collective system basis. As part of this the plan is to work towards a shared financial control total for Oxfordshire. We have received a single commissioning intention for 2019/20 which is to collaborate with system partners to improve patient outcomes whilst:

* Working within our resources and financial envelopes
* Agreeing a contract mechanism for 2019/20 which enables us to transition to a fully accredited ICS no later than 31 March 2020
* Maintaining compliance with relevant procurement legislation.

The recently agreed system governance arrangements, to be approved by the Health and Wellbeing Board, will provide the structure to mobilise the required changes and we will need to commit collective senior leadership resources for this exercise. We have been asked to establish Board’s support for this approach. Given the context of the issues relating to mental health funding outlined above, this all represents a welcome new direction in principle, but of course the test will be the extent to which it matches resources to health need in an equitable fashion, rather than allowing resources to sit where contractual systems have tended to channel them irrespective of need.

1. **CQC Quality Summit**

Our quality summit took place on 1st November attended by the CQC and NHS Improvement; Oxford Health leaders; staff teams; external stakeholders; partners and our governors. It was a most successful event looking at the improvements from the recent inspection and how with the support of partners, we move to delivering ‘outstanding’ care across every service. It was helpful that the CQC drew out the connections between the Trust inspection and the Oxfordshire system wide inspection. I would like to thank the senior colleagues from all our partners who took the time to participate in this important event. Their engagement enabled us to focus discussion at a strategic level, which was appropriate to the circumstances, and to the conclusions of the inspection.

1. **Financial Performance FY19**

The detail of our financial performance is routinely included in the finance report, but the headline result for the period to the end of October 2018 is an Income & Expenditure deficit of £7.3m, which is £4.8m adverse to plan.  After adjusting for items excluded from measuring performance against the Trust’s Control Total (mainly excluding Provider Sustainability Funding) the underlying performance is a deficit of £7.7m, which is £4.0m adverse to the Trust’s Control Total at month 7. The underlying position at month 7 for the year to date excluding a one-off technical gain, in relation to a reduction in the Trust’s PFI liability, is £4.7m adverse to plan.

The main reasons for the adverse position continue to be operational pressures created by high levels of demand and activity in the Adult directorate, resulting in mental health Out of Area Treatments and increased residential care placements, and also in Oxfordshire CAMHS services and lower than planned additional income from commissioners in largely relation to Mental Health Five Year Forward View and core service sustainability investment.  Based on these results and the expected continued pressures in mental health and expected system pressures of the winter, we have established a Financial Recovery Plan to contain the costs where possible and have provided a revised forecast outturn position to NHSI. The revised forecast is for a deficit of £8.0m which is £9.9m worse than plan, of which £2.3m is due to none achievement of PSF funding as a result of failing to achieve the Control Total. The reported position at month 7 is £200k adverse to this revised forecast.

The scale of the deficit, in light of the overall efficient performance of OHFT, track back largely to the issue of investment in mental health services which is currently under review with Oxfordshire CCG.

1. **Workforce: Recruitment and Retention**

Our taskforce continues to bring additional focus and impetus to this important area for the Trust and its services, and below are some of the key developments since my last report.

Recruitment to the Bank continues to go well and HR is working closely with Learning & Development to make sure that the required training courses are available to enable new starters to be trained before commencing work. In some circumstances where staff have relevant experience we have agreed in principle to relax the training requirements for a temporary period to allow people to get started more quickly.

We are working with Oxford University Hospitals, the County Council and the CCG as an Oxfordshire system, with a major focus on recruitment and retention initiatives and a joint approach to supporting our staff of EU origin in order to minimise any potential impacts of Brexit on staff confidence and retention. We also jointly met the CQC to discuss the progress on operating more collaboratively as a system across the County.

The staff survey is in progress and we are encouraging staff to have their say. First results will be available in January with more detailed breakdown and analysis after that.

We are working to make sure that the Nursing Associate Trainees programme lands consistently well and provides a good experience for these staff.

Of interest to Board is that Sir David Behan has been appointed chair of Health Education England (HEE). The Department of Health and Social Care has confirmed Sir David will chair HEE for three years from 1 December 2018. Sir David announced he was stepping down as chief executive of Care Quality Commission early this year after six years leading the regulator.

1. **Healthy Outcomes for People with Eating Disorders, New Care Model**

The Five Year Forward View for Mental Health set out the rationale for developing new models of care (NCM) for mental health and the subsequent planning guidance introduced an opportunity for secondary mental health providers, working collaboratively as local networks, to manage budgets for tertiary mental health services.

As I reported earlier in the year, and following the learning from our Forensic NCM experience, Oxford Health is currently leading a network of 7 mental health care providers to assume the responsibility for the commissioning and budget for Eating Disorders inpatient services by the end of the financial year. A number of matters emanating from exploration of this model include uncertainty about the regional spread, forecast activity and finance, and consequently the HOPE Network is currently operating in ‘shadow’ form, and OHFT has not signed the draft contract variation which would assign the trust responsibility for the HOPE Network budget as Lead Provider. I am expecting a report to Board shortly with regard to recommendations.

1. **Research & Development (R&D)**
	1. **Academic Health Science Network (AHSN)**

A routine update on matters concerning our AHSN is given below:

* The Oxford AHSN has published a summary overview of its first five years. Read it here: <http://bit.ly/1st5yrs>
* Oxford Health is helping to promote a free support programme which aims to improve sleep without pills. Innovate UK is funding the first large-scale NHS rollout of direct access digital medicine which is being coordinated by the Oxford AHSN and backed by NHS England. All adults living in Oxfordshire, Buckinghamshire, Milton Keynes and Berkshire have free access to Sleepio which is a self-help programme based on Cognitive Behavioural Therapy (CBT). More here: <https://www.oxfordahsn.org/news-and-events/news/sleep-project//>
1. **CEO Stakeholder meetings and visits**

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

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| * Trainee Leadership Board Programme
* Oxfordshire System CQC Presentation
* Department of Health: Performance Management Steering Group
* Oxfordshire System CQC follow up interview
* SANE CEO, Marjorie Wallace
* BOB STP CEOs meeting
* St. Andrews CEO, Katie Fisher
 | * Warneford Foundation
* Oxfordshire CCG, Gareth Kenworthy
* Oxfordshire Mental Health Service Model Workshop
* Peer Support Worker Graduation Event
* Jansson Senior Leaders Day
* Oxfordshire Integrated System Delivery Board
* CQC Quality Summit
* BOB STP/ICS Aspirant Development Session
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1. **National and Regional issues and transformation developments**

A helpful digest of national and legal issues and guidance emerging since the last report is routinely attached as an appendix. Other key developments worthy of particular reference are as included below:

* 1. **CQC Review of Oxfordshire System 2018**

Care Quality Commission inspectors visited on 6-7 November 2018 conducting a two-day follow-up review of the Oxfordshire health and adult social care system, involving all providers and commissioners. This comes in the wake of their November 2017 CQC Local System Review, which focussed on how well the whole system worked together, particularly regarding the care and movement of older people across different settings, and looking at any areas for improvement. We await a formal report on the outcome of the review which is expected will be received in January 2019.

* 1. **System Integration**

BOB STP continues to focus on the development of plans to enable Oxfordshire to move towards developing a place based integrated care model based principally upon a provider collaborative model, along the lines of Buckinghamshire and West Berkshire as indicated earlier in my report with regard to 19/20 service agreements.

I reported last month that health economies have been asked to create five-year plans by autumn 2019, to set out how we will improve services and achieve financial sustainability. We will need to explain how we will run local NHS systems using the resources available. Plans will need to be developed with the proper engagement of all parts of our local system to provide robust and credible solutions for the challenges we will face over the next five years. Additionally, our one-year business and operational planning process will also commence shortly following the publication of guidance outlining the requirements.

1. **Consultant appointments**

An Advisory Appointments Committee was held in November, chaired by Dr Mark Hancock, Medical Director, and attended by Bernard Galton, Non-Executive Director. We have had one appointment since September, Dr Alison Munden who was appointed to the Consultant post for Phoenix Ward, Littlemore on 12th November. Alison is on the specialist register with a CCT in child and adolescent psychiatry but has been working on Phoenix Ward as a Specialty Doctor for the last 3 years. Alison achieved her CCT in 1999 and also has a CCT in General Practice.

1. **Announcements**

As the November Board will be Ros Alstead’s last, following her decision to retire in early December, I am sure Board members will wish to join me in wishing her well with her future plans. Ros has been a truly outstanding clinical leader and member of the Board and will be much missed. A number of events are taking place to mark her retirement over the next couple of weeks.

The process for the recruitment of a successor concluded with interviews on 19th November. It is hoped that the new Director of Nursing and Clinical Standards will be announced shortly following a meeting of the Nominations, Remuneration and Terms of Service Committee along with details of the acting up arrangements to be put in place during the interim period.

1. **Recommendation**

The Board is invited to ratify the consultant appointment; to approve the approach to System Agreements for 2019/20 and to note this report seeking any necessary assurances arising from it or its appendices.

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