Shropshire Community Health NHS
NHS Trust

SUMMARY REPORT	Meeting Date:	24 November 2016
	Agenda Item:	7
	Enclosure Number:	4

Meeting:	**Formal Trust Board**		
Title:	**Chief Executive's Report**		
Author:	**Ros Preen (on behalf of Jan Ditheridge)**		
Accountable Director:	**N/A**		
Other meetings presented to or previously agreed at:	**Committee**	**Date Reviewed**	**Key Points/Recommendation from that Committee**
	N/A		

Purpose of the report		
To update the Board on key policies, issues and events and to stimulate debate regarding potential impact on strategy and levels of assurance.	**Consider for Action**	✓
	Approval	✓
	Assurance	✓
	Information	✓

Strategic goals this report relates to:			
To deliver high quality care	**To support people to live independently at home**	**To deliver integrated care**	**To develop sustainable community services**
✓	✓	✓	✓

Summary of key points in report

N/A

Key Recommendations

The Board is asked to consider any additional comments or views about assurances to be sought in the light of our segmentation generated by the *Single Oversight Framework*

The Board is asked to consider the extent to which local circumstances reflect key themes in the national CQC report 'Annual State of Health and Adult Social Care', and how this supports or impacts on Trust strategy.

The Board is asked to consider how developments such as Primary Care collaboration and mergers of 'scale' may be relevant to our clinical strategy and seek further information if

appropriate to support our work on transformation of care outside hospital.

The Board are asked to consider the extent of proposed provider collaboration and to review further over the coming months how this may impact on the Trust's services.

The Board is asked to consider the current risks to delivering the contract timetable and its view about how it wishes to handle high level negotiations to ensure a speedy process and outcome.

The Board is asked to consider its views with regard to the STP feedback, especially its role in ensuring development in certain planning areas such as 'neighbourhoods'.

Is this report relevant to compliance with any key standards? YES OR NO		**State specific standard or BAF risk**
CQC	Yes	General – none specific
IG Governance Toolkit	No	
Board Assurance Framework	N/A	

Impacts and Implications?	**YES or NO**	**If yes, what impact or implication**
Patient safety & experience	Yes	The issues highlighted are of a general nature and could impact across all of these areas.
Financial (revenue & capital)	Yes	
OD/Workforce	Yes	
Legal	Yes	

CHIEF EXECUTIVE'S REPORT

1. National Issues

1.1 NHS Improvement Oversight Framework – Provider Segmentation

NHS Improvement (NHSI) have published their segmentation of Trusts in line with their Single Oversight Framework.

The Board will remember that the Oversight Framework is designed to help NHSI identify NHS providers' potential support needs across the five themes of:
- **Quality of care** – supporting Providers to have a CQC rating of 'Good' or 'Outstanding'
- **Finance and use of resources**
- **Operational performance**
- **Strategic change**
- **Leadership and improvement capability**

Providers have now been segmented on a shadow basis by NHSI in order to determine the level of the support NHSI will provide, based on performance in the five themes.

There are four segments:
1. **Maximum autonomy** - no concerns
2. **Targeted support** - some support needed
3. **Mandated support** - significant concerns
4. **Special measures** - major/complex concerns

The majority (60 per cent) of providers are in segments one and two, demonstrating that despite current challenges trusts are working hard to provide high quality patient care.

We have been placed in segment 2, (some support needed), reflecting our 'Requires Improvement' rating from CQC, which is being addressed via a structured plan
Other local Trusts have been placed in segments as follows:

Shrewsbury and Telford Hospital NHS Trust	3
Robert Jones and Agnes Hunt NHS Foundation Trust	3
South Staffordshire and Shropshire Healthcare NHS Foundation Trust	1

Board members can access the Single Oversight Framework
https://improvement.nhs.uk/uploads/documents/Single_Oversight_Framework.pdf

1.2.1 Annual State of Health and Adult Social Care Report

The Care Quality Commission have published their Annual State of Health and Adult Social Care 2015/16 Report. This identifies quality performance, trends and themes from their work in inspecting the health and adult social care sectors. The report identifies that, whilst variation in quality and necessary improvements (especially to safety) are their priorities, the challenges to progress presented by the current gaps between demand and capacity across the entire system are evident and insurmountable without urgent funding and support.

The report identifies that overall the health system is perceived to provide good care and enjoys strong public support, but performance lags behind comparable countries in relation to a number of care priorities.

Key points:

• The system is under significant and growing pressures:

- Adult social care faces rising demand and high levels of unmet need among older people who live longer;
- The GP workforce is understaffed and bed occupancy levels in acute trusts regularly exceed recommended maximum levels of 85%

• UK spending on health and social care as a proportion of GDP, is lower compared to similar countries, and has started to decline. By the end of 2015/16 over 80% of all NHS providers, mostly acute trusts, reported a financial deficit; capacities to deliver planned efficiencies is under threat. New models of care are starting to deliver but need time to embed.

The report identified concerns about the future resilience of health and social care as a result of:
• Rapid elderly population growth
• More complex care needs
• Rising costs
• Staffing shortages

• In primary care, the full time GP and district nursing workforce has decreased and GP practices have declined, so that the average surgery patient list has grown by 2.8% over 12 months.

• Demand in social care has been driven by 22% growth in the 65+ population and 33% of the 85+ population since 2001. On current projections there will be a 49% increase in demand for publicly funded care home places by 2035 but, since April 2015, the national level growth in nursing home beds has stopped and 81% of local authorities have reduced real term spending on older adult social care in the last five years.

• Unmet adult social care need is growing; the number of people receiving local authority funded care fell by 26% from 2009 to 2014; an estimated 1 million people are in need but are not in receipt of social care, with unpaid carers filling the gaps.

• The profitability of the private social care market is declining. Rising numbers of social care and home care providers have handed back contracts to councils on grounds of unsustainability and risks to fundamental standards of quality.

• The evidence shows a flow-on impact to NHS secondary care services, especially Accident and Emergency; transformation is developing but not yet mitigating displacements from social care.

The report also identifies that without rapid transformation in care and reduced demand, current pressures will continue to grow and are unsustainable for the health and social care system. New care models, STPs and technological innovation are starting to address systemic issues but local health and care economies must collaborate to unlock the resources for investing in future changes while continuing to deliver current services that meet increasing demand.

The Board is asked to consider the extent to which local circumstances reflect key themes in the national CQC report, and how this supports or impacts on Trust strategy.

1.2.2 Consultation on fees increase

The Care Quality Commission is consulting on raising its fees from April 2017, involving a significant increase for Trusts. This is in line with a Treasury decision last year requiring CQC to fully recover its costs from providers. Subject to the outcome of the consultation, the fee for the Trust would rise from £107k to £159k, together with an additional smaller amount based on the number of Trust premises. Further detail is provided in the Finance Report on the agenda.

1.2.3 CQC Code of Practice on confidential personal information

The CQC has published their new Code of Practice and Confidential Personal Information. The significant change is that the CQC do not need to obtain consent to access personal information if it is necessary to perform their statutory functions, with the Code providing what amounts to best practice guidance in terms of consulting individuals in advance when the CQC intends to access their information.

The CQC's document 'Protecting your Privacy when using your information' explains when and why the CQC has the ability to access confidential personal information. This allows individuals to identify to care providers that they do not wish the CQC to access their information.

1.3 Gender Pay Reporting

The Government is consulting about extending compulsory gender pay reporting to larger public sector employers with more than 250 staff. There had previously been a consultation earlier in 2016 in respect of similar plans in the private and voluntary sectors. It is anticipated that the Government would amend the Specific Duties Regulations made under the Equality Act 2010 which apply to a wide range of public and quasi-public sector bodies. It is anticipated that the relevant regulations would come into force in 2017 with a view to employers finalising their plans and taking their first data snapshot in April 2017.

https://consult.education.gov.uk/equality-framwork-team/gender-pay-gap-reporting-public-sector/supporting_documents/24.08.2016%20Public%20sector%20GPG%20consultation_accessible%20FIN.pdf

1.4 NHLA – reform of CNST scheme

The NHS Litigation Authority, (which runs the risk pooling scheme whereby Trusts are supported with and funded for clinical negligence and other claims), is reforming the Clinical Negligence Scheme for Trusts (CNST) of which the Trust is a member.

The aim is to support efforts to improve safety in the NHS, promote learning from incidents and use the CNST scheme to provide financial incentives to improve safety. There will be a shift in the approach to setting fees for trusts, relying less on the experience of the past and more on recent 'indicators' of improvement. This change is welcome, as increasing premiums from the NHSLA is a significant national issue. Further detail is provided in the Finance Report.

1.5 Primary Care at scale

We should note the proposals which are being taken forward in Primary care to scale up partnerships to an unprecedented level. 14 GP practices in Suffolk have announced the commencement of a partnership at a scale not yet seen in modern times in the NHS. This partnership will be up and running to cover 113,000 patients from 1st April 2017.

We know that the capacity in Primary Care in the county is reported regularly as a key strategic risk in terms of the local health economy and delivery of change under the banner of the STP.

The Board is asked to consider how developments such as Primary Care collaboration and mergers of 'scale' may be relevant to our clinical strategy and seek further information if appropriate to support our work on transformation of care outside hospital.

1.6 Further collaboration prospects across the country by NHS providers

An estimate has recently been made that one in three providers are having exploratory talks about collaboration and the health press is regularly reporting the incremental development of hospital chains, proposed accountable care organisations and the like. This could be seen as the commencement of the reality of the Five Year Forward View in terms of new models of care plus the financial and other imperatives being driven through the 44 Sustainability and Transformation Plans.

Whilst there are no clear plans externally in our STP footprint at this stage, there are significant collaborations being considered in Staffordshire, the Black Country and Herefordshire.

The Board are asked to consider the extent of proposed provider collaboration and to review further over the coming months how this may impact on the Trust's services.

2. Local Issues

2.1 Planning and Contract Process for 17/18 and 18/19

The deadlines for planning and contracting have been clearly set out by NHS Improvement / England. I would remind the Board that the planning horizon is now set for two years and our planning should be approached on this basis.

The Board should note that we are submitting a 'first' draft of our operational and financial plan on the 24th November. This will be available for Board members in due course.

The key issue to note is however, that we do not expect to have Shropshire County CCG's initial contract offer until the 17th November which will be after the issue of the Board reports. The delay is being driven directly by the need for the CCG to put in place a financial recovery plan and it does not currently have the required detail to propose in provider contracts. A verbal update will be made available at the meeting, or information shared via email in advance where relevant.

There is no slippage applied to the final deadline for signing contracts which has been set nationally as 23rd December. There is a risk, not knowing what the content of the offer will be, to the adherence to the December deadline.

The Board is asked to consider the risks to delivering the contract timetable and its view about how it wishes to handle high level negotiations to ensure a speedy process and outcome.

2.2 Winter Planning

The local health economy is pulling together plans to make sure that the arrangements to support services during the winter are working as well as possible. This is in the context that no specific resources for the winter are available to the Trust via the CCG, so our response is to make sure we are doing ' business as usual' as well and as efficiently as we can but will not be expanding services that require us to take on additional costs. We are fully supportive of our partners in this process and keep focused on delivering safe patient care as we are mindful that the level of resilience, particularly in the acute sector, is extremely low.

2.3 Shropshire and Telford and Wrekin Sustainability and Transformation Plan (STP) and Future Fit

Feedback to the submission in October was received by the STP Chair on the 2nd November. The key points to note were;

- There was a degree of confidence in the STP as a basis on which to form operational planning.
- Concern was expressed at the lack of a credible recovery plan for Shropshire CCG and as such this was expected to impact further.
- The plan continues to be 'acute centric' and the further work on the community model (particularly Primary Care) is essential but not dissimilar in maturity to other STPs.
- There is also an issue still unresolved with regard to the source of capital funding.

Work is ongoing to continue to develop and strengthen areas within the plan which will enhance its deliverability and 90 day plans are now being worked on to set out in more detail what are the key actions and which work stream is leading them over the next 3 months.

The Board will recall that the Trust made a specific and successful request to re profile the financial plan to be in line with our own planning assumptions. This action was taken. The STP in its current form has not yet been published. It is its intention to do so in the next few weeks..

Future Fit has experienced yet another delay to going out to public consultation. A response to external challenge has been made and SATH are very keen to press ahead with consultation as soon as possible to ensure this is done before local elections in May. There is a degree of support in the LHE for this and meetings of CCG Boards in November and final decisions to proceed to public consultation will be made by NHS England in December.

The Board is asked to consider its views with regard to the STP feedback, especially its role in ensuring development in certain planning areas such as 'neighborhoods'.

Ros Preen
Deputy Chief Executive / Director of Finance