

## **BOARD OF DIRECTORS**

**SEPTEMBER 2018**

## **CHAIRMAN'S REPORT**

### **Introduction**

The emphasis this month is again on planning both nationally and locally and their importance for the NHS and South Tyneside NHS Foundation Trust (STFT) and its Partners.

### **The National NHS 10-Year Plan and the South Tyneside and Sunderland Healthcare Group 3-5 year Plan**

The NHS will receive increased funding in real terms of £20.5bn over five years, an average of 3.4% per year overall. The funding uplift unfortunately does not include, Public Health, Training and Education and Capital Spending. Neither does it take account of the significant external risks in particular, pressures in Social Care and how Brexit will impact the NHS. These omissions are fundamental to the NHS's and our own ability to achieve sustainable improvements in the delivery of care. Be that as it may, the approach of a 10 year strategy with a 5 year delivery plan is to be welcomed and work is being undertaken at pace to develop that plan in time for the Autumn Budget.

As with our own 3-5 year plan, it should achieve a sustainable outcome, be realistic, deliverable, and be underpinned by a credible workforce strategy. To secure a sustainable recovery plan, the Trust and its Partners will be discussing the submission of that Integrated 3-5 year plan which together with a capital planning bid will form part of our broader proposals within the South Tyneside and Sunderland Healthcare Group (the Group) and will underpin the Business Case to the Regulator, NHS Improvement (NHSI) for the Merger option.

### **Brexit Sustainability and Transformation Partnerships / Integrated Care System (STP/ICS)**

Not surprisingly, Brexit is dominating the Governments agenda at this time, almost to the exclusion of anything else including the NHS and a satisfactory conclusion to those negotiations with the EU continues to be most uncertain. NHS Providers has continued to press the Centre to put in place contingency plans in the event of no formal arrangements being agreed on exit from the EU. There is now some initial reassurance of continuity in the supply of drugs, in key staffing and other essential requirements to avoid increased risks in patient safety. However the view of NHS Providers is that there remains a serious risk to the NHS. The Board must therefore take all reasonable steps to mitigate that risk to the Trust to maintain patient safety.

The Chief Executive and colleagues continue to make progress within the STP/ ICS framework in strengthening collaboration on that medium term 3-5 year plan with the CCGs and other providers including North Durham.

## **Winter Pressures**

At the NHS Providers Network meeting held 20<sup>th</sup> September, I raised the apparent reduced emphasis from the Centre on planning for NHS winter pressures, which was given such high priority last year. The preoccupation with the impact of Brexit was mentioned as a possible explanation. Thankfully, more locally, planning is well underway and the plans will be presented and discussed at the Board Workshop on the 9<sup>th</sup> October. STFT working with City Hospitals Sunderland FT (CHSFT) within the Group will establish a clear plan to manage the 2018/19 winter pressures which will surely arise. We are acutely aware that demand continues to increase and this is being experienced throughout the year.

## **The Merger option**

Progress in planning the various steps with the transaction is being made on several fronts including through the work of the Merger Working Group. Due Diligence work is well underway, including the involvement of KPMG in the Culture assessment work. The process of staff and stakeholder engagement conducted throughout the summer ends on 28<sup>th</sup> September. The findings from these various steps will be incorporated in the Full Business Case for merger, which is currently being developed.

The two Joint Governor Working Groups met for the third time on 21<sup>st</sup> August to consider the process and constitutional matters respectively linked to progressing the merger option. Each Group has formulated recommendations to the Councils of Governors on how Governors will be engaged leading up to the decision making phase as well as recommendations regarding the size and composition of a new Council of Governors, should the Merger transaction be approved and completed.

A Governor Workshop was held on the 30<sup>th</sup> August to inform Governors of the details of the strategic case for merger, and the response from NHSI.

## **Clinical Services Reviews (CSR)**

The Secretary of States ruling on the CCGs' decision on CSR Phase 1 based on the findings of the Independent Reconfiguration Panel was communicated to the Trust earlier this month. The Trust has been advised by the CCG that leave to appeal has been granted for the Judicial Review in the High Court. The Hearing is to be held in the High Court in London in mid-November 2018.

The Executive Team is managing a broad-spectrum of engagement now including the CSR Phase 2 in advance of the formal consultation process, which will be undertaken in 2019.

## **Performance**

### Finance

The amended Control Total subsequently issued by NHSI is stretching and is proving to be potentially realistic so far and which if achieved in 2018/19, would secure at least part of the Provider Sustainability Fund (PSF) for this year.

Financial performance as set out in the Director of Finance's report has been strong so far this year and ahead of plan, though the Trust continues to be supported by Interim Loan Support. A further draw down was approved earlier this month.

### Clinical Performance

The position is generally very positive with the exception of Cancer 2-week waits. A&E 4-hour target is again at 95.5%. The Teams should be congratulated for this excellent performance.

### **The CQC Action Plan**

The Board should examine carefully at this meeting the status of actions taken and the pace of progress in complying with the requirements of the CQC Inspection Report.

### **The Gosport Independent Panel Report**

This very important report of the Independent Panel was published in June 2018 into the premature deaths of hundreds of elderly patients at Gosport War Memorial Hospital. The Trust has shared this widely with clinical managers and at Haven Court and they have carefully examined this report and the very serious findings to ensure that appropriate safeguards are already in place.

### **Trust Events**

The Falls Team has worked hard during the past year implementing the Falls Strategy to prevent and manage patient falls within the Trust. On the 26<sup>th</sup> August they marked the anniversary of introducing the strategy, which has resulted in a reduction in harm levels as a result of patient falls.

The Annual Members Meeting/Annual General Meeting (AGM/AMM) was held on 17<sup>th</sup> September and was well supported. I am most grateful to all who contributed to this most important event in the Trust's calendar. In addition to the reviews of 2017/18 including the financial performance and Quality Report, the Chief Executive presented a look ahead to this year. After the AMM/AGM, the meeting received excellent presentations on the work of the Ambulatory Care Team and Nephrology Service.

The 19<sup>th</sup> September saw the launch of the Trusts Dementia Strategy, which is of enormous importance. The population is aging and given the increases in patients suffering from dementia it is vital that the Trust, working with CHSFT support our patients and staff to understand how best to deliver the right compassionate care now, and in the future. The strategy addresses the key aims and objectives to achieve that outcome.

### **The Health and Wellbeing Board**

The Health and Wellbeing Board met on the 12<sup>th</sup> September. The most recent statistics showed very significant improvement in the trend in levels of smoking in pregnancy. This is excellent news and great credit to the maternity teams.

The Trust was asked at the meeting along with other partners to write to the Exchequer Secretary to the Treasury to express concerns about the impact of recent cuts in alcohol duty

and to ask the Government to increase duty in this year's budget. The reason being that cheap alcohol harms the most vulnerable in society particularly in deprived areas like those in the North East. In South Tyneside we have the highest rate of admission episodes for alcohol related and alcohol specific conditions in the region. In England alone, there are more than one million admissions and 24,000 deaths related to alcohol each year.

This is a very important health issue affecting our communities and I believe this should be supported. I ask that the Trust Board delegate responsibility to the Chairman and Chief Executive to respond to the Council's request for support.

## **Conclusion**

It is important that the Board is confident that the various strands of planning, which are under consideration, are realistic and deliverable and covered by appropriate governance processes. The coming months are likely to be the most challenging so far, because of the complexity and range of tasks to be completed.

The indicators at this stage are positive but it is also important to recognise the risks. These exist both financial and clinical, including the mounting pressure on those services which depend on the outcome of the judicial challenge hearing in the High Court in November, which may affect not just the implementation of CSR Phase1, but also progress with of CSR Phase 2.

Steady progress towards achieving sustainability in the delivery of the right healthcare for our patients will depend on effective, responsive and flexible planning. As ever I offer the Board's thanks and strong support to the Chief Executive and his colleagues in managing these challenges.

**Neil Mundy**  
**Chairman**  
**24th September 2018**