

CHIEF EXECUTIVE'S REPORT

Council of Governors	Item: 6
Date of meeting: 22 nd January 2019	Enclosure: C
Purpose of the Report / Paper:	
To provide the Council of Governors with information on strategic and operational performance, issues and risks.	
For: Information <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Discussion and input <input checked="" type="checkbox"/> Decision/approval <input type="checkbox"/>	
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Recommendations:	
The Council of Governors is asked to note and discuss the updates provided in the report.	

Chief Executive's Report

1. January 2019 Introduction

This paper provides the Council of Governors with an update on performance and key risks that could impact upon the strategic development of the organisation.

The attention of the Council of Governors is drawn to the current key risks for the Trust:

- Winter pressures and the impact on performance
- Financial sustainability
- Workforce recruitment and retention in some specific areas and long term supply
- Possibility of a 'no deal' Brexit
- Capacity to achieve the strategic change needed with partners to transform services in a complex system.

Mitigating actions are described, where applicable, in the paragraphs below.

QUALITY AND PERFORMANCE

2. Operational Performance Targets

The Trust continues to perform well in relation to cancer and RTT. With the onset of winter, the pressures on the hospital are now on the increase. The Trust has held Silver Command in place continuously over the past weeks in order to keep the focus on patient flow through the Hospital. A full surge internal surge incident has been declared on 4 occasions since the beginning of December 2018. This has the effect of concentrating staff time on patient facing activity. The incidence of flu is increasing across the country and we are monitoring this, and Norovirus, very closely. Although the Trust is not meeting the 95% target for A&E 4 hour waits, it is pleasing to note that the Trust continues to perform well in comparison with others across London and nationally even when under severe pressure.

Mortality rates remain consistently low with a SHMI of 0.83. The Trust has also delivered excellent performance against the NICE quality standards for hip fractures – 85% of patients had surgery on the day or day after admission compared to 70.6% nationally. The latest validated performance position against key targets is as follows:

- A&E 4 hour wait – December 2018 – 88.3% (target 95%). Ranked 31 of 131 Trusts
- Cancer 62 days – November 2018 – 95.7% (target 85%). Ranked 2 of 131 Trusts and consistently one of the best performing Trusts in the Country on this measure
- Referral to Treatment 18 weeks – December 2018 – 94.4% (target 92%).

FINANCIAL PERFORMANCE

3. Finance Position - Month 5

The Trust reported a cumulative deficit in year of £4.8m (excluding PSF monies) at the end of M8, which is in line with the year to date forecast. It is worth noting, however, that the Trust continues to experience a significant level of activity over performance particularly driven by non-elective work, impacting on both income and expenditure. In addition, we have seen increased levels of non-elective activity in both December and during the beginning of January which will not yet be reflected in the financial position.

We remain confident that the Trust will achieve its £6m deficit Control Total in 2018/19. Our view is after taking account of known issues such as below plan levels of FIP delivery and medical staffing related cost pressures.

The most significant financial risks to the year-end position relate to unforeseen adverse financial consequences of winter although we have been prudent within our expenditure forecast. At a local system level we are in the process of finalising a settlement for year which will provide us with a degree of certainty and assurance that the commissioners' will be able to pay in line with our expectations.

Capital spend year to date remains broadly in line with plan.

Regent's Wing

We are progressing with our plans to dispose of Regent Wing by the end of 31 March. We intend to remain in the building for up to 24 months following the sale while we work to bring on stream appropriate alternative accommodation.

Esher Wing Tiles

Governors will have seen that we are in the process of removing the tiles from Esher Wing with the intention that the exposed areas will be re-rendered in a scheme that is consistent with the rest of the building. We anticipate the works will complete in the summer.

2019-20 Business Planning

NHSI and NHSE wrote to all Clinical Commissioning Groups and Trusts in October 2018 outlining their approach to operational and strategic planning to ensure organisations could make the necessary preparations for implementing the NHS Long Term Plan, which was published at the start of January 2019. National planning guidance was published in mid-January 2019, which makes it clear that providers all need to transform the way in which healthcare is delivered. The guidance reflects the vision of the Long Term Plan with the focus on integration and delivering services in a different way with new workforce models and a greater use of technology underpinned by new

financial models. Providers are required to transition from planning at an organisational level to a “system” level. During the first half of 2019-20 all Sustainability and Transformation Partnerships (STPs) are expected to agree their strategic plan for improving quality, achieving sustainable balance and delivering the NHS Long Term Plan. As part of the process each system will need to develop their 5 year plan by the summer of 2019. The Trust’s 2019/20 Annual Operating Plan, due to be submitted in March 2019, will be aggregated by STPs and accompanied by a local system operational plan narrative.

It is unlikely any financial settlement will result in more funding for the locality and the Trust. The current tariff consultation indicates funding will be moving away from London to the regions and that any “new funding” has already been committed. It is therefore reasonable to assume that the financial challenges in 2019/20 will be similar to those in 2018/19. This will therefore require a continued focus on efficiency and standardisation, to ensure the financial sustainability of the Trust within the shifting local landscape.

Business planning for 2019/20 was launched at the Senior Leaders Forum in November 2018. Clinical divisions and corporate departments have been asked to develop their plans for sign off at the end of March 2019. The outputs from the business planning process will support the development of the Annual Operating Plan for submission to NHSI. The National Planning Guidance set out the timeline for the development of Operating Plans with an initial submission focusing on activity and efficiency which was submitted on 14th January, a draft submission due in mid-February 2019, and the final submission at the start of April 2019. The final draft submission will be shared with the Council of Governors Strategy Committee and the Council of Governors in March 2019, prior to sign off by the Board at the end of March 2019.

WORKFORCE

4. Workforce Targets

The Trust Workforce performance continues to be very positive with the following data recorded for December. The Trust target is in brackets:

- Vacancies 7.28 % (6%)
- Turnover 14.39 % (15.75%)
- Sickness 2.03 % (2.7%)
- Stability 87 % (85%)
- Appraisal (78 % (90% at year-end)
- Flu 76 % (75%-target met)
- Staff survey response rate 58.1 % (better than 52.8 5 being last year’s score)
- Stat and Man training 71 % (85%)

Of these the turnover, stability, sickness and staff survey scores are very good when compared across London and sickness is the lowest in London. Appraisals need a little more work to hit target. The Stat and Man training score ,whilst improving ,is still disappointing and the one outlier KPI.EMC are prioritising improving compliance as a top priority for January-March 2019.

Executive recruitment

A major focus in this period is recruiting a new CEO, following Ann Radmore's announced departure at the end of March; a new Director of Workforce, with Kelvin Cheatle leaving at the end of April; and a new non Executive with Joan Mulcahy leaving at the end of May.

The search process for a new CEO has begun with selection due to be held in the Hospital on 6th and 7th March. The process to secure a new Director of Workforce (now termed Director of People) is at an advanced stage with selection planned for 16th and 17th January .The Council will be briefed on the outcome at their meeting .A process to secure a new Non Executive is also now underway.

Brexit

The Trust completed and submitted a risk assessment as part of an EU Exit NHS Trust Contract Review process led by the Department of Health and Social Care. Guidance arising from central assessment of this information is due in January 2019. The Trust Board received a report on the Trust's risk assessment on 5th December 2018. The key areas of risk for the Trust are access to medicines and medical devices in case of shortage of supply and access to workforce in the event that large numbers of staff originating from the EU decide to leave the UK.

Further guidance was issued to providers and commissioners on 21st December 2018 and a gap analysis has been conducted against the actions requested. Scenario testing of the use of business continuity plans against the key risk areas is to be completed by the end of February 2019.

The Director of Corporate Governance has been appointed as the SRO for Brexit within the Trust and is leading a Brexit Risk Assessment Group, working closely with the Trust's existing Emergency Preparedness team. Assurance reporting and escalation will be through the Executive Management Committee to the Trust Board internally. Externally, local, regional and national response units are in operation.

The Trust has continued to support is 340 EU staff, led by the Director of Workforce.EU staff wishing to apply for settled status were encouraged to apply using the Home Office Pilot scheme. The Trust facilitated IT access for the scheme and have agreed to pay the £65 application fee. Over 60 Trust staff have so far accessed this offer.