

### CHIEF EXECUTIVE'S REPORT

<b>Name of meeting: Trust Board</b>	<b>Item: 6</b>
<b>Date of meeting: 26<sup>th</sup> March 2014</b>	<b>Enclosure: C</b>
<b>Purpose of the Report / Paper:</b> To provide the Board with information on strategic and operational issues.	
<b>For: Information</b> <input checked="" type="checkbox"/> <b>Assurance</b> <input type="checkbox"/> <b>Discussion and input</b> <input checked="" type="checkbox"/> <b>Decision/approval</b> <input checked="" type="checkbox"/>	
<b>Sponsor (Executive Lead):</b>	Chief Executive
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<b>Risk Implications - Link to Assurance Framework or Corporate Risk Register:</b>	The issues outlined in this report touch on many of the Trusts objectives and risks
<b>Link to Relevant Corporate Objective:</b>	The issues outlined in this report touch on many of the Trusts objectives and risks
<b>Document Previously Considered By:</b>	
<b>Recommendations:</b>	
The Trust Board is asked to note and discuss the updates provided in the report.	

## Chief Executive's Report

March 2014

### 1. Summary

This paper provides the Board with an update on some of the key areas of activity that could impact upon the strategic development of the organisation. This includes Better Care Fund, formation of SWL Pathology and the work going on across SWL London on future plans for delivering services.

It also provides a brief outline of the operational environment and activity since the last Board meeting. Appendix 1 provides information about communications activity.

### 2. External Environment

#### 2.1. Better Care Fund

The Council of Governors will remember a briefing at the last meeting about the Better Care Fund. This is aiming to improve integration across Health and Social Care to reduce admissions to Hospital. The Trust is working particularly closely with both Kingston and Richmond CCG's on these plans. In Kingston the key providers are working closely to develop a new integrated model of care to support the frail elderly in Kingston. Partners include the Hospital, Mental Health Trust, GP's, Community provider Your Healthcare, Social Care and the Voluntary sector (Age Concern Kingston). Proposals are aimed at much more proactively supporting a targeted group of frail people who are at risk of deteriorating and requiring admission to the hospital. There are already successful schemes to do this in Kingston, but it is felt that if a broader group of providers, including Hospital staff such as geriatricians were involved then it might be even more successful. Proposals are very much at an early stage and the COG will be provided with more information as proposals develop.

#### 2.2. SWL Pathology

The Chief Executives on behalf of the Boards of Croydon Health Services NHS Trust, Kingston Hospital NHS Foundation Trust and St George's Healthcare NHS Trust signed an agreement on the 14th March to join their current pathology services together to form a new pathology partnership called South West London Pathology.

The service will go live on 1st April 2014 and will be jointly owned and managed by all three Trusts. It will provide pathology services to two million people across south west London and has been set up as a 'hub and spoke' delivery model, which was recommended as good practice by the Carter review of NHS pathology and the Modernising Pathology in London Programme.

This way of working will improve both the quality and efficiency of pathology services for hospitals and for GPs across south west London. The main hub laboratory will be at St George's Hospital. Spoke laboratories or 'hot labs' will be run at both Croydon and Kingston to manage urgent local work from A&E, maternity, acute wards and theatres. This model will also enable local knowledge and clinical expertise to be retained within each Trust.

The new service will be established in phases and gynae cytology, which is the cervical smear service, will be the first specialty to be fully merged and integrated by 1st April 2014. Microbiology, Clinical Blood Sciences and Histopathology (only Croydon's service, as

Kingston's Histopathology services (which will remain at the Trust) will be phased in between 1st April 2014 and 31st March 2015. Staff who currently work within these services at Kingston and Croydon will have their employment contracts transferred to St George's on the 1st April 2014, and some will then physically move to main hub laboratory as the services transfer.

### 2.3. South West London Strategy

During February 2014 South West London CCG chairs announced that they will be working together to develop a strategy to transform services and improve quality, in light of the fact that the BSBV programme is no longer being taken forward. The CCGs have reiterated that they support the case for change set out as part of the Better Services, Better Value programme and at national level by NHS England's Call to Action. CCGs have indicated that they want services to be commissioned against London Quality Standards and if this means service change in the sector, which they think is likely, this will be subject to public consultation.

Support for the development of the strategy will be provided through a joint programme created by Monitor, the Trust Development Agency and NHS England to provide additional planning capacity and support to local health economies that they believe will struggle to develop aligned plans that address future financial and quality challenges. Eleven local health economies have been identified including South West London. Four workstreams have been identified within the scope of this additional support. Further details including key milestones are summarised below:

1. *Diagnosis – beginning to mid April 2014*  
This workstream will identify the scale of the challenge. Existing analysis will be reviewed alongside interviews with key stakeholders (5-10 individuals per organisation) to understand current plans, model demand under different scenarios, assess the financial position and benchmark to assess the scope for productivity opportunities. A summary report of the outputs will be available by mid April 2014.
2. *Solutions development and options analysis – mid April to end of first week of May 2014*  
This workstream will assess options for the future pattern of provider provision and identify services required to meet future needs. Facilitated workshops will be held with commissioners and providers to agree the diagnosis and potential solutions and then facilitate agreement over the preferred solution. A summary report of the outputs will be available by the end of the first week of May 2014.
3. *Plan development - second week of May to end of May 2014*  
This workstream will provide support to commissioners with finance and activity projections, develop the outline local health economy strategy and ensure providers are reflecting the outputs in their own five year plans and that there is alignment
4. *Critical friend input to development of implementation plan – beginning to mid June 2014*  
During this stage the detailed development of the implementation plan will be led by commissioners and providers, with critical friend input and facilitation from the external support team.

The final report will be available at the end of June 2014, alongside the submission of commissioner and provider individual five year strategies.

The Trust discussed its approach to the development of its five year strategy at the Board development forum during February 2014 and will engage fully with the South West London processes, the outputs of which will inform the final submission of its strategy to Monitor at the end of June 2014.

#### 2.4. Update on Epsom Orthopaedic Centre

Kingston Hospital NHS Foundation Trust is one of the four founding partners of Epsom Orthopaedic Centre (formerly South West London Elective Orthopaedic Centre) and in recent partnership board meetings has been working with the other partners to define the strategic direction of EOC and strengthen the partnership's governance arrangements. Recent progress has included updating the hosts recharge mechanisms.

#### 2.5. Monitor

##### 2.5.1. National Audit Office Report on Monitor

The NAO report published on 26 February 2014 which states that:

*“Monitor has done a good job in regulating NHS foundation trusts. Its processes for assessing NHS trusts are robust and its judgments have mostly been sound. It has helped NHS foundation trusts in difficulty to improve and trusts have regularly taken radical action, such as changing their chair or chief executive, in response to Monitor’s interventions. However, bigger challenges lie ahead for Monitor, as it takes on its significant new responsibilities that stretch across the whole health sector. In addition, as Monitor itself recognises, it needs to adapt how it works with other bodies to tackle underlying local weaknesses that increase the risk of individual trusts failing, either clinically or financially.”*

##### 2.5.2. Monitor Q3 Report on FTs demonstrates that FTs are holding up under pressure

Monitor reports that NHS foundation trusts are performing well in providing quality services to patients in challenging economic times and has coped with winter pressures with few trusts missing the four hour A&E waiting time target than at the same period last year (28 compared to 32). Foundation trusts have also met performance standards for all three elective waiting time targets. However more trusts breached the targets than both last quarter and the same period last year. There has also been an increase in the number of trusts breaching the target for cancer patients to start treatment within 62 days of referral by a GP. Overall the 147 FTs (two-thirds of all NHS hospitals) are continuing to make a surplus (£135m so far this year). However, this is less than was planned (£173m) for this stage of the financial year. The number of trusts in deficit (39) is also more than expected (24), and almost double the same period last year (21). The combined deficit of these trusts (£180m) was higher than expected (£168m) but 60% is attributed to five organisations which are already subject to regulatory action by Monitor. A further 17 trusts have very small deficits. Monitor’s analysis shows that the fall in value of the surpluses across all FTs was more significant in eroding the sector’s overall financial performance than the growth in the size of the gross deficit.

The report also shows that FTs have delivered efficiency savings of £867m so far this year, although this is 18% (£185m) behind what they planned at this stage. Monitor is

asking that all Trusts increase efforts in delivering efficiency savings in order to maintain and improve the quality of care for patients, and ensure the sustainability of services.

## 2.6. Investigations

### 2.6.1. NHS England's commissioning processes

This investigation was the first of its kind to take place under the NHS purchasing rules designed to protect the interests of patients and in this case related to a complaint from Thornbury Radiosurgery Centre (which is owned by BMI) about the process adopted by NHS England to decide which providers should deliver this specialised service which they suggested was not in the best interest of patients.

Monitor has decided that the best way to address the issues raised by the case would be through developing best practice guidance for commissioners rather than making formal findings. NHS England has confirmed that it has now entered into a contract with Thornbury for gamma knife surgery.

### 2.6.2. The Christie Hospital NHS Foundation Trust, Manchester

An investigation has been launched which will focus on whether there has been a breach of licence by failing to operate according to the principles of good governance.

### 2.6.3. Trusts in special measures

Monitor has published a joint report with the NHS Trust Development Authority which finds that significant progress has been made in turning around challenged hospitals.

Special measures which are a package of regulatory tools designed to provide intensive support to challenged trusts, with higher than average mortality rates, was put in place in July 2013 after the Keogh review. At that time 11 NHS trusts and Foundation Trusts were put into special measures and since then a further three have been added.

Of the 244 special measures actions across all the trusts, 82 (34 per cent) have been delivered and a further 127 (52 per cent) are on track for completion within the expected timescale. Monitor and the NHS TDA are holding trusts to account where actions have been delayed.

At a number of trusts, the Keogh mortality review raised concerns around staff levels. In the first three months of the special measures programme alone, trusts appointed nearly 650 more nurses and nurse support staff and over 130 additional doctors.

### 2.6.4 Heatherwood and Wexham Park

Monitor has arranged for Mark Davies, former CEO of Imperial College Healthcare, to provide support to the Trust as Improvement Director. He will provide assurance that any issues preventing the delivery of good quality care are dealt with effectively. He will be employed by and accountable to Monitor, but based on site in a part-time capacity. Mark was also recently appointed as the part-time Improvement Director for Colchester Hospital University NHS Foundation Trust by Monitor. Frimley Park Hospital NHS Foundation Trust has also agreed to begin closer working with Heatherwood and Wexham Park Hospitals prior to a possible acquisition.

Mark Davies will work with both trusts on a series of initiatives to improve the quality of care provided at Heatherwood and Wexham Park Hospitals this will include a medical governance review aimed at tackling longstanding cultural weaknesses at the trust and promoting excellence in clinical care. This review take place in partnership

with Peter Lees (Medical Director of the independent Faculty for Medical Leadership and Management), and Ed Palfrey (former Medical Director at Frimley Park).

2.6.5 Medway NHS Foundation Trust

Monitor has used its powers to make Medway NHS Foundation Trust (which is one of the 11 trusts placed in special measures following the Keogh review) appoint a new Chairman and Chief Executive, ensuring that it has the right leadership in place to address the wide range of significant problems it faces most particularly around A & E performance, a deteriorating financial position and capacity to address issues. It is also taking action to make sure that the new executive team strengthens operational leadership and reviews the trust's strategic prospects over the next five year planning period.

2.6.6 Colchester Hospitals University NHS Foundation Trust

The Royal Marsden has been appointed by Monitor to support Colchester, which is in special measures due to concerns about cancer care, to address issues with its cancer services.

2.6.7 Cumbria Partnerships NHS Foundation Trust

Monitor has secured a formal, legally binding agreement to ensure Cumbria Partnerships NHS Foundation Trust complies with clinical quality standards, offers good quality care to patients and its board has good oversight of how the trust operates as it has some concerns the trust may be in breach of its licence to provide health care services. This follows an independent review which highlighted issues with response to quality issues and appropriateness of the Boards oversight as well as CQC warning notices.

2.6.8 Tees, Esk and Wear Valleys NHS Foundation Trust

The investigation into potential breach of licence, following a CQC warning notice in relation to how patients were treated, has been closed as Monitor could find no evidence to conclude the Trust was breaching its licence.

2.6.9 Monitor advice for commissioners on Walk-in Centres

In the interests of patients, Monitor suggests that any proposal to close or change the provision of walk-in centres should consider the impact on other local services such as urgent care, ambulance, hospital A&E departments, and GP surgeries. They have asked that local commissioners work with NHS England and involve patients when making decisions about the future of walk in centres by conducting surveys, sponsoring discussion forums and focus groups and liaison with local Healthwatch.

### 3. Internal Environment

#### 3.1. Agreement on SLA

The Trust has been meeting with representatives from South London CSU, Kingston CCG and London Specialist Commissioning to set the Trust's (Service Level Agreements) SLA for 2014/15. Steady progress is being made with a number of areas already agreed including baseline, growth and QIPP (CCG-led demand management initiatives). All parties are working to a deadline prior to 31<sup>st</sup> March 2014 to ensure that the agreement is signed on time.

### 3.2. CNST Level 3

The Trust's maternity services have achieved the highest level of safety standards under a robust accreditation scheme for patient safety in maternity. The services recently received a Clinical Negligence Scheme for Trusts (CNST) assessment, which looks at how well the service is organised and governed and how safe the care is. There are four levels and Kingston has been awarded with the highest rating – level 3. The Trust's maternity services were assessed against five standards (organisation, clinical care, high risk conditions, communication, and postnatal and new born care) each with 10 criteria. The assessment process found that the Trust has an effective risk management system in place to support the delivery of quality improvements in patient care and the safety of women and their babies, and that staff take a proactive approach to improving safety. The ranking also has a financial benefit to the Trust with the annual insurance premium paid to the NHSLA by the Trust reduced by £264,000, enabling more funds to be directed towards improving patient care.

### 3.3. Nursing Technology Fund Bid

We have received £68,000 from the Nursing Technology Fund, which will release nursing and midwifery time to care. The money will fund 70 tablet devices and audit software. This will release nursing time by ensuring audits can be undertaken electronically at the patients' bedside. It will also provide nurses and midwives with more real time information that can be used to make improvements. The devices will also be used by our practice development nurses to undertake micro teaching sessions in the clinical areas with staff rather than staff coming away from clinical areas and midwives will be able to do micro teaching with women using the tablets in the community. The fund was established in October 2012 by the Prime Minister to support nurses, midwives and health visitors to make better use of digital technology in all care settings, in order to deliver safer, more effective and more efficient care.

### 3.4. Pharmacy

In line with the Estates Strategy, the Trust has been exploring alternative models of provision of its outpatient pharmacy and homecare delivery service. The current outpatient dispensary is small, with minimal waiting area for patients, and is located at the end of a corridor at the back of the outpatient area. The small area and large volume received in the department often leads to waits for patients, however splitting the inpatient / outpatient dispensaries in order to move the outpatient dispensary to a more appropriate location would not be cost effective for the Trust to fund.

Therefore, and in line with other Trusts in the local area, the Trust has been exploring the option of entering into a contract with a third party pharmacy company to operate its outpatient pharmacy. This would both dispense goods to out-patients and provide a homecare service to patients who receive their drugs at home. As well as providing a cost effective solution to the issues currently facing the dispensary, a further benefit of this model would be that it would enable hospital pharmacy staff to focus on the more complex inpatient service, with pharmacy staff deployed to where they can maximise their value e.g. in specialist clinical areas, patient admission and discharge. The model would also offer the option for a company to retail goods, such as personal care items for patients who have been admitted or over-the-counter medications, which could offer significant practical benefits to our patients. The Trust also has the potential to benefit from a profit share in such a partnership, and there may be some VAT-related benefits in addition.

An initial request for Expressions of Interest demonstrated that a number of commercial pharmacy providers would be interested in such a joint venture. An Invitation to Tender has been despatched to the qualified respondents to test this further; bids will be received mid-April 2014. A small group will be convened to evaluate the responses, which will include detailed written submissions as well as presentations, and to select a preferred provider. This group will include a non-executive director as well as patient representation.

A business plan will be brought back to the Trust Board when tender responses have been received and evaluated. This is anticipated to be in May 2014, with a provisional opening date of the new pharmacy in September 2014.

### **3.5 Membership and engagement update**

A Membership and Engagement committee was set up last year as a sub-committee of the Council of Governors and this committee's main remit is to support the development of the Membership Strategy and its delivery. A key part of that is ensuring that Governors have the opportunity to promote membership and its benefits to the constituencies they serve and that they are helped to do this by the Trust, but also through contacts that they may have locally. A Governor Involvement Matrix has been developed, which contains a number of events and opportunities for recruiting and engaging with members over the next 6 to 12 months. The Assistant Company Secretary and the Membership Manager are supporting this work and will be working with the committee and other governors to ensure that the organisation is represented at key events. The Membership Strategy was last updated in October 2012 and this is now in the process of being refreshed and updated to reflect the fact that the organisation is now a Foundation Trust and this will be presented to the Board for approval in July, following discussion and approval by the Membership and Engagement Committee and the Council of Governors in June.

## **4. Operational Performance**

### **4.1. Service Line Management**

#### **4.1.1. Winter Planning**

A robust plan for winter which was agreed in 2013 remains in operation. The Trust has continued to use its agreed stock of escalation beds in medicine, surgery and orthopaedics with use peaking in January 2014 and dropping slightly in February 2014. A&E performance has been maintained - 95.44% in February 2014 and is expected to be achieved in March 2014.

42% of those attending A&E in February required care in the majors area of the department. This is a consistent picture with December and January. The paediatric attendances as a percentage of total attendances increased in February to 27% having been 25% in the previous month.

The additional staff recruited to support the winter plan, including locum medical doctor, additional therapists, additional discharge coordinators and pharmacy support at the weekends has continued and has been helpful in managing patient flow. An analysis of delayed transfers of care, as compared with the same period last year, has shown that the average length of stay as a delayed transfer of care has reduced by the demand for patients requiring complex discharge planning has increased. This is consistent with the changing demographic and increase in patients over 90 years of age.

Two further locum acute care physicians have been appointed to support the work of the AAU. This takes the number of acute care physicians to 6. Work is now taking place to review the on call rota and establish enhanced consultant input on the wards at weekends.

#### 4.1.2. CRS

Following agreement at the Trust Board meeting in November 2013 to proceed with the deployment of ePrescribing and clinical documentation, the programme team have been working closely with BT and Cerner to ensure the system is ready and with Trust operational and clinical staff to prepare the departments. The deployment will commence on 17<sup>th</sup> March with the implementation of clinical documentation into A&E and REU Casualty.

Lessons learnt from the A&E/PAS upgrade in September 2013 have fine-tuned our approach and as a result more classroom-based training has been undertaken and a dedicated team of floor-walkers will be in place to support the departments for the first 2-3 weeks. The next stage of the deployment is planned to commence on 7<sup>th</sup> April with a pilot of ePrescribing and clinical documentation, initially in the gynaecology and breast ward (Isabella) and from 5<sup>th</sup> May in one of the medical wards (likely to be Keats).

After a pilot period of approximately 11 weeks and contingent on its success, rollout to the rest of the Trust will take place. Currently, the rollout approach is based on wards going live 2/3 at a time with a 2 week training period prior to the go-live. An intensive support team (IST) would provide at the elbow support on the wards for 2 week period post-go-live. The pilots are intended to test the rollout approach, which will then be adapted as appropriate before the trust-wide rollout commences.

## 5. **Communications**

The Team have been working on a number of campaigns and projects since the last Trust Board meeting in January, in particular the installation of patient information screens, launch of the new Trust website and developing plans for the Trust open day in June. Other projects include:

- SW London Pathology communications;
- Co-ordinating and promoting the Monthly Staff Excellence Awards process;
- Production of Team Briefing;
- Collating and drafting Annual Report

On a daily basis the team also monitors news sites, updates on our social media feeds (Twitter and Facebook) and compiles staff emails/updates. The number of followers we have on Twitter is now 4,700 and facebook likes is 811.

### 5.1 Patient Information Screens

34 information screens have been installed throughout the Trust to provide patients with useful information about the Hospital. The screens are located at the entrance to every ward, outpatient clinics, Royal Eye Unit, Maternity and A&E. The ward based screens will display a range of information, including daily nurse staffing levels, which is a national requirement from the 1 April and formed part of the Government's response to the Francis Inquiry Report, contact details for the nurse in charge, patient safety indicators and Friends and Family Test scores. The screens in outpatient clinics, A&E and maternity will include information specific to the patients and visitors in those areas.

## 5.2 Hospital Open Day

The Trust's first ever Open Day will be held on Saturday 14th June. The open day will provide the local community with the chance to see the 'behind the scenes' aspects of the Hospital and for departments and services to promote the work they do to the public. There will be an emphasis on getting involved with and supporting the Hospital and people will be asked to help through volunteering, fundraising and membership.