

Report to:	Board of Directors				
Date of Meeting:	24 Sept 2014				
Report Title:	CEO update report				
Status:	For information	Discussion	Assurance	Approval	Regulatory requirement
Mark relevant box with X	x	x	x		
Prepared by:	Ann Wagner, Director of Strategy & Business Development				
Executive Sponsor (presenting):	Bridget Fletcher, Chief Executive				
Appendices (list if applicable):	Appendix 1: National Developments Summary for information Appendix 2: Monitor 2014/15 Q1 Review Feedback Letter for information				
Purpose of the Report					
<p>The purpose of the Chief Executive's report is threefold, namely:</p> <ul style="list-style-type: none"> • to highlight key national and local health economy developments that are of strategic relevance to the Foundation Trust and which the Board needs to be aware of; • to bring together key messages from the Board papers into a single, high level assurance narrative; and • to update the Board on key strategic and operational developments that the Executive Team are leading. <p>This months report covers developments that have happened since the July Board of Directors meeting.</p>					
Key points for discussion					
<p>As usual there have been a number of national announcements and publications in the past 2 months which are summarized in Appendix 1.</p> <p>I would particularly draw out for the Board increasing national concerns regarding 14/15 performance on waiting times for elective care, A&E performance and deterioration in financial position and challenge of getting back on track before Winter pressures</p> <p>Across the local health and social care economy activities relating to use of the Better Care Fund remain challenging. Partners continue to work together to progress whole system planning including taking forward the closing the gap work, new models of care and accelerating pace of change.</p> <p>For the Trust, the past two months have been very busy, despite it being a holiday period, with staff focused on delivering today as well as transforming for tomorrow. Key points to note include:</p> <ul style="list-style-type: none"> • the never event in maternity and learning we need to take from this regrettable incident • improvement in our annual PLACE scores • overall quality, safety and performance delivery is on target, with the exception of stroke services • there has been some deterioration in financial performance and we have plans to mitigate non recurrently for the remainder of the year. • Directors and their teams are working on delivering our 2 year Right Care programmes as well as detailing implementation plans for the following 3 years. • Achievement of Bronze standard in the Investors in People reassessment • Growing interest from national think tanks, media, policy makers and researchers in Airedale's innovation 					
Recommendation:					
The Board is asked to receive and note the CEO update report and attachments					

1 National Developments and Publications

National developments that I wish to bring to the attention of the Board this month are summarised in **Appendix 1**.

At the Board of Directors meeting I will lead a discussion on the implications of the developments highlighted in terms of their potential strategic impact for the Foundation Trust.

2 Local Health Economy Developments

2.1 NHS England Regional Commissioning Structure

In addition to the incremental changes announced to the national directorate structure (referenced in Appendix 1 National Developments summary), NHS England has also confirmed plans to make changes to local area team structures. Earlier this month they launched a staff consultation on proposals to create one area team for Yorkshire & Humber (merging the former North Yorkshire & Humber, South Yorkshire & Bassetlaw and West Yorkshire area teams) with a smaller number of director and senior management posts.

2.2 Urgent and emergency care consultation

In response to the national Keogh review of urgent care, there are a number of engagement and consultation activities at sub regional (West Yorkshire) and across the Bradford, Airedale and Wharfedale unit of planning footprint regarding plans for urgent care. The Trust is engaged in the various planning groups as we seek to influence the system to secure support for urgent care transformation.

2.3 Bradford Health & Wellbeing Board (BHWBB)

The Bradford HWBB met earlier this month. As the Board is aware BHWBB has continued with its one provider member stance so Simon Large, CEO from the Care Trust was there to represent the 3 local NHS providers. Substantive items on the agenda considered included physical health and sport; Urgent and emergency care strategy and the Low emissions strategy. The joint commissioning update from the Local Authority and CCGs was deferred to the next meeting so no discussion or debate on the 5 year plan.

2.4 Bradford, Airedale and Craven Integrated 5 Year Strategic Plan Update

The CCGs have had initial feedback from NHS England regional assurance process to support the local health economy in further refining and operationalizing its plans.

The next meeting of the Integration and Change (ICB) Board takes place on 19 Sept and will be a workshop facilitated by Mike Farrar focusing on governance and risk appetite and management across the health and care economy.

2.5 Better Care Fund (BCF)

As referenced in the national developments summary (Appendix 1) NHS England and the Local Government Association have issued revised guidance to enable local health economies complete their local BCF plans for submission later this month. All providers have been requested to resubmit their integration plans using a national template with activity including hospital emergency admission reduction targets populated by the respective CCGs.

The government has confirmed funds will be returned to acute hospitals if integration initiatives fail to reduce emergency admissions. Local targets to cut A&E activity have to be agreed by councils,

CCGs and NHS England area teams. The minimum expectation will be a 3.5% cut in A&E admissions in 2015-16.

Airedale Wharfedale and Craven CCG are pursuing a reduction target of 10%. Airedale has responded and confirmed our support for working in partnership and our track record of developing successful hospital avoidance schemes. However the Trust has not been able to sign up to the CCG's required reduction in hospital emergency admissions as we believe it to be unrealistic and does not reflect the current growth in urgent activity. We are continuing to work with the CCG and will update the Board on progress to close the gap.

2.6 New Models of Care: Update

The first stage of the work facilitated by Oliver Wyman, funded by NHS England to consider new models of care across Airedale, Wharfedale and Craven (AWC) health and social care economy has come to an end. Partners are continuing to work through possibilities relating to the extensivist and enhanced primary care models with health debate re where such roles would add best value. I remain concerned that expectations regarding the financial benefits are overstated and unrealistic.

2.7 Stakeholder engagement update

Directors continue their extensive engagement activities with partners and other key stakeholders to further refine our *Right Care* vision to ensure alignment with transformation and integration plans across our local health and social care economies.

3 Airedale Foundation Trust Update

3.1 Improving quality and safety

i) Safe Staffing: update

This month the Board will consider the latest of the new monthly reports looking at staffing levels against plan on the wards during July and August. As can be seen there were no significant staffing issues or associated concerns reported – recruitment into previously pressurized areas continues and is starting to have a positive effect. The Director of Nursing will provide further detail regarding proactive management and an update on nurse recruitment campaigns.

ii) Maternity services

Never Event

Never events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented. They include incidents such as:

- wrong site surgery
- retained instrument post operation
- wrong route administration of chemotherapy

On 1 Sept Directors were notified of a never event which occurred in maternity in August relating to a retained swab post operation. This is very regrettable and the Trust has apologised to the patient. An investigation is underway and I will personally chair the root cause analysis event which will be held shortly to review the causes, mitigating actions and learning.

Royal College of Obstetricians and Gynaecologists Review

As part of its commitment to improving patient experience, the Trust commissioned the Royal College of Obstetricians and Gynaecologists to undertake an independent review of maternity services. The site visit took place over three days 1-3 September and involved document review, interviews, focus groups, walk round and medical records review. Whilst the final report is awaited, informal verbal feedback confirmed the service is safe, improvements are required in governance systems, processes and resources and some environmental changes are required. The assessors also recommended the Trust move quickly on the Head of Midwifery recruitment

iii) Retired GP assault charge

In early September, a case was held at Bradford Crown Court involving a retired Bradford GP, Dr Ahmed Masood, who was convicted of sexually abusing a young girl 30 years ago, when she was aged between seven and ten.

During the trial, the jury heard the abuse took place at Dr Masood's home. It had also been claimed abuse occurred in staff accommodation at Airedale Hospital but Dr Masood said he never worked at the hospital and did not take the girl there. The barrister for the Crown said he could have taken the girl to Middleton Hospital near Ilkley, which she thought was Airedale.

The trust can find no evidence to dispute Dr Masood's claim that he never worked at the hospital. The first time the trust heard about the incident was when the allegations were made on the first day of the trial and we are working with our safeguarding team to find out what happened and what can be learnt from this process.

3.2 Improving the patient environment – 2014 PLACE results

PLACE (Patient-Led Assessments of the Care Environment) is now in its second year and aims to give the public a chance to assess a range of non-clinical services within the NHS and the independent and private healthcare sector in England.

The assessment criteria used within PLACE represents aspects of the care environment which patients and the public have identified as important. PLACE covers four specific areas: cleanliness; food and hydration; privacy, dignity and wellbeing; and condition, appearance and maintenance.

I am pleased to advise the Board that Airedale has improved in all criteria and is now above the national average for all areas except privacy, dignity and wellbeing. Whilst the improvements across the Board are welcomed we still have room to improve and need to look to other hospitals that have scored higher to see what we can learn in terms of adopting best practice.

The Director of Operations report provides further detail.

3.3 2014/15 Finance and Performance

i) Financial position: Monitor Q1 review

Monitor has completed their analysis of the Trust's Q1 submission and confirmed the Trust's current ratings are:

- Continuity of services risk rating - 4
- Governance risk rating - Green

Whilst the Trust has been assigned a Green governance risk rating Monitor have noted the risk to the 2014/15 financial plan due to recurrent CIP shortfall which, although can be mitigated non recurrently, will create a challenge for 2015/16.

Looking to the remainder of 2014/15, Monitor has introduced a new monthly report for app Foundation Trusts. This reflects concerns at the centre regarding overall financial performance in the Foundation Trust sector.

ii) **Financial position: month 5 update**

The overall financial position at the end of August was:

- a deficit of £81,000 against a planned surplus of £32,000, £114,000 behind plan;
- EBITDA (earnings before interest, taxes, depreciation and amortization) is £167,000 worse than plan, which delivers a CoSR (continuity of service risk) rating of 3.5 against a plan of 3.5;
- CIP (Cost Improvement Programme) achieved was £1,832,000 against a target of £2,640,000, £808,000 behind plan and a deterioration on forecast of £91,000
- PbR (payment by results) income is £370,000 above plan

The Board will be concerned at the overall deterioration in financial performance which is driven by high medical agency costs covering vacancies and gaps in Junior Doctor rotas, nursing costs related to additional beds servicing the increased emergency activity, and a deterioration to the CIP forecast.

The current year-end forecast position assumes the position will achieve plan, which is a year-end surplus of £29k. However this forecast is based on the recovery plans within the Groups being a success and the CCG being able to afford the forecast levels of over trade and so this needs to be monitored closely for the remainder of the year. The Board will be interested to note the value of the non elective 70% threshold reduction was £349,000 to the end of August. If this funding was forthcoming the financial position would no longer be in deficit

Recurrently there is a CIP gap of £1.7m which is being addressed through the Trust's Right Care Portfolio of Programmes. The position at the end of August of the Right Care Portfolio Programmes against their 2 year efficiency targets is as follows:

- 2014/15 - £5,427k identified against target of £7,290k (£1,863k gap). Recurrently this gap increases to £2,476k (identified £4,776k recurrently)
- 2015/16 - £5,930k identified against target of £5,090k (£840k better than plan). Recurrently this over performance reduces to £708k (£5,786k identified recurrently)

Monthly scrutiny meetings are now in place to ensure the gap is closed for the end of the year, and on a recurrent basis. It is expected that the recurrent position will start to improve following actions arising from these meetings. Further details of actions being taken to mitigate the position are included in the Director of Finance's report.

iii) **Performance standards**

Accident & Emergency (A&E) 4 hour treatment time standard

The A&E 4 hour waits standard was achieved at 95.56% for August. Whilst the Trust did hit the target overall for the month, a number of patients did have to wait over 4 hours for their treatment. We also had to cancel a number of elective operating lists as demand for beds again outstripped supply, despite opening additional capacity. This is not the position I want this hospital to be in with patients not having optimum experience every time and staff stretched to the limit. As I reported last time, without radical transformation across the whole health and care system, achievement of this target continues to be a challenge.

Hospital Acquired Infection Rates

- There were no cases of Clostridium Difficile (CDiff) during the month of August - the total for the year to date remains 4 qualified down to 3 against a threshold of 9. At the time of producing this report a further case of CDiff has been reported (ward 9) which is being investigated. Achievement of the overall target remains a risk
- There were no cases of MRSA in August – the total for the year to date remains 0
- During September the Trust has experienced a norovirus outbreak on ward 4. Full infection containment measures have been activated.

Other Standards

- During August the Trust achieved the required thresholds or was within deminimis limits for all other Monitor standards. As a result the indicative Risk Assessment Framework Quarter 2 rating for Service Performance is GREEN.
- The Board will note from the national developments summary (Appendix 1) the increased focus on waiting times and delivering the RTT target before winter pressures start to have an impact. Monitor has stepped up its scrutiny of Foundation Trusts performance and CCGs through NHS England are subject to stronger performance management.
- Following the continued workforce pressures previously highlighted, the position for both the Stroke and TIA standards are still below the commissioner required thresholds, although they have generally improved over July and August compared to the position in Quarter 1. The Board will note from the Performance Report that, as a result of the continuing position, the Foundation Trust has received a Performance Notice from the CCGs which could lead to a potential £30,000 penalty charge.

Further details of the performance position for August are included in the Director of Finance's report.

3.3 5 year forward view 2014/2015 to 2018/2019: strategic plan update

i) Monitor feedback

Formal feedback from Monitor on the Trust's 5 year forward view submission is expected next month. The informal telephone conference I arranged during the summer with Monitor did not suggest they had any major concerns although they had not completed their assessment of our plan or alignment with the local health economy integrated plan.

Soft intelligence confirms most Foundation Trust Boards did include a list of caveats to delivery within their submissions reflecting the challenges facing all providers and whole health systems including the uncertainties of the forthcoming general election. In their review of the longer term plans, Monitor will particularly focus on the degree to which each Foundation Trust has developed realistic transformational schemes and aligned its plans with others in the Local Health Economy. Monitor's review assessment of the first 2 years of our 5 year plan – which was positive - is interim and final APR findings will be confirmed in October 2014 following formal review of the 3-5 year submissions.

As mentioned in my last update and referenced in the national developments summary (Appendix 1) NHS CEO Simon Stevens is to release further central guidance on 5 year planning in October which is likely to require a further iteration of plans at Trust and local health economy level. We will also have to respond to the outcome of next year's election and any consequence on future NHS financial allocations.

Directors and their teams are continuing to work on the delivery programmes and detailed implementation plans with key milestones and decision points so we have a clear route map

against which to monitor progress and KPIs. I plan to bring the completed route map and milestone plan to the Board for review in November.

3.4 Workforce update

i) Supporting Fit for Purpose Organisation

As previously reported, despite a rigorous and robust recruitment process, the Trust was unable to make an appointment so currently has a vacancy for a Director of Organisational Development. In addition, the Trust also has vacancies in the service improvement team which support the Right Care Portfolio Programmes. Given the scale of the challenges we face in terms of transformation, engagement and efficiency Directors have agreed to secure short term external support over the next month.

ii) Reward and Recognition: Pride of Airedale Awards

Following the launch of the Trust's new recognition and reward scheme in June, the first PRIDE awards were presented at the annual staff award day in August. These awards – part of a suite of awards which also include long service, instant and team awards – will be monthly and are for staff recognised by peers as going the extra mile, providing outstanding care or supporting others to do so.

Organisations succeed by realising the potential of their people. As a people business we know our staff are our greatest asset. If we want to achieve our Right Care vision for the local population it is essential that we value, reward and recognise our staff and empower them to be the best that they can be.

iii) Investors in People: Re-Assessment Update

Investors in People (IIP) is the recognised national quality standard for the training and development of people. Research shows that IIP accredited organisations are more profitable, sustainable and optimistic about the future.

I am delighted to report that following a robust independent assessment, the Trust's has achieved Bronze accreditation against the nationally recognised Investor in people standard. We exceeded the required criteria to meet the basic standard and have therefore been accredited at Bronze standard which is excellent news and demonstrates the Trust's on-going commitment to developing and valuing our people.

Positive feedback included a strong commitment of staff to providing a quality service for patients; staff remain motivated despite all the recent changes within the NHS; close working between teams; a continuing investment in learning and development and a high commitment to good people management practice amongst the Executive Team. The assessment also highlighted areas in need of development including a more systematic planning of learning and development opportunities; the Right Care vision needs to be disseminated to team discussions at grass root level; and the need for stronger leadership development throughout the Trust to enable better change management.

The final assessment report and a plaque for the Trust will be available within a couple of months. As a learning organisation we look forward to receiving the feedback and opportunities to improve so that we can recognise good practice and concentrate our leadership and management development activities on areas where we need to focus to make our Right care vision a reality. . The assessors will return again for a review in 18 months' time.

iv) Staff Side Partnership

The Trust enjoys a supportive partnership relationship with its staff side representatives and regional full time officials. Their input, challenge and advice on new policies and changes in working practice has proved invaluable. Most recently colleagues have been working on the pay protection policy. Unfortunately the Trust has been unable to secure agreement to proposed changes and at last months routine Airedale Partnership Group meeting (meeting of staff side, regional officials and Exec directors) staff side formally issued a Failure to Agree notice. Whilst this is unfortunate – this is the first in my tenure as CEO – I am confident we can achieve an acceptable way forward.

v) Volunteers Contribution Recognised

In giving a workforce update it would be very remiss of me not to mention our 350 loyal and committed volunteers who give tirelessly of their time to support the work of the hospital in caring for the local community.

The thank you event held during the summer was an opportunity to particularly thank the volunteers for their fundraising support including for the new Endoscopy Unit which is now a fully equipped state of the art unit.

Our army of volunteers dedicate an enormous number of hours of their free time to support the hospital. We are very grateful and can never thank them enough for the work they do for us.

3.5 Innovation Recognition

The Trust's work in developing a compelling vision for the future of small acute hospitals including innovative ways of providing care enabled by technology continues to attract a lot of interest from media, think tanks and policy advisors.

Recent and forthcoming activities include :

National/International Research

- The Kings Fund are undertaking research into the evolving role of acute hospitals in delivering more integrated models of care. Airedale Foundation Trust has been selected as an example of innovative practice. The research includes reviewing relevant documents, visiting the organisation, and telephone interviews with key personnel. The Kings Fund will be publishing a report in Spring 2015 which will feature Airedale as a case study. The report will include lessons for other local health economies, and for policy makers, and will be made freely available on The King's Fund's website.
- The Advisory Board (USA Think Tank) is also conducting research into effective leadership to engage staff to deliver more integrated care. They have also selected Airedale as a case study and are using quotes regarding our approach to Right Care and use of technology in a series of member events in Australia, Canada, EU and the UK

Nuffield Trust launches new group for innovative hospitals

The Nuffield Trust has announced the formation of a new group for small and medium sized hospitals that are developing innovative approaches to their future business and operating models.

Membership of the 'New Cavendish Group' is open to Chief Executives of NHS hospital trusts that are working on new solutions to major challenges such as growing demand for health services and the continued funding squeeze.

I am a founder member of the group (with Paul Mears of Yeovil District Hospital and Susan Acott of Dartford & Gravesham NHS Trust) which has been created to provide the chance to share and test

out ideas in a safe and stimulating environment. The group builds on the network established through the small hospitals network that I am a member of.

The New Cavendish Group will be run by and for hospital leaders, with the Nuffield Trust providing administrative support and guidance.

Shape of Care Review

Health Education England commissioned the *Shape of Care* review, which aims to take key outputs from previous reports, building on them to identify recommendations for the reform of nurse education and healthcare assistant training for the long-term future. The review has an independent Chair: Lord Willis of Knaresborough

The Shape of Caring Review will ensure that nurses and healthcare assistants receive high quality education and training, which supports high quality patient care. It will bring together findings and expertise from recent major reviews such as Francis, Cavendish, Willis and Berwick and make recommendations for the reform of nursing and healthcare assistant education and training in England.

Airedale has been invited to host a visit by Lord Willis and his team who are interested in the innovative work the Trust has been leading, in particular the Telemedicine Hub and the impact this way of working could have on future education and training for nurses and other caring professions.

BBC Radio 4:

- Following an approach from BBC Radio 4 the Trust took part in a feature for the Today programme regarding technology in the NHS. This aired in September and featured our Telemedicine service in use in a local East Lancashire care home. We were subsequently asked to contribute to a World at One report regarding the sustainability of small hospitals which was broadcast earlier this week .

National Events: Speaker Invitations

- The King's Fund International Congress on Telehealth and Telecare; September 2014
- The King's Fund annual conference; November 2014
- The Telecare Services Association; November 2014
- FTN annual conference; November 2014
- Royal Society of Medicine Integrated Care; November 2014

3.6 Open Day Success

This year's annual open day was another great success with hundreds of people visiting to take a look behind the scenes of their local hospital and learn more about what we do. .

Despite some of the worst weather we have seen all summer, it was lovely to see such a large number of people still coming along to see their local hospital.

Walking around the event , I was very proud to be part of Airedale NHS Foundation Trust and extremely impressed by the efforts our staff made to showcase Airedale to our local community.

Anyone attending the event could not fail to be struck by the amazing atmosphere you all helped to create for the people who came along - in what is now truly becoming a real family event - and the

fantastic efforts so many of you made to produce a truly interactive experience for those who attended.

3.7 Blooming Success

The Board will be delighted to note that the Trust has been awarded the Silver Gilt Award for the second consecutive year in the Yorkshire in Bloom awards. All credit is due to our small team of gardeners who work tirelessly to create and maintain an environment that contributes to the well being and rehabilitation of patients (and staff).

National Developments: Summary

1 Hospital focussed developments

Clearing Referral to Treatment Backlogs

In order to clear the Referral to Treatment (RTT) backlog, in June £250m extra funding was made available by NHS England to support additional elective activity over the period from July through to the end of October.

To support this Health Secretary Jeremy Hunt announced a managed breach of key waiting times targets for several months while the service treats the extra patients to tackle its backlog.

Commissioners were asked to confirm the levels of activity expected from each provider over this period. Current indications are that providers' overall performance for the first two months is well below that expected detailed in those plans. There are concerns that this may reflect differences in understanding between providers and commissioners as to how firm the commitments to undertake extra activity were.

Monitor has asked all FTs to review the activity plans they had already submitted and confirm what of 5 scenarios they expect to deliver. Note Airedale confirmed we expect to deliver our existing baseline and incremental plans for September, October and November and recovery of underperformance against July and August plans within the same period;

NHS England are currently refreshing the modelling work which shows, based on the figures currently available nationally, the additional amount of activity which will be required to clear the backlog of long waiters by November. Based on that information and individual trust responses, Monitor and NHS England will then agree individual plans with each Foundation Trust and local commissioner, profiled weekly between now and 30 November.

Hospital food standards and league tables

The Department of Health has published league tables on the quality of hospital food, based on the PLACE data, as well as the final report of the Hospital Food Standards Panel. The report, which attracted significant national media interest, recommended five required food standards for hospital which focus on quality, choice and promoting a healthy diet for patients and staff. These will be made mandatory within the NHS Standards Contract. Patients will be assessed for malnutrition when they are admitted and there will also be a greater responsibility placed on staff to ensure patients are well-fed.

Hospital car parking fees

The Department of Health has published guidance relating to NHS patient, visitor and staff car parking principles. This follows a campaign in national media (Daily Mail) to reduce/abolish hospital parking fees.

Urgent and emergency care review update

Earlier this month Monitor and NHS England published an update on the work Professor Keith Willett is leading to transform urgent and emergency care. The proposals show early thinking on a new approach to paying for urgent and emergency care which, although still some way from formal consultation, would combine a substantial proportion of fixed core funding; a proportion of volume-based funding; and using provider-specific and system-wide quality metrics as eligibility criteria

2 Focus on integration

Better Care Fund Integration plans to be scrutinised

Hospitals will get the chance to check and challenge plans to cut emergency admissions drawn up for the government's £3.8bn better care fund, according to new Department of Health guidance. Under the guidance, providers would be asked to submit a commentary on forecasts for reductions in emergency hospital admissions, in which they must confirm the extent to which they agree with the projections and say whether they have built the same assumptions into their own two year plans.

A new settlement for health and social care.

This final report by the Commission on the Future of Health and Social Care in England, established by the King's Fund and chaired by Kate Barker, considers whether the 1948 settlement is still fit for purpose and what a new settlement might entail. It proposes a new settlement with a single, ring-fenced budget for health and social care, a single local commissioner and free social care for those whose needs are currently defined as critical. The report also proposes funding changes, including changes to national insurance contributions

The options outlined in the report should be a catalyst for debate to ensure integration between health and social care is fit for purpose, and that both systems have the funding they need to deliver sustainable health and social care for future generations. Any new commissioning structures should have the appropriate capacity and capability to commission these integrated models of care, and that change on such a scale cannot happen overnight, and certainly not without provider engagement at its core.

New integrated and personalised commissioning approach for people with complex needs.

NHS and social care bodies have taken the next step towards integrated health and social care for individuals.

NHS England, the Local Government Association, Think Local Act Personal and the Association of Directors of Adult Social Services have formally invited health and social care leaders to help build a new integrated and personalised commissioning approach for people with complex needs.

This proposal makes a triple offer to service users, local commissioners and the voluntary sector to bring health and social care spend together at the level of the individual.

Service users will be offered power and improved support to shape care that is meaningful to them. Local authorities and NHS commissioners, and providers will be offered dedicated technical support, coupled with regulatory and financial flexibilities to enable integration. The voluntary sector will be a key partner in designing effective approaches, supporting individuals and driving cultural change.

3 NHS England

Five year NHS strategy to set out a range of care models

The five year strategy being developed by NHS England will set out a range of care models aimed at putting the service on a sustainable financial footing. The organisation has published an overview of the strategy called the “NHS Five Year Forward View” NHS England chief executive Simon Stevens is likely to use it to set out many of his main proposals for the service. The document, which is expected to be published in October, will draw on the five year strategic plans that have been developed by clinical commissioning groups and NHS providers in recent months, although its recommendations are also likely to influence the next round of local planning. The “forward view” is expected to set out the future prospects for NHS finances, including the potential consequences of not increasing its budget. The document will also identify the actions required at the local and national level to support delivery and priority areas for targeting transformation, identifying what needs to happen to support delivery and actions that we can take nationally to create the conditions for local action.

New NHS race equality standard

NHS England is proposing, from April 2015, to require all NHS organisations to increase senior BME representation or face penalties. The requirements and metrics will be built into the standard contract.

Changes to NHS England’s Organisational Structure

NHS England is planning to carry out a major restructure of its 27 area teams over the next 9 months. These changes follow a review of their first year of operations and are:

- To ensure that their structures are best fit for purpose in a system where co-commissioning with CCGs is becoming increasingly important, and
- To save money on management costs so that a greater proportion of the NHS budget can be invested in front-line services. The challenge is to save 15%.

NHE England expects to remove between 500-800 posts through this restructure.

4 Public Health England

Extra protection for public health budgets

Councils’ public health plans will have to be signed off by directors of the services under a tougher new checking regime aimed at preserving the £2.6bn budget for health purposes. The move was unveiled by Public Health England in a letter circulated last month to both the service directors and council chief executives. It comes amid concern that some local authorities were using the £2.6bn national public health income they inherited from primary care trusts to plug gaps in their budgets. The move aims to

strengthen the professional public health assurance that the grant has been spent in line with the grant conditions.

5 Government

Supporting Mutual Models

Cabinet Office minister Francis Maude has suggested that more NHS hospitals and youth services should be taken out of public hands and owned by the people who run them as mutual. He said he was increasingly convinced this was the way of the future for a greater proportion of public services. There are already around 100 former public-service mutuals, including many in community health services, and Maude's drive for more is now focused on hospitals and youth services. Maude pointed to expert estimates that predicted that 1m out of 6m NHS employees could end up working in mutuals. As part of the push, Maude and health minister Norman Lamb have written to all leaders of NHS trusts encouraging them to consider mutualisation.

CCGs given more power

MPs have approved a motion to give clinical commissioning groups greater flexibility and control in the way that they work to commission healthcare services for their communities.

The Legislative Reform Order amends the NHS Act 2006 to allow clinical commissioning groups to form a joint committee when exercising their commissioning functions jointly.

The amendments build on existing powers by giving CCGs greater flexibility and control in the way that they work. They return in a sense to the arrangements that were in place with primary care trusts. The changes will support more effective and efficient joint working and allow discussions about service redesign to take place across the local health economy.

The proposed arrangements will be voluntary, allowing CCGs to retain their autonomy and continue to make decisions that are in the best interests of their local populations.

6 Royal Colleges

Doctors may face tougher regulations

The General Medical Council has announced plans to strengthen sanctions against doctors who refuse to apologise to patients and relatives or fail to blow the whistle on underperforming colleagues. Under the sanctions, doctors could be struck off or have their practice restricted after making mistakes. The announcement comes after a report found that the public expects more from doctors. The results of the consultation, which will run until November, will form the basis of guidance on the sanctions doctors should face for various offences, similar to sentencing guidance used by courts of law.

Stop reorganising NHS and invest more, say doctors

The Royal College of Physicians has called on ministers to stop reorganising the NHS and fund it properly, as well as demanding a commitment to an NHS free at the point of delivery. The college's manifesto warns of an impending financial crisis unless action is taken. The college also said there should be a review of the practice of putting patient services out to tender.

Avoiding an annual urgent & emergency care crisis

The College of Emergency Medicine has produced a report containing a series of recommendations applicable to local and national health economies involved in the delivery of urgent and emergency care. Informed by discussions at a roundtable event, the College has drawn up 13 recommendations that must be addressed in order to avoid an annual crisis response and to build a resilient system for the future. Issues such as access and alternatives, skills mix and case mix, integration, seven day services and funding are discussed.

7 Research and Publications

Healthwatch England Strategy 2014-16

Healthwatch England has published its first strategic plan, which sets out how they intend to champion the interests of those who use health and social care services over the next two years. The strategy is based upon a wide consultation around England, including a range of events with different groups of less often heard service users and carers, as well as deliberative events with consumers and a range of stakeholder forums, plus local Healthwatch. There was an agreement that appropriate policy priorities are being pursued, but the document also identifies areas for improvement.

Healthwatch Survey: Most people unwilling to report poor care in NHS

A YouGov survey, commissioned by Anna Bradley, chairwoman of Healthwatch England, found that two-thirds of patients do not complain about poor care. Official figures showed that 174,900 complaints in writing were filed to NHS during 2013/14 which sees an increase of 4.6% from the year before. The survey concluded that one in three people have experienced poor quality of care in the past year, but 61% had not complained. The number rose by 7% from the previous year.

King's College London and the Royal College of Physicians Research: Nurse numbers link to stroke deaths

Stroke patients are 35% more likely to die on wards with fewer nurses on duty at weekends, according to a study of NHS hospitals. Deaths were found to be highest among patients admitted to a stroke unit over the weekend where there was just one nurse for every ten beds. The research is the first to suggest that nursing ratios at weekends are as crucial as the number of senior doctors. It was found that in units with a ratio of 1.5 nurses to 10 beds, 15.2% of patients died within a month, compared to 11.2% on wards with three nurses to ten beds.

FTN Briefing: Using non-NHS income to improve patient services

The FTN has published a briefing on non-NHS income highlighting how providers use this to improve the quality of care for NHS patients. The analysis shows that the proportion of non-NHS income and private patient income makes up a very small proportion of total operating income in the foundation trust sector and that private patient income has not substantially increased in recent years over the past six years it has not risen over 1%. The briefing also highlights how there are appropriate governance and regulatory safeguards in place to ensure that foundation trusts work together with their councils of governors to carefully develop any non-NHS income sources.

Health Foundation Report : More than money- closing the NHS quality gap

This publication focuses on closing the gap between NHS funding and expectations of quality of care. It argues that additional resources alone will not be enough to close the 'quality gap': the difference between the quality of care the NHS should deliver, and what it is capable of delivering. Increasingly tight budgets make it likely that the quality gap will get wider. The report outlines three ways that this change can be supported within the NHS: systematic improvement support for providers; targeted resources and political openness and support for change.

The Health Foundation and Nuffield Trust : Focus on A&E attendances: why are patients waiting longer?

The Health Foundation and Nuffield Trust have produced an analysis considering the three factors commonly cited as causing additional pressures in A&E; capacity; case-mix and external influences. It assesses their impact on the four-hour target and concludes that these factors are only part of the problem. The authors suggest that the A&E system may have reached its capacity in terms of what it can deliver, so that small or further increases in demand can result in a disproportionate increase in breaches.

Nuffield Trust present a gloomy view of NHS finances

This report from the Nuffield Trust aims to assess the state of NHS finances at the end of the 2013/14 financial year. It highlights that while the NHS has so far coped well with its budget limitations, it is finding it increasingly difficult to do so. Provider trusts' financial position is described as "weak and declining" and commissioners are finding it more difficult to balance their budgets. Further deterioration is predicted in the coming years

KPMG and Nuffield Trust look at need for 'evolution' of primary care

This report from KPMG, in partnership with the Nuffield Trust, describes the increasing pressures on health services across Europe. It highlights the need for "evolution in primary care models" as well as the potential of primary care to drive better care quality. The report argues that primary care is increasingly playing the role of co-ordinator across sectors, but that there are concerns about whether or not it can fulfil this role successfully, particularly in the context of a lack of investment in IT, non-integrated patient records or without the alignment of financial incentives across health providers

King's Fund: Improving NHS care by engaging staff and devolving decision-making

The Kings Fund has released the results of a review of staff engagement, which discusses the potential for the development of employee-owned mutuals in the NHS. It examines approaches to NHS staff engagement and highlights the work of Professor Michael West on the central role of this in creating a culture that provides high quality patient care. It calls for the creation of a range of opportunities to consider the mutual model more widely. It acknowledges that "engagement levels in the NHS are increasing" but highlights concern over levels of variation and argues that existing mutuals in healthcare have higher scores than conventional organisations.. The review also calls for new approaches to be piloted to allow employee mutuals to develop further in the NHS

National Audit Office : Out-of-hours GP services in England

This report examines the performance, oversight and assurance arrangements for out-of-hours GP services and how these services are integrated with other urgent care provision. It finds that although some clinical commissioning groups (CCGs) are achieving value for money, the same cannot be said about the commissioning of out-of-

hours GP services across the board. The report concludes with recommendations for NHS England and CCGs

Dr Foster Intelligence : Mortality Measurement - the case in favour

A report from Dr Foster Intelligence has responded to criticisms of the use of mortality rates as a measure of hospital quality. It argues that we must learn to accept a multidimensional approach to measuring healthcare, given the complexity of this area. Mortality rates are not positioned as the best measure of quality, but it is argued that they should be part of a range of evidence used to judge quality and safety

7 Consultations

Monitor and NHS England on proposed changes to the NHS payment system

Monitor and NHS England are seeking views on proposed changes to the NHS payment system. The proposals for the 2015/16 national tariff are designed to help maintain financial discipline while promoting high quality care for patients in tough economic conditions and encourage a speedier expansion of innovative patterns of care to meet the needs of patients.

Care Quality Commission (CQC) on legal requirement to display ratings

Hospitals, care homes and GP surgeries could be legally required to display their Care Quality Commission ratings to help patients make more informed choices about where they go for care. The Department of Health said the public should have ready access to this information as it launched a consultation making it a legal requirement for hospitals, GPs and care homes to publish their CQC rating in a visible place, such as at the entrance or in waiting rooms

Sir Robert Francis independent review on freedom to speak

Sir Robert Francis QC is currently leading an independent review into creating the open and honest reporting culture in the NHS. The Freedom to Speak Up Review will gather information through inviting anyone with an interest to share experiences and ideas; conducting research projects and holding a number of seminars with individuals and relevant organisations to discuss issues and emerging themes. Using the evidence gathered, Sir Robert will make recommendations to the secretary of state for health.

8 News Headlines

NHS to look at how other countries deliver care

The Daily Telegraph reports that hospital watchdogs have announced plans to examine the way care is delivered in other countries, including the US, France, Germany and Canada, and recommend changes which the health service could introduce. Monitor said its experts will examine systems used by other countries, including the use of remote intensive care units which are common in the United States

Chief secretary to treasury says there is a 'strong need' for public sector pay restraint

The Daily Telegraph reports that Danny Alexander, the chief secretary to the treasury, has written to NHS pay review bodies warning that the "case for pay restraint remains strong" and that the government intends to rule out a 1% all-round pay rise for NHS workers in 2015/16.

New medic role to ease NHS pressures

The Times reports that patients will soon be treated by science graduates with two years' intensive training – compared with the seven years it takes to become a doctor – qualified as a new class of medic known as “physician associates”. They will work in local surgeries and hospital emergency wards under government plans to relieve pressure on the NHS. They will carry out many of the same roles as junior doctors, and although they cannot prescribe drugs, they will prepare prescriptions for doctors to sign off. Health secretary Jeremy Hunt believes that establishing a new profession, sitting between nurses and doctors, will be a cheaper way of helping the NHS cope with rising demand.

Patients ‘need a bigger say in their care’

Mind, Macmillan Cancer Support, the Alzheimer’s Society and 70 other charities have written to the Times calling for patients to receive better information to make their own decisions about treatment, and that doctors must be trained to help them do so. The charities urge the next government to provide “consistent leadership, more funding and stability” and warn against “more radical structural reorganisations,” saying that instead, the government should focus on “co-ordinating everyone’s efforts, so that statutory bodies, voluntary groups and local communities can work together”.

Elderly spending weeks too long in hospitals due to lack of housing, warns Age UK

Age UK has warned that vulnerable elderly patients are waiting weeks in hospital because of a lack of suitable housing, reports the Independent. The charity said patients who needed home adaptations such as grab rails and ramps were having to wait on average 27 extra days to go home from hospital. Last year, a total of 44,000 days in hospital, at a cost of £11.2m, were caused by delays in adapting a home, Age UK said. In a new report, the charity has called on the government to guarantee that all new homes are built to the “lifetime homes standard” so that they can be easily adapted to the needs of elderly and disabled residents. The charity also recommended that all older patients are offered an automatic assessment of their home when they make contact with health services.

Cancer services are ‘close to collapse’, charity warns

The Daily Telegraph reports that for the first time since it was introduced in 2009, the national target of 85% of cancer patients starting treatment within 62 days of referral by their GP has been breached, according to a report commissioned by Cancer Research UK. The report found a leadership ‘vacuum’, surging demand, squeezed budgets and fragmentation of services across different organisations. Experts fear that the strain will start to affect survival rates that have been improving. The charity commissioned Health Services Management Centre at the University of Birmingham to conduct interviews and surveys with clinicians, commissioners, GPs, public health experts and patients

Big care home chains to face new inspections

The Independent on Sunday reports that the CQC’s chief inspector of social care, Andrea Sutcliffe, has announced plans to improve scrutiny of Britain’s big care home chains, to prevent financial problems from leading to poor or dangerous care for elderly residents. Under the plans, if a single care home run by a larger group is found to be inadequate, it could trigger an urgent, wider look at other care homes run by the same company. A new system of inspections will see England’s 10,000 care homes rated as either outstanding, good, requires improvement or inadequate. So far, trial inspections

have revealed a worrying 30% of homes require improvement, while 5% were judged inadequate.

NHS calls on charities to avert a winter crisis as waiting lists remain high

The Daily Telegraph reports that NHS England is to provide £2million to eight charities, including Age UK, the British Red Cross and the Royal Voluntary Service, to run projects to help keep the elderly out of hospital. It is the first time national funds have been used in such a way. The plans were announced after new figures showed the number of people waiting at least 18 weeks for treatment was at a six-year high. NHS data shows 32,500 patients waited at least that long for treatment in June, while overall waiting lists reached 3.2million.

Thousands of operations cancelled at last minute

The Daily Telegraph reports that figures have revealed that between April and June this year, 15,661 scheduled operations were cancelled for non-medical reasons on the day they were due to go ahead, the highest number for nine years. But the Department of Health said the proportion of operations cancelled at the last minute was only 0.8 per cent, not markedly different from previous years. It said the NHS carried out an extra half a million operations this year as demand is boosted by an aging population and advances in medical care. Most patients whose procedures were cancelled had their operation rescheduled within a month, although 800 had to wait longer.

The NHS will improve only when there is nowhere to hide its failures

Writing in the Guardian, David Prior, chair of the Care Quality Commission, says the CQC will work over the next two years to promote “intelligent transparency”; putting into the public domain clear, easy to understand information about health and social care. This will empower users to exercise choice and prompt professionals to compare their performance with peers, helping to drive up quality standards. Mr Prior writes that standards of care in the NHS are “dangerously” variable, that top-down performance targets have only been achieved short-term and at a “huge cost with considerable damage”. He adds that foundation trusts were created to set hospitals “free” but the “chains of habit were too strong and they continued to look up to the centre, not out”. Mr Prior says that intelligent transparency will “give more power to ordinary people and ensure there is no hiding place for hospitals, GPs or care homes that provide poor care.”

Unions say planned trade deal poses threat to NHS

The Guardian reports that three of the UK’s biggest unions have tabled motions at the Trade Union Congress in Liverpool outlining their opposition to the transatlantic trade and investment partnership currently being negotiated between the EU and the US. They claimed the TTIP threatened to make the outsourcing of health services in Britain permanent by allowing US multinationals, or any firm with US investors, to sue the UK government if it attempts to take privatised services back into public ownership. Unite’s general secretary Len McCluskey called on the PM to use his veto to ensure the NHS is not included in the deal.

17 September 2014

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Dear Bridget

Q1 2014/15 monitoring of NHS foundation trusts

Our analysis of your Q1 submissions is now complete. Based on this work, the Trust's current ratings are:

- Continuity of services risk rating - 4
- Governance risk rating - Green

These ratings will be published on Monitor's website later in September.

The Trust has been assigned a Green governance risk rating. However we note the following key risk following our review of the Trust's Q1 2014/15 submission:

- The Trust has delivered a shortfall of £0.7m (47%) against its Q1 recurrent CIP target of £1.5m. The Trust has mitigated the balance non-recurrently, through use of its central contingency whilst new opportunities are identified and developed. If the Trust does not identify recurrent schemes to mitigate this shortfall, there is a risk that the Trust will not deliver its full year financial plan and there will be an increase in the CIP challenge in 2015/16.

A report on the FT sector aggregate performance from Q1 2014/15 will shortly be available on our website (in the News, events and publications section) which I hope you will find of interest.

For your information, we will shortly be issuing a press release setting out a summary of the key findings across the FT sector from the Q1 monitoring cycle.

If you have any queries relating to the above, please contact me by telephone on 020 3747 0099 or by email (Claudia.Griffith@Monitor.gov.uk).

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Griffith', written in a cursive style.

Claudia Griffith
Senior Regional Manager

cc: Professor Michael Luger, Chair
Mr Andrew Copley, Director of Finance