

To: The Board

For meeting on: 27 September 2018

Agenda item: 5

Report by: Ian Dalton, CEO

Report on: CEO's report

Introduction

1. Since my last report to the board, we have entered the time of year where detailed operational planning for the winter period takes place and I have been working closely with my teams to prepare for the coming months. With colleagues in NHS England, we have also made substantial progress in developing the Long-Term Plan for the NHS and in our Joint Working Programme.

NHS Delivery

Winter delivery

2. Significant effort is going into ensuring the NHS is prepared for this winter and we are making real progress in delivering the transformation in emergency and urgent care that is needed.
3. Extensive winter planning is underway within the NHS. This month we published our winter review for 2017/18 which reflected on the challenges of the previous winter and outlined our priorities and key deliverables for this coming winter:
 - a. We are investing new capital to increase bed capacity;
 - b. We have asked mental health trusts to work closely with their acute trust to help deliver significant improvements to A&E care for these vulnerable patients;
 - c. Work continues on reducing the length of stay for long stay patients in hospital. The national ambition is to free up 4,000 more beds before winter and this had resulted in 1,697 beds released at the end of Q1; and

- d. Last year saw an improved uptake in flu vaccinations in health care workers, this year we are going further than before with additional steps being taken to protect patients.

Urgent and emergency care

4. Continuing demand growth in A&E departments means performance is not the level we would want and we therefore need to do better. However, despite a 3.2 per cent growth in the number of people attending A&E, thanks to the continued hard work and dedication of staff, A&Es have succeeded in treating more patients within four hours compared with last year.
5. Acute trusts continue to face high levels of bed occupancy; whilst this is similar levels to last year analysis shows this needs to be lower in order to support the four hour target and winter pressures. Delayed Transfers Of Care, are now consistently below 4 per cent and 7+ length of stay patients are also improved at around 40,000 patients.

Elective care

6. There has been a significant increase in patients waiting more than 52 weeks with 3,464 patients were waiting more than 52 weeks. In August, I wrote to trust chief executives emphasising the focus on long waiters and delivery of the elective plan. We are committed to reducing the number of patients waiting over 52 weeks by at least 50 per cent with the overall objective of getting close to zero. Whilst a challenging ambition, in recent weeks, we have seen a welcome reduction in the number of long waiters and hope to see continued sustained progress.
7. In comparison to previous years, the NHS has seen very significant increases in referrals for suspected breast (15.9%), skin (16.6%) and urological (26.1%) cancers. The NHS has treated more patients within 62 days in comparison to previous years; nonetheless there has been a decline in the achievement of cancer standards relative to a more steady-state level of performance in 2016/17.

Finance

8. At the end of the first quarter of 2018-19, trusts across England were £814 million in deficit, which is £22 million better than planned at the beginning of the year. At the end of the first quarter, trusts were projecting to end 2018/2019 £519 million in deficit. We have been working with NHS England to identify actions which will result in a balanced plan for the NHS as a whole. This is also the first year we have included the 'underlying deficit' of the provider sector in the report, which trusts have reported as £4.3 billion. This reduces to £1.85 billion if the Provider Sustainability Fund (PSF) is treated as recurrent.

Challenged Trusts

9. There are currently 21 providers in special measures:

- a) four providers are in special measures for both quality and finance;
 - b) ten providers are in special measures for reasons of quality only; and
 - c) seven providers are in special measure for reasons of finance only.
10. Since the Board last met, Queen Elizabeth King's Lynn NHS Foundation Trust has entered special measures for quality. This was following a CQC visit with concerns found in urgent and emergency care, maternity and medical care. No providers have exited special measures since the last report however there are several providers who have the potential to exit in the next 12 months.
11. Earlier this year we commissioned Deloitte to carry out an independent review focusing on the effectiveness of board leadership and governance at Barking, Havering and Redbridge University Hospitals NHS Trust in London. The review findings were publishing in August. The review concluded that there were a number of factors that contributed to the trust's financial situation, including:
- a) low levels of transparency in financial reporting;
 - b) poor escalation of risks;
 - c) silo working at an executive director level;
 - d) weaknesses in board oversight; and
 - e) and an absence of proactive chief executive leadership.
12. I am confident that with the right focus the trust can exit special measures for finance while continuing to make quality improvements; and the review highlights lessons that we should learn from and we are actively progressing around our financial monitoring of providers.
13. St George's University Hospitals NHS Foundation Trust recently commissioned a review of its cardiac surgery unit by Professor Mike Bewick. Following on from the findings of this review, NHS Improvement have commissioned an independent scrutiny panel that will support and oversee the trust in making the required improvements to the unit. Sir Andrew Cash has been appointed as chair of the panel and will be supported by a team of panel members with wide-ranging expertise at the most senior level. The panel will advise the trust's board, who will remain accountable for delivery of the required improvements.

Long-Term Plan

14. During the Health and Care Innovation Expo this month, I undertook a session on the Long-Term Plan. To date good progress has and is being made.

There are three key points I emphasised:

- a. Outcomes: The Government has asked, as part of this plan, that we set out 10-year trajectories for improving our outcomes. To do this, we have looked at what we achieve now, and we have honestly challenged ourselves to do better. We are using international evidence, current variations within England and areas where we know we could have better outcomes;
- b. Finance: In conjunction with the 10-year outcomes, we also must have strong, costed, realistic proposals to deliver within the 5-year revenue settlement the

government has agreed. The 3.4% needs to buy clear progress towards the 10-year outcomes goals, but it also needs to deliver financial stability and sustainability for the NHS. An important part of this will be further improvements to efficiency and productivity; and

- c. Process: The process needs to be inclusive. We have identified leaders for each of the 14 work streams (plus four additional jointly lead areas of work on finance, capital, legislation and engagement) who are building working groups to consider a number of cross cutting issues including reducing inequalities, digital and technological opportunities and to ensure that workforce implications are clearly understood and achievable. We have engaged with hundreds of organisations and more than 30,000 individuals to date with significant further engagement planned for September and October.

Joint working programme

15. At the public meeting in common of the NHS Improvement and NHS England Boards in May, both organisations committed to delivering a new model of joint working. Since that meeting, we have been developing the single operating model through which we will make changes to all aspects of our existing organisations – our joint purpose, governance, systems and processes, organisation structures and capabilities, culture and behaviours, and financial set up.
16. This work continues to progress well, and Simon Stevens and I are taking a close personal interest in this work. We are meeting weekly with Emily Lawson and the team to shape the design and delivery of our new approach.
17. Our priorities for the next phase are to look at how we implement the new operating model, particularly whilst we support the sector with winter; and to appoint to the following senior roles:
 - a. National Medical Director;
 - b. Chief Finance Officer;
 - c. Chief Improvement Officer;
 - d. Chief People Officer;
 - e. Chief Commercial Officer;
 - f. Chief Provider Strategy Officer;
 - g. National Director of Transformation and Corporate Development; and
 - h. Regional Director (x7).