North Staffordshire Combined Healthcare NHS
NHS Trust

MEETING OF THE TRUST BOARD

TO BE HELD IN PUBLIC ON THURSDAY 5 JUNE 2014, 10:00AM, BOARDROOM, TRUST HEADQUARTERS, BELLRINGER ROAD, TRENTHAM LAKES SOUTH, STOKE ON TRENT, ST4 8HH

	AGENDA	
1.	**APOLOGIES FOR ABSENCE** *To NOTE any apologies for absence*	Note
2.	**DECLARATION OF INTEREST RELATING TO AGENDA ITEMS**	Note
3.	**DECLARATIONS OF INTERESTS RELATING TO ANY OTHER BUSINESS**	Note
4.	**MINUTES OF THE OPEN AGENDA – 24 APRIL 2014** *To APPROVE the minutes of the meeting held on 24 April 2014*	Approve Enclosure 2
5.	**ACTION MONITORING SCHEDULE & MATTERS ARISING FROM THE MINUTES** *To CONSIDER any matters arising from the minutes*	Note Enclosure 3
6.	**CHAIR'S REPORT** *To RECEIVE a verbal report from the Chair*	Note
7.	**CHIEF EXECUTIVE'S REPORT** *To RECEIVE a report from the Acting Chief Executive*	Note Enclosure 4
	TO DELIVER HIGH QUALITY PERSON CENTRED MODELS OF CARE (Strategic Goal)	
8.	**SPOTLIGHT ON EXCELLENCE** *To PRESENT the Spotlight on Excellence Team and Individual Awards to staff* *To be introduced by the Acting Chief Executive and presented by the Chair*	Verbal
9.	**PRESENTATION FROM THE TEAM SUPPORTING THE INTOXICATION OBSERVATION UNIT** *To RECEIVE a presentation from the Substance Misuse, Intoxication Observation Unit from Ms. Tina Mottram, Centre Manager*	Verbal
10.	**QUALITY COMMITTEE REPORT** *To RECEIVE an update from Mr. P Sullivan Chair of the Quality Committee from the meeting held on 20 May 2014*	Assurance Enclosure 5

11.	**NURSE STAFFING REVIEW** *To RECEIVE a six monthly report on review of nursing establishment from Ms. K Wilson, Executive Director of Nursing and Quality*	Assurance Enclosure 6
	TO BE ONE OF THE MOST EFFICIENT PROVIDERS (Strategic Goal)	
12.	• **FINANCE REPORT – Month 1 (2014/15)** *To RECEIVE the month 1 financial position from Mr. K Lappin, Director of Finance* • **PHASE 2 CONSULTATION RECONCILIATION** To RECEIVE a Phase 2 Consultation Reconciliation report from Mr. K Lappin, Director of Finance	Assurance Enclosure 7a Enclosure 7b
13.	**ASSURANCE REPORT FROM THE FINANCE & ACTIVITY COMMITTEE CHAIR** *To RECEIVE the Finance & Activity Committee Assurance report from the Chair, Mr. T Gadsby from the meeting held on 29 May 2014*	Assurance Enclosure 8
14.	**PERFORMANCE AND QUALITY MANAGEMENT FRAMEWORK REPORT (PQMF) – Month 1** *To RECEIVE the month 1, Performance Report from Mr. K Lappin, Director of Finance*	Assurance Enclosure 9
15.	**AUDIT COMMITTEE REPORT** *To RECEIVE the Audit Committee report from the Acting Chair, Mrs. B Johnson from the meeting held on 3 June 2014*	Assurance Enclosure 10 *To follow*
16.	**SELF CERTIFICATIONS FOR THE NHS TRUST DEVELOPMENT AGENCY** *To RECEIVE for information (as already approved) the Self Certifications for Month 1 for the TDA from Mr K. Lappin, Director of Finance*	Assurance Enclosure 11
17.	**RISK MANAGEMENT COMMITTEE** • *To RECEIVE the Risk Management Committee report from the meeting held on the 14 May 2014 from the Vice Chair of the Committee, Mr. P Sullivan* • *To APPROVE the Month 1, Principal Risk Register Report from Mr. K Lappin, Director of Finance*	Assurance Enclosure 12a Enclosure 12b
18.	**2013/14 ANNUAL ACCOUNTS** • ***To formally adopt the Annual Accounts*** • ***To agree the Management Representation Letter*** • ***To agree the Annual Governance statement*** • ***To note the ISA 260*** •	Approval Enclosure 13 *To follow*
19.	**LOCAL COUNTER FRAUD SERVICE (LCFS) ANNUAL REPORT 2013-14** *To RECEIVE for information from Mr. K Lappin the LCFS 2013-14 Annual Report*	Assurance Enclosure 14

20.	**REGISTER OF INTERESTS** *To RECEIVE for information an update on the Register of Interests from Mrs. S Storey, Trust Secretary*	Assurance Enclosure 15
21.	**A GUIDE TO SPECIAL MEASURES** *To RECEIVE for information a guide to Special Measures from Mrs C Donovan, Acting Chief Executive*	Note Enclosure 16
22.	**TDA ACCOUNTABILITY FRAMEWORK 2014/15** *To RECEIVE for information the TDA Accountability Framework 2014/15 from Mr. K Lappin, Director of Finance*	Note Enclosure 17
	TO BE A DYNAMIC ORGANISATION DRIVEN BY INNOVATION (Strategic Goal)	
23.	**PEOPLE AND CULTURE DEVELOPMENT COMMITTEE REPORT** *To RECEIVE the People and Culture Development Committee report from the meeting held on the 23 May 2014 from Mr. P O'Hagan, Committee Chair*	Assurance Enclosure 18
24.	**LISTENING INTO ACTION** *To RECEIVE from Mr. P Draycott, Acting Director of Leadership and Workforce information on the Listening into Action concept of working*	Approval Enclosure 19
25.	**To *DISCUSS* any Other Business**	
	QUESTIONS FROM MEMBERS OF THE PUBLIC	
26.	*To ANSWER questions from the public on items listed on the agenda*	
	DATE AND TIME OF THE NEXT MEETING	
27.	*The next public meeting of the North Staffordshire Combined Healthcare Trust Board will be held on Thursday 31 July 2014 at 10:00am.*	
28.	**MOTION TO EXCLUDE THE PUBLIC** *To APPROVE the resolution that representatives of the press and other members of the public be excluded from the remainder of this meeting, having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest" (Section 1(2) Public Bodies (Admissions to Meetings) Act 1960)*	
	THE REMAINDER OF THE MEETING WILL BE IN PRIVATE	

A meeting of the North Staffordshire Combined Healthcare NHS Trust will take place in private at 1:00pm, in the Boardroom, Trust Headquarters.

	SERIOUS INCIDENTS & QUARTERLY REVIEW	Assurance
	UPDATE ON CHEBSEY CLOSE	Assurance
	DIVISIONAL RESTRUCTURE PROPOSALS	Approval
	5 YEAR BUSINESS PLAN – DEVELOPMENTS AND REDESIGN	Approval

North Staffordshire Combined Healthcare NHS
NHS Trust

TRUST BOARD

Minutes of the open section of the North Staffordshire Combined Healthcare NHS Trust Board meeting held on Thursday, 24 April 2014 At 10:00am in the Boardroom, Trust Headquarters, Bellringer Road, Trentham, Stoke on Trent, ST4 8HH

Present:

Chairman:

Mr K Jarrold
Chairman

Directors:

Mr T Gadsby
Non-Executive Director

Dr K Tattum
GP Associate Director

Mr A Rogers
Director of Operations

Dr B Adeyemo
Medical Director

Mrs C Donovan
Acting Chief Executive

Mr P Sullivan
Non-Executive Director

Mr P Draycott
Acting Director of Leadership &Workforce

Mr P O'Hagan
Vice Chair

Mr K Lappin
Director of Finance

Ms B Johnson
Non-Executive Director

Dr D Sheppard
GP Associate Director

In attendance:

Mrs S Storey
Trust Secretary / Head of Corporate and Legal Affairs

Mr K Laing
Deputy Director of Nursing

Mrs J Scotcher
Executive PA

Team Spotlight:
Dr M Johnson
Consultant Clinical Pyschologist

Dr P Wood
Clinical Pyschologist

Dr Jane Parker
Clinical Pyschologist

Individual Spotlight:
Michelle Hemmings
Centre Secretary

The meeting commenced at 10:00am.

116/2014	Apologies for Absence	Action
	Apologies were received from Roger Carder, Non Executive Director, Karen Wilson, Director of Nursing & Quality and Jenny Harvey, Staff Side Representative. The Chair welcomed all attendees to the meeting. The Chair also formally welcomed Mr Draycott to his first meeting as Acting Director of Leadership and Workforce. Mr Laing was also noted to be in attendance as deputising for Mrs Wilson.	

117/2014	**Declaration of Interest relating to agenda items** There were no declarations of interest.	
118/2014	**Declarations of interest relating to any other business** There were no declarations of any other business	
119/2014	**Minutes of the Open Agenda –27 March 2014** The minutes of the open agenda of the meeting held on 27 March 2014 were approved as a correct record, with the following exceptions ; **85/2014 – Summary of the Quality Committee meeting held on 18 March 2014** Mr Sullivan, Non-Executive Director, commented on page 10; Quality Impact Assessment of Cost Improvement Programmes (CIP) some rewording to; **'*The committee can provide the Trust Board with assurance about the robustness of the process and will ensure that there are continuing discussions within the committee to ensure that any cost savings do not adversely impact on the quality of services'.*** **85/2014, page 11 – PALS report** – change action from Executive Team to Karen Wilson. **89/2014 – Assurance Report – Finance and Activity Committee Report – 20 March 2014** Mr Gadsby, Non-Executive Director, to reword this section; discuss with Mrs Storey and amended minutes to be circulated to the Trust Board.	**Mr Gadsby/ Mrs Storey**
120/2014	**Matters arising** The Board reviewed the action monitoring schedule and agreed the following:- ***391/13 Meeting with UHNS to discuss integrated care –*** Mr Rogers, Director of Operations, confirmed that the Executive Team had now reviewed the paper to propose setting up a joint team with the UHNS. This now required more senior level discussion and Mr Rogers would report back to the Board in June/July 2014. ***22/2014 Improving Workforce Safety Report –*** On today's agenda. **Remove from schedule**	**Mr Rogers**

	55/2014 – Formal meeting on Transaction Project Board to be arranged – Mr Lappin, Director of Finance, confirmed that he had formally responded by email. On today's agenda. **Remove from schedule** ***85/2014 – PALS/Complaints Report - consideration to be given to bring together various sources of information –*** to be discussed at the next Quality Committee meeting and then at the Trust Board meeting on 5 June 2014 . ***86/2014 – Francis, Keogh & Berwick Report – additional column to be added to the action plan to include 'what will it look like if we are getting it right and how will we know'*** – this had been actioned **Remove from schedule**	**Mrs Wilson**
121/2014	**Chair's report** The Chair began with one of the best known comments by Alexis de Tocqueville the French thinker and historian. The Chair reminded the Board that the most critical moment is one which witnesses the first steps towards reform. The Chair then acknowledged the huge amount of changes that the Trust is embarking on and highlighted the following items: • The Care Pathway work; • Building new relationships with commissioners, other providers, social care; • The CIP programme; • Changing the clinical leadership and management structure; • The Aston programme; • Listening into Action; • Recruitment of the Director of Strategy and Development; • The development of new business; • IT strategy and implementation ; • Renewal of professional leadership;	

	• Health Care Support work Programme. The Chair then highlighted to members the opportunities these initiatives would bring for the Trust both internally and externally. Furthermore, he added that staff needed to be supported throughout and that the Board must continue to support each other through this critical period. Mr O'Hagan also commented that the continual delivery of quality services is paramount and the Trust should not lose sight of that. ***Received***	
122/2014	**Chief Executive's Report** Mrs Donovan, Acting Chief Executive, updated the Board on activities since the last meeting. The key highlights from the report are:- **TDA Strategic Review – Securing a Health Service Fit for the Future** Mrs Donovan confirmed she had attended the official launch of Staffordshire-wide Health Economy Review held on 11 April 2014. It was noted that there are 11 financially-challenged health economies in England, who will receive expert help with strategic planning in order to secure sustainable quality services for their local patients. In Staffordshire, external consultancy has been secured from KPMG, with support from Boston Consulting Group. This work will feed into the five-year plans being developed by all NHS bodies and the final versions of the separate Stoke and Staffordshire Better Care Fund Plans, which are due to be submitted in June 2014 Mrs Donovan also outlined the benefits of the review helping to build and improve significant relationships across all organisations. A programme of work lasting around 12 weeks across four workstreams has now begun, which involves; • A diagnosis of supply and demand; • Solutions development and options analysis, • Plan development; • Implementation. The programme is linked to the North Staffordshire Clinical Pathways Redesign Project Furthermore, it was noted that the agreed pathway for joint LHE working was the Frail Elderly Pathway, workshop to be held next week.	

Clinical Pathways Redesign Project Update
Following the success of the Clinical Summit held in January 2014, Mrs Donovan advised on the progress made with each Clinical Lead implementing their Clinical Pathway group. The aim of the programme is to strengthen integration with both physical care and social care across a number of care pathways aiming at improving experience across the wide range of mental health services for those who live with and/or experience a mental illness. This work will form part of the Strategic review previously discussed and will form part of the evidence for good practice.

Members noted the agencies involved to help develop a culture of working together to improve health and wellbeing.

The Board will continue to be updated on a regular basis.

Learning Disabilities Intensive Support Service
Following last year's NDTI and Winterbourne reports and the need for a new model of care with the closure of Chebsey Close. Mrs Donovan was pleased to confirm that the service specification for the North Staffordshire ISS recently submitted to commissioners has now been accepted.

The ISS is made up of a team of specialist clinical professionals. Their aim is to support people in times of crisis to, avoid them being admitted to hospital unnecessarily. It was noted that this would enable people to repatriate closer to home with expert specialist care.

Electroconvulsive Therapy Services Accreditation
The Trust's Electroconvulsive Therapy (ECT) Service has recently undergone scrutiny by the ECT Accreditation Service (ECTAS) Project Team and Accreditation Committee with regard to its accreditation.

Following which the Trust's ECT clinic has been accredited with continuing excellence for Year 1 of the three year cycle. The accreditation recommendation has also been ratified by the Royal College of Psychiatrist's Special Committee for Professional Practice and Ethics on 3 April 2014.

Congratulations were noted to the ECT team on this continued excellent achievement and good news story.

Trust seeks Service User views
The Trust are carrying out a Community Mental Health survey to find out what people using community mental health services think about the care they receive. The survey will be sent to a random sample of people who have used community based service at the Trust during the last 12 months.

The results will be presented to the Trust Board in the near future as well as being made public on the Care Quality Commission website in autumn 2014. Previous survey results can be obtained by logging onto;
http://www.cqc.org.uk/public/reports-surveys-and-reviews/surveys/

New beginnings
It was highlighted that staff and service users group – New Beginnings from the Edward Myers Unit, are holding an open morning on Thursday, 1 May 2014, between 9.15 am – 12.14 pm. The event is an opportunity to find out more about the work staff do at the Edward Myers and share the experiences of people who have used the centre for addiction issues. The Chair noted that he had had the privilege of attending their first event which he found very moving and impressive and recommended that others take the opportunity to attend.

Personal Health Budgets
With effect from 1 April 2014, all patients eligible for NHS Fully Funding Continuing Healthcare have the right to request to have their funding paid through a personal health budget. The Chair noted that this would provide individuals with more choice of services to best meet their needs and that providers would have to demonstrate their responsiveness.

Brighter Futures to lead Mental Health Inquiry
Brighter Futures are leading an inquiry into the experiences of people living with mental ill health in Stoke-on-Trent and North Staffordshire. The Trust were supporting this and encouraging service users to engage. The findings of the inquiry will be launched at a conference to be held on Wednesday, 4 June 2014.

Received

123/2014	**Spotlight on Excellence Awards** The Chair presented the individual and team spotlight awards to: **Individual Spotlight Award – Michelle Hemmings Centre Secretary, Darwin Centre Children's in Patient Mental Health Service Line** Michelle is the Centre Secretary at the Darwin Centre. This is a crucial role, as Michelle is the first person that visitors see when coming into the centre and as such she has a key role in creating a great first impression and ensuring that all visitors have their needs attended to in a competent and efficient manner. It was noted that there are often times when Michelle works on reception alone, without the help of her Medical Secretary colleagues. At these times, Michelle has to multi task, manning the phones, answering the door, responding to the needs of Darwin Centre Staff and other visiting agencies, often with more than one thing happening at the same time. Her warm, friendly manner and smiling face is a welcome to anyone. For visitors and colleagues alike, nothing is too much trouble for Michelle. She goes out of her way to be helpful and is very considerate when nursing staff are busy, offering to help wherever she can in her polite, cheerful and respectful way. Michelle is very intuitive and responds particularly well to those young people and their parents or carers who are coming to the centre for an initial assessment. Michelle's warm and relaxed character provides the reassurance needed during what can be a very anxious time. The impact of Michelle's approach is that visitors receive first class customer care whenever they come into the Darwin Centre. The welcome provided by Michelle for young people, their parents or carers, multi-agency professionals and our numerous visitors is second to none. Michelle reflects all the trust values, but most evident is the way she values people as individuals when putting them at ease when they are anxious, working together with nursing and other staff to improve the lives of our clients and last but not least, exceeding expectations in her everyday approach. The Darwin Centre would not be the same without her.	

	Team Spotlight Award and Presentation **CAMHS Disability Team - Children with Complex Needs Service Line - Dr Matt Johnson, Dr Pam Wood and Dr Jane Parker** This month's team spotlight Award and presentation is from the Children with Complex Needs Service Line, for the Child and Adolescent Mental Health Service Disability Team. This team provide a community service to children and young people with a significant learning and or physical disability and their families. The team is made up of a range of professions, including Learning Disability Nurses, Psychological therapists an Occupational therapist and clinical psychologists. Children are seen in a number of places, including schools, at home and other community settings. The CAMHS Disability Team have been selected for the Spotlight on Excellence Award because of their consistent approach to delivering high quality services to Children and Young People and their families despite increasing demand and capacity issues. They have successfully implemented a number of initiatives to ensure that families receive the most appropriate service in the shortest possible time. This includes: - The review and signposting of referrals on receipt in the team - A timely initial appointment system - Brief interventions, where appropriate and - The introduction of the Autistic Spectrum Disorder clinic. ***Received***	
124/2014	**Clinical presentation from the CAMHS Disability Team** The Board received a presentation on the work of the CAMHS Disability Team and also a patient story, which was very informative and inspiring. Mr Rogers, Director of Operations, thanked Dr Matthew Johnson for his presentation. He highlighted the scope for further investment into this area and the potential cost savings this already creates. Dr Tattum, GP Associate Director, stated what is really essential and remarkable with this service, is the quality to life improvement; not only for one person, but to their families and extended families. Dr Tattum made reference to his GP practice and how it is quite popular for some parents to self-diagnose their children. These cases are therefore not always referred as the current system could not sustain all the cases. He noted that there may be an opportunity for learning needs for GPs.	

	Mr Laing expressed his admiration for the work the team carry out and what adult services can learn from this service and how we can work with carers. Dr Parker commented that families can experience new challenges during the teenage years both psychological and physical and this can be overwhelming and how their work focuses on transition. Mr Draycott was pleased to see that the team were embracing Aston Team Leaders. Mrs Donovan thanked the team for attending and stated they are obviously an extremely passionate team and congratulated Dr Johnson on completing his marathon in aid of WhizzKids, she suggested a suitable article be published through the Communications Team. She also asked about the transition from the Children's services to Adult services Dr Adeyemo highlighted the important work ongoing with the CAMHS pathway workshop and how the workshop will look at interdependancies. Mrs Storey thanked the team and stated she would link in with the team regarding their comments in respect to responding to media releases and further development of patient information. ***Received***	**Mrs Storey**
125/2014	**Summary of the Quality Committee meeting held on 15 April 2014** Mr Sullivan, Non-Executive Director, provided the Board with a summary report from the meeting held on 15 April 2014 and reported that the committee received assurance in a number of areas. **2014/15 – CQUINS** The Quality Committee discussed how the reporting structures and outcomes will be measured, particularly in respect of the clinical pathway work. **ECT Accreditation** The Quality Committee noted that the ECT service has been accreditated with continuing excellence for Year 1 of the three year cycle (as previously outlined under the CEO Report).	

Policies: -
The Quality Committee received the policy report and recommended ratification by the Trust Board for a period of 3 years:-

- Outdoor Activities Policy 5.14
- Psychological Interventions 4.23
- Dual Diagnosis 1.44
- Dress and Appearance Policy 1.15

Care Quality Commission (CQC)
The Quality Committee received a copy of the inspection report relating to 4&5 Dragon Square Community Unit following the inspection in February 2014. This provided full compliance and assurance that standards are being met in all areas.

The Quality Committee also received a CQC MHA monitoring visit report in respect to Ward 3 following a visit in March 2014. There have been some minor issues which are being addressed and a response will be completed by end of April 2014.

Divisional Reports
Adult Mental Heath, Children and Young People and LD/NOAP divisions – domains all received with no major issues.

Performance Quality Management Framework Report (PQMF) month 12
1. The committee reviewed the performance metrics and the two areas that were under performing.
2. The report noted one possible incident of bacteraemia at Harplands Hospital and that this would be confirmed following a root cause analysis investigation.

Q4 2013/14 PALS/Complaints Report
The Quality Committee received this report and noted the work in progress.

2013/14 Quality Account
The Quality Committee received the first draft of the Quality Account prepared by Ms Wrench. Assurance was provided that the plan is on target to meet the publication date of 30 June 2014. External Auditors will test two quality indicators as part of their review relating to gatekeeping admissions.

	Domain Reports • Patient Safety • Clinical Effectiveness • Organisational Safety and efficiency • Customer focus All received and no issues were raised **Infection Prevention Control Group – Terms of Reference** Approved subject to minor amendments. Mrs Storey noted that the Quality Committee was observed by our External Auditors, KPMG as part of the Quality Governance Assurance Framework review and the Trust Board will receive a report on their findings in due course.	
126/2014	**Financial Performance – Month 12** Mr Lappin, Director of Finance, presented this report and highlighted the headline performance. Headline performance is: • The Trust's draft financial performance is a retained deficit of £0.403m (£0.001m surplus at 'adjusted financial performance') • The initial review prior to the finalisation of the financial position indicates an achievement of CIP of £3.68m against a plan of £3.5m. • The cash balance as at 31 March 2014 was £5.45m • Capital expenditure is £0.266m, which represents an undershoot of £1.374m against the CRL of £1.640m In terms of the overall financial position, Mr Lappin stated that the Trust's position is very credible. The Annual Accounts have now been finalised in readiness for the submission to the TDA. Mr Lappin commented that the Finance Team had been extremely busy and had done well to achieve the deadline. Some debate took place regarding the capital underspend, which was disappointing but the Trust had met the target not to exceed. However Mr Lappin confirmed that there was potential to have future years Capital Resource Limit (CRL) increased up to the amount of historic underspends. However, it was noted that it was important to ensure that we meet our planned capital expenditure in the future,	

	Mrs Donovan noted that for consistency and accuracy it would be helpful to change the word gap to variance in respect to the Cost Improvement section. Mr Lappin stated that the Local Government Pension Review acturial results which were published in mid-April 2014 had not made any material impact, but the detail of this would be discussed at the next Finance and Activity Committee meeting. ***Received***	
127/2014	**Finance and Activity Committee Report – Committee meeting 17 April 2014.** Mr Gadbsy, Non-Executive Director, presented the assurance report to the Trust Board from the Finance and Activity Committee held on 17 April 2014. It was noted that the committee was quorate, however some members of the finance team were absent due to the completion of the Annual Accounts. Mr Gadsby commented that he had now received the Annual Accounts but had yet to give this his full scrutiny. A meeting was due to be held with Mr Gadsby, Mr Lappin and Mr Blaise to go through the accounts in more detail. Mr Gadsby gave assurance that the committee had noted good progress in performance. In terms of Cost Improvement for last year, the Trust did exceed the target, however Mr Gadbsy did note that £0.5m is non-recurrent and this would be a challenge for this 2014/15. A report was received in relation to the progress and development of the Cost Improvement programme for 2014/15. This outlined the progress to-date in identifying schemes to deliver the target of £4.1m. Both Mr Gadsby and Mr Sullivan agreed to meet with the Executive Team to review the details. Other reports and updates were received on the Trust's workforce plan and its implications such as Management of Change programmes and potential redundancy costs. The report showed a net workforce reduction of 44 WTEs as at 31 March 2014. Also noted within the report was 2014/15 CIP schemes by division with regard to the workforce; these equated to approximately 85 WTEs.	**Mr Lappin/ Mr Gadbsy Mr Blaise** **Mr Sullivan/ Mr Gadbsy**

	The Chair thanked Mr Gadbsy for the update and noted the good financial performance which has been achieved by the Trust and thanked all those who had been involved in this. ***Received***	
128/2014	**Performance Report – Month 12 2013/14** Mr Lappin, Director of Finance, presented this report which provides the Board with a summary of performance to the end of Month 12 Of the 133 metrics which the Trust has in place to monitor performance, quality and outcomes there are 130 metrics rated at green, 2 amber (under-performing) and 1 red (significantly under-performing) **Metric 04.1 – Readmission rates (Quarterly)** Concerns were raised and Board members drew attention to the metric assessed at red. However, Mr Lappin commented that this was a reduction in month 12 only and that target for the new financial year has now been revised to 7.5% instead of 7%, so in effect the Trust would have achieved this. Mr Sullivan confirmed that this had been given a great detail of scrutiny at the Quality Committee. Mr Sullivan to address further through the next Quality Committee. Mr Rogers also confirmed progress has recently been made with admission rates and it has been reiterated to staff to only admit where clinically appropriate. **Metric 08.6 – Percentage of staff complaint with mandatory training appropriate to their role** Mrs Johnson commented on the percentage of staff compliant with mandatory training appropriate to their role and the target of 95%. Mr Draycott stated this target was rather unrealistic and had been discussed with commissioners, however commissioners want to keep the 95% target. The progress the Trust had made needed to be recognised. Mr O'Hagan also commented that the target should be recognised as achievable. **Metric 07.3 – Delivery of Capital Programme Income and Expenditure Control Total** Board members noted the amber rating as previously discussed. The Chair stated this was disappointing and that every effort should be made for this year's capital spend to be fully utilised. The Chair thanked Mr Lappin for the report and asked board members to take forward the actions as appropriate.	**Mr Rogers/ Mr Lappin**

129/2014	**Audit Committee Report** Mrs Johnson, Non-Executive Director, presented the Audit Committee assurance report to the Board from the meeting held on 10 April 2014. **2013/14 Quality Account – Project Plan** The Audit Committee received the first draft of the Quality Account in accordance with the project plan. Mrs Johnson commented that the role of the committee is to give assurance to the Trust Board that the process for developing the Quality Account is robust and on track to meet the publication deadline. **201/14 Annual Governance Statement** The Audit Committee received the first draft of the Annual Governance Statement (AGS) for 2013/14 prepared by Mrs Storey, which had been prepared in accordance with TDA guidance. It was noted that the AGS provided a positive statement to the committee and the Trust has not experienced any significant control issues during the year that required declaring within the report. It was also noted that Internal Audit, Baker Tilly, had recently issued their draft Head of Internal Audit Opinion and their findings confirm the Trust has no significant control issues and that significant assurance can be given to the Board that there is generally a sound system of internal control. **Internal Audit Progress Report** Internal Audit had finalised one audit since the previous Audit Committee as follows ; • Complaints – Compliance with Trust Policy (Amber/red opinion). It was noted that there had been a vacancy within the team which had now been filled and good progress is being made in addressing the recommendations. Mr Sullivan noted that the Quality Committee will be closely monitoring progress in this area. Mrs Donovan stated that visibility of trends within complaints would be beneficial for Board members and Mrs Wilson is reviewing how best this information is presented to the Board.	

	External Audit Progress Report Mr Bostock, External Audit was in attendance at the Audit Committee to present the progress report of work completed since the last Audit committee. Mr Bostock reported that he was satisfied with the findings from the initial audit and that he did not expect to identify any significant issues. It was noted that of particular interest and scrutiny this year will be any off payroll and ad hoc payments to staff. **Annual Report on Competition Waivers** The Audit Committee received an annual report on competition waivers which was informative, however members requested that a column be added in relation to the member of staff who had requested the waiver. **Cost Improvement Plan** The Audit Committee were satisfied with the ongoing process to develop and manage CIP Schemes. **Review of the Business and other Board Committees** The committee received the minutes of the following committees for information; • Quality Committee – 18 March 2014 • Finance and Activity Committee – 20 March 2014 People and Culture Development Committee – 17 March 2014 Mr Gadsby made an observation that since the merger with Baker Tilly, there has been no detriment to the services provided by Internal Audit. The Chair thanked Mrs Johnson for acting as Chair to the Audit Committee in the absence of Mr Carder, who is currently unwell. ***Received***	
130/2014	**NHS Trust Development Authority (NDTA) Monthly Self Certificates** Mr Lappin, Director of Finance, presented for approval the monthly NDTA self certification document which declared compliance with all requirements. ***Approved***	

131/2014	**Report from the Risk Management Committee** Mrs Johnson, Non Executive Director, presented the report from the Risk Management Committee held on 9 April 2014. The report noted 11 principal risks with an additional 4 risks escalated from the operational risk register. Committee members reviewed the Q4 2014/15 Principal Risk Register and discussed at length the significance of risks and their mitigations in place and refreshed accordingly. It was agreed to increase the risk rating in respect of developing the Trust's IT systems and the importance of this work going forward. The Chair thanked Mrs Johnson and noted that Board members continue to scrutinise and consider the forward look of risks as well as retrospectively. ***Received***	
132/2014	**People and Culture Development** Peter O'Hagan, Non-Executive Director, presented the summary report from the People and Culture Development Committee meetings which took place on 24 March 2014. **Workforce Service Line Performance** Members reviewed each of the service lines in respect to performance around key workforce indicators**.** Compliance with Statutory and Mandatory training was slightly reduced at 87% this was discussed and actions agreed to address this. **Review of the Committee Effectiveness** The committee has now been established for 12 months and the Chair congratulated members on the efforts made by the committee in taking forward key areas of work that have helped to empower team working. Several recent initiatives were noted as follows ; • Aston Team Leaders • Healthcare Support Work programme • Clinical Pathway work **Dragons Den – Update** The meeting of the People and Culture Development Committee held on 16 December 2013 was a 'Dragon's Den' based session.	

	Mr O'Hagan updated the Board on the ideas put forward as follows ; • Touch Pad Satisfaction – Services for Children and Young People – Due to IT restrictions this is not able to progress. • Improving the Patient experience – At a Glance – Psychosis Recovery – this had been through Capital Investment Group and was awaiting Exec approval. • Perpetuum Mobile – Learning Disability Services – in progress. • Virtual Innovation Hub – Research and Development Team – This was progressing with negotiations underway with Staffordshire University. • Total Recall – Old Age Psychiatry – This investment was moving forward with commissioner support. • Bees – Staff Side – The change in the Executive Team has allowed this to be agreed. Mr Draycott to prepare a paper for next PCD Furthermore, at the close of the meeting the committee discussed Service Line 5-Year vision and received updates in progression of their longer term plans. The Chair noted that the 5 year plan would be discussed at the Board of Directors meeting on 14 May 2014. Mr Rogers also commented that a strategic session had been arranged with service lines facilitated by Andrew Dickinson for 28 April 2014. Mr O'Hagan noted the development of a post discharge app in conjunction with Staffordshire University and the value of this work. The Chair commented that the Trust was extremely fortunate to have two universities situated locally ie Staffordshire and Keele. There is scope for building stronger relationships and other links to enhance key areas. Mr Draycott also noted that Staffordshire University would be relocating to Stoke next year. Mr O' Hagan also noted that a number of the points raised by the Chairman in his opening remarks came under the terms of reference of the People and Culture Development Committee and therefore the importance of the committee and its work going forward, which was acknowledged by all Board members.	

	Received	
133/2014	**Report on the implementation of the Trust's New Safeguarding reporting system** Mr Draycott, Acting Director of Leadership and Workforce, presented this report which details the project implementation of the Safeguard Risk Management System together with the project background, benefits, objectives, implementation and future strategy. The Board noted that the system went live during Q3. Some of the benefits of the system were noted as follows ; • One system in use to record and monitor incidents, risks, complaints, PALS and safeguarding vulnerable people with links between each module. • Triangulation of information • Increased ease in reporting to external agencies • Benefits of shared learning and engaging with services Since the implementation in May 2013, all modules have been implemented and are operational with the exception of the litigation and inquest modules, which has now been purchased and due to commence in May 2014. The Chair noted the progress made and the importance of further investment with the system. Mr Rogers also highlighted to the Board the progress ongoing with the Organisational Safety Committee. ***Received***	
134/2014	**Questions from the public** There were no members from the public	
135/2014	**Any other business** There was no other business to be discussed.	
136/2014	**Date and time of next meeting** The next public meeting of the North Staffordshire Combined Healthcare Trust Board will be held on Thursday, 5 June 2014, at 10:00am, in the Boardroom, Trust HQ.	

137/2014	*** Motion to Exclude the Public** The Board approved a resolution that representatives of the press and other members of the public be excluded from the remainder of this meeting, having regard to the confidential nature of the business to be transacted.	

The meeting closed at 12:05pm.

Signed: _____ Date_____

Chairman

Board Action Monitoring Schedule (Open Section)

Trust Board - Action monitoring schedule (Open)

Meeting Date	Minute No	Action Description	Responsible Officer	Target Date	Progress / Comment
28-Nov-13	391/13 (b)	*Meeting with UHNS to discuss integrated care* , Board to be kept up to date on the discussions being taken forward in relation to this.	Mrs Donovan/Mr Rogers	on-going	Mr Rogers, Director of Operations, confirmed that the Executive Team had now reviewed the paper to propose setting up a joint team with the UHNS. This now required more senior level discussion and Mr Rogers would report back to the Board in June/July 2014. NCSHCT have sent proposal to UHNS. Suggest remove from action schedule
27-Mar-14	119/2014	*89/2014 - Assurance Report - Finance and Activity Committee Report - 20 March 2014 -* Mr Gadsby, Non-Executive Director, to reword this section; discuss with Mrs Storey and amend minutes to be circulated to the Trust Board	Mr Gadbsy/Mrs Storey	05-Jun-14	Completed, remove from schedule
27-Mar-14	85/2014	*PALS / Complaints report* - consideration to be given to bringing together various sources of information. It was agreed that this issue will be addressed and brought back in due course via the Quality Cte	Karen Wilson	05-Jun-14	A proposal will be presented to the July meeting of the Quality Committee meeting and then at Trust Board in September 2014, suggest remove from action schedule
24-Apr-14	122/2014	*CEO Report ; Clinical Pathways Redesign Project Update* - The board will contine to be updated on a regular basis.	Mrs Donovan	05-Jun-14	Part of CEO report. Complete, remove from schedule
24-Apr-14	124/2014	*Clinical Presentation from CAMHS Disability Team* - Mrs Storey stated she would link in with the team regarding their comments in respect to responding to media releases and further development of patient information.	Mrs Storey	05-Jun-14	Discussions have taken place to agree support needed. Complete, suggest remove from schedule
24-Apr-14	127/2014	*F&A Committee Report ; 17 April 2014* - Mr Gadsby commented that he had now received the Annual Accounts, but had yet to give this full scrutiny. A meeting was due to be held with Mr Gadsby, Mr Lappin and Mr Blaise to go through the accounts in more detail.	Mr Lappin/Mr Gadsby/Mr Blaise	05-Jun-14	Completed, suggest remove from schedule
24-Apr-14	127/2014	*F&A Committee Report ; 17 April 2014* - A report was received in relation to the progress and development of the Cost Improvement programme 2014/15. This outlined the progress to-date in identifying schemes to deliver the target of £4.1m. Both Mr Gadsby and Mr Sullivan agreed to meet with the Executive Team to review the details.	Exec Team/Mr Gadsby/Mr Sullivan	05-Jun-14	Completed, meeting has taken place, suggest remove from schedule
24-Apr-14	128/2014	*Percentage of staff compliant with mandatory training- Mr Draycott to review target with other similar Trusts to help inform discussions with commissioners*	Mr Draycott	05-Jun-14	Mr Draycott to provide verbal update at next board meeting

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: Open Trust Board

Date of Meeting:	Thursday 5 June 2014
Title of Report:	Acting Chief Executive's Report to the Trust Board
Presented by:	Mrs Caroline Donovan
Author of Report: **Name:** **Date:** **Email:**	Caroline Donovan, Acting Chief Executive Caroline Donovan 28 May 2014 Caroline.donovan@northstaffs.nhs.uk
Purpose / Intent of Report:	• For Information
Executive Summary:	This report updates the Board on activities undertaken since the last meeting and draws the Board's attention to any other issues of significance or interest.
Which Strategy Priority does this relate to: **How does this impact on patients or the public?**	• Customer Focus Strategy • Clinical Strategy • ~~IM and T Strategy~~ • Governance Strategy • ~~Innovation Strategy~~ • ~~Workforce Strategy~~ • ~~Financial Strategy~~ • ~~Estates Strategy~~
Relationship with Annual Objectives:	To ensure safe provision of clinical services
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	N/A
Recommendations:	To receive this report for information

North Staffordshire Combined Healthcare Trust

Acting Chief Executive's Report to the Board of Directors
5 June 2014

1. PURPOSE OF THE REPORT

This report updates the Board on activities undertaken since the last meeting and draws the Board's attention to any other issues of significance or interest.

2. CLINICAL PATHWAYS REDESIGN PROJECT UPDATE

The Clinical Pathways Redesign Project continues to focus on the design and integration of a number of care pathways that will deliver an improved experience across the wide range of mental health services for those who live with and/or experience a mental illness in the North Staffordshire and Stoke area.

At the heart of the programme is the requirement to deliver integrated care which involves 'joining up' care and support across whole systems at a local level through a process of collaboration, co-operation, and co-production.

The NSCHT Programme Management Board continues to meet to seek assurance internally that the pathway project remains on track. This Board will report internally to the Trust Board and externally to the Commissioning Board.

As part of the initial pathway work, it has become clear that the interdependencies between the different pathways are key. As a result, a development session was held 13th May 2014 for pathway leads to consider the links between pathways and to discuss emerging themes.

In addition to the ongoing engagement with key stakeholders and third/voluntary sector organisations within each pathway, a wider engagement event is planned for 19th June 2014. It is proposed that the following topics will be discussed:

- The vision for each pathway
- Emergent themes
- Partnership working and interdependencies
- Challenges to unblock

3. STRATEGIC REVIEW

The strategic review across Staffordshire, led by KMPG and Boston Consulting, is continuing to progress. The review aims to support the development of an integrated five-year plan that addresses local challenges, in particularly the following two areas which have been identified:

- Ways in which the care of frail elderly people can be improved through greater coordination across partner organisations;
- Whether acute and community beds across the Local Health Economy are used as effectively as possible.

The review covers a range of services and is being carried out across a number of workstreams which have full support from NSCHT, with Dr Buki Adeyemo, Medical Director, leading on the Frail Elderly workstream.

NSCHT representatives will be attending a workshop planned for 13th June, at which KMPG will share their findings to date.

4. 5-YEAR PLAN

In March, 2014, in line with the National Business Planning Rules and Timetable, the Board reviewed and approved the 2014/15 and 2015/16 Operating Plan. The Plan is currently being developed into a 5-year Integrated Business Plan (IBP) for submission to the NHS Trust Development Authority on 20 June, 2014.

The IBP will detail the Trust's plans for service and workforce development and how it will achieve Financial Duties (balance its books).

Given the Trust's current work on the Clinical Pathways Project, the IBP will need to be a live document that is due for update upon both the outcome of this Project and on-going developments.

5. STEP ON UPDATE

At May's Plenary – our senior managers' meeting – staff welcomed a presentation from the Step On Team. The aim of the presentation at Plenary was for Trust colleagues to give more consideration to the Trust as an employer of people with real life experience of mental health services rather than solely a provider of mental health services.

STEP ON is a service which aims to support people into paid employment. This approach originated in America and has been adapted by Shropshire Mental Health Services with The Centre for Mental Health leading to the implementation of the Improve project. STEP ON forms Phase 2 of the 'Improve Project' which comes from the Individual Placement and Support (IPS) approach.

The IPS service, known as STEP ON, is provided in Stoke-on-Trent. The IPS service in Staffordshire Moorlands and Newcastle-under-Lyme is provided in partnership with the 'Making Space' team and is called Work4You.

Evidence shows that when IPS principles are implemented more people find employment, with better outcomes for the service user and for the employer. The main principles of IPS are to:

- get people into competitive employment
- be open to all those who want to work
- find jobs consistent with people's preferences
- bring Employment Specialists into Clinical Teams
- provide time unlimited, individualised support for the person and their employer

6. NEW BEGINNINGS EVENT

I had the honour of opening the New Beginnings Open Morning at the beginning of May – a truly inspiring event which culminated in a tree planting ceremony.

For me, two highlights of the event were the opportunity to hear an inspirational story from service user Shane, a recovering drug and alcohol addict who has managed to turn his life around thanks to the support of New Beginnings. We also then heard a mother's heart-rending story involving the death of her son following a long battle with drug dependence.

As the event drew to a close, members of the New Beginnings group planted a Japanese maple tree on the grounds of the Edward Myers Unit, the perfect way to mark the group's journey so far. As the tree grows, so too will New Beginnings, and its impact on people's lives and their families.

Staff at the Edward Myers Unit are working closely with the group, which formed in April 2013 and is led by those with experience of dependence, who advise on the service and people using the service.

The tree planting was the culmination of a successful open morning for the group which was attended by service users, their family and friends, NSCHT staff and partner agencies.

7. MENTAL HEALTH AWARENESS WEEK

A festival of events was held across North Staffordshire to mark Mental Health Awareness Week. The Moorlands Mental Health Festival took place from May 12-15. It included fun activities and stands from local organisations providing important information on how to manage stress and anxiety.

Coffee mornings were held at Cheadle Council Connect, in High Street, Cheadle, and at Biddulph Resource Information Centre. There was also an Activity Day at Foxlowe Arts Centre in Leek, which provided an opportunity for creative writing, complementary therapy sessions, felting and singing. Visitors were also invited to make their own smoothies while pedalling away on a Smoothie Bike. The aim of all the events was to promote activities which as well as being good exercise, also contributed to well-being, supporting the theme of Anxiety for this year's Mental Health Awareness Week (May 12-18).

The festival was a partnership between NSCHT, Borderland Voices, Rethink, Brighter Futures, Samaritans, North Staffs Users Group, Your Moorlands and the police neighbourhood team.

8. ASTON TEAM DEVELOPMENT PROGRAMME

As a Trust, we are committed to developing our staff at all levels and, in 2014/15, we are taking forwards a Leadership Programme with team leaders, including the Executive Team, called the Aston Team Development programme.

The evidence-based Aston work has demonstrated the clear link between effective team work and service user outcomes. This programme is evidence based and responds to the challenging NHS environment with an emphasis on developing even more effective teams in order to deliver objectives, share good practice and enhance cross team and cross organisational working.

The programme will build on work done in the Striving for Excellence programme and the Team Charters and will be action-orientated. Team leaders at all levels will guide their team members through initial review, relevant team development activities and ensure that plans are in place to monitor and sustain team effectiveness. Through attendance at a series of workshops delegates will be introduced to a number of team assessment and development tools and provided with support to use these. Team leaders will be expected to develop before and after measures to evaluate how well they are working together as a team as the programme rolls out.

The Executive Team considers this development initiative to be a high priority for the coming year and this is reflected in a team empowerment CQUIN reflecting the outcomes of team development in relation to patient care.

The first cohort of the Aston Team Development programme commenced on 31st March and the second cohort met in early May. This programme of team development will roll out across all teams in Combined Healthcare. The aim is for all team leaders to be signed up to this initiative as we know from experience that where team leaders can support each other and provide a buddy network, the outcomes of the programme will be maximised.

9. LISTENING INTO ACTION

I'm pleased to report that the Trust has signed up to be part of the 'Listening into Action' programme. Listening into Action (LiA) is a new way of working and is aimed at removing barriers that get in the way of providing the best care to people who use our services and their families/carers.

Our staff are the people who know what needs to be done on the ground to improve our services. LiA puts them at the centre of change – using their knowledge, ideas and enthusiasm to make changes that have a big impact.

Trusts that have used LiA report that staff feel valued, report better communication and team work, have greater job satisfaction and perform better. However, the most important improvement noted is that as a result of all this, clinical outcomes are improved.

We have worked with the Service Lines to identify representatives to attend a 'Navigation Day' at the beginning of June. Moving forwards, we will be looking to hold 'big conversations' with staff across the entire organisation to ask them what gets in the way of them delivering the very best care for our patients and what changes they think would make the biggest impact.

The aim is to then act on this feedback and used the top ideas from staff to resolve the issues they raised within an identified timeframe.

10. PSYCHIATRIC PATIENTS TO RECEIVE PHYSICAL HEALTH CHECKS

Mental health trusts are to be paid for carrying out assessments of the physical condition and lifestyle of psychiatric patients. NHS England says the scheme, which aims to cut the number of mental health patients who die from heart, liver and lung disease in particular, is the biggest initiative of its kind.

The assessments will look at a variety of indicators including patients' diet, weight, blood pressure and whether they smoke. Inpatients will be among the first to be checked, especially those on anti-psychotic drugs. NHS England estimate that mental health trusts could earn up to £200,000 from carrying out the checks.

This national incentive is being rolled out as a CQUIN for all Trusts since 1 April 2014. However, it is worth noting that NSCHT agreed this CQUIN with Commissioners for 2013/14 – Goal 6, Physical Health - a year ahead of the national mandate, achieving 100% compliance in meeting the indicators agreed. The physical health register is now available on CHIPS and the pathway/guidance has been rolled out across clinical areas. Staff complete a 'physical health check' document at all CPA reviews.

11. TDA PUBLISHES REVISED ACCOUNTABILITY FRAMEWORK

The NHS Trust Development Authority (TDA) has published ***Delivering for Patients: the 2014/15 Accountability Framework for NHS trust boards***, which sets out how the TDA will work alongside trusts to support the delivery of high quality, sustainable services for patients. The Framework sits alongside the TDA's planning guidance and covers its approach to measuring and overseeing NHS trusts; to escalation and intervention; to the provision of support for improvement; and to the way it moves NHS trusts towards a sustainable future.

The refreshed Framework reflects some of the changes to the health and care system over past year, including the development of the new Chief Inspector of Hospitals regime and the 'special measures' process. It also reflects learning from the TDA's first year supporting NHS trusts and the feedback it

has received on its approach. The TDA approaches to measurement, intervention and support have all been adapted to reflect these changes.

While much of the detail of the Accountability Framework has changed, the core principles that underpin it remain the same:

- To set out in one place all of the key policies and processes which govern the relationship between NHS trusts and the TDA, supporting a single conversation between the TDA and trusts.
- To ensure that the TDA's approach is closely aligned with partners, particularly regulators and commissioner.
- To maintain a clear focus on quality, which sits at the heart of the oversight and approvals models and is central to development work.
- To focus on supporting and developing trusts, and improving culture, leadership and governance.

12. NHS ENGLAND MAKES COMMITMENT TO CARERS

NHS England, with input from charities and partner organisations, has committed to give carers the recognition and support they need. In its Commitment to Carers document NHS England sets out how it aims to help carers provide better care and to stay well themselves. The document lists 37 commitments spread across eight key priorities which include raising the profile of carers, education and training, person-centred coordinated care and primary care.

The document has been shared with the Trust's Carer's Team and HR colleagues and will be given due consideration in the way in which the Trust supports those who care for others from both an employer and provider of care perspective.

13. CHOICE OF MENTAL HEALTH PROVIDER AT FIRST OUTPATIENT APPOINTMENT

NHS England intends shortly to launch the guidance on choice of mental health provider at first outpatient appointment. It will be 'interim guidance' for adoption to help implement the new legal right, which came into force at the beginning of April 2014. NHS England will then commence further consultation and engagement with commissioners, providers, GPs, charities and other stakeholders to obtain any additional feedback on how the guidance could be strengthened, before publishing a final version later in the summer.

14. DEMENTIA FRIENDS CAMPAIGN LAUNCHED

Public Health England and the Alzheimer's Society have launched a campaign to encourage people to sign up as Dementia Friends. The campaign aims to recruit one million friends by 2015 through raising awareness of dementia and the things that can make a difference to someone with the condition.

Staff across the Trust will be encouraged to become a dementia friend and to watch a short on-line video.

15. ALL NHS STAFF WILL BE TRAINED TO TREAT DEMENTIA

I welcome the news that Health minister Dr Dan Poulter has announced that specialist training in dementia will be introduced for all 1.3 million NHS workers between now and 2018 to improve the care given to thousands of patients with dementia, as experts claim not enough healthcare workers know enough about the condition.

Dr Poulter commented: "Specialist consultants to look after older people are crucial, but we also need to equip all healthcare staff with the skills and confidence to support people with dementia

and their families" and the chief executive of the Alzheimer's Society, Jeremy Hughes, described the news as "a massive step in the right direction".

A significant amount of training and support is already delivered by NSCHT teams to colleagues across the Health Economy, particularly through areas such as the RAID team. We welcome this announcement to formalise training in this important clinical area and will aim to influence the developing national guidelines wherever possible.

16. REGIONAL INNOVATION FUND NOW AVAILABLE

A Regional Innovation Fund of £2.5 million is now available to promote the adoption of innovation and spread of best practice across the NHS. The fund is open to NHS England, as well as the NHS and Academic Health Science Networks. Bids can be developed alone, or through collaboration with other partners such as providers, local government, the third-sector, private healthcare and industry.

Details of the Fund and how to apply have been shared across the Trust and we will be looking to make the most of opportunities to access external funding.

More details available at http://www.england.nhs.uk/2014/05/06/rif-2/

Caroline Donovan
Acting Chief Executive
28 May 2014

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: **Open Trust Board**

Date of Meeting:	5 June 2014
Title of Report:	Summary of the Quality Committee meeting held on the 20 May 2014
Presented by:	Mr Patrick Sullivan, Chair of Quality Committee
Author of Report: Name: Date: Email:	Sandra Storey, Trust Secretary, Head of Corporate and Legal Affairs 21 May 2014 sandraj.storey@northstaffs.nhs.uk
Purpose / Intent of Report:	• For decision / assurance
Executive Summary:	This report provides a high level summary of the key headlines from the Quality Committee meeting held on the 15 April 2014. The full papers are available as required to Trust Board members
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Customer Focus Strategy • Clinical Strategy - • Governance Strategy
Relationship with Annual Objectives:	Ensure provision of safe clinical services
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	The Quality Committee has an integral relationship with Improving Quality/ Registration.
Recommendations:	• To note the contents of the report • Ratify the policies highlighted in the report

Key points from the Quality Committee held on the 20 May 2014 to raise at the Trust Board meeting on the 5 June 2014

1. Introduction

This is the monthly report to the Trust Board that has been produced following the last meeting of the Quality Committee.

2. Director of Quality Report

Dr Adeyemo presented the Director of Quality Report with notable items as follows:

- **2013/14 CQUINS –** the committee were informed that the Trust had achieved 100% compliance for the first time in respect to CQUINS for 2013/14. All staff involved were congratulated on their efforts in achieving this position. Going forward it was noted that progress was being against the CQUINS for 2014/15. New leads will be assigned where staff are moving post; however, no concerns were raised with regards to underachievement of the schemes at this time.
- **Clinical Effectiveness Annual report –** this report provides details of projects completed and those underway, summarises progress against 2014/14 goals and introduces goals for 2014/15.
- **Clinical Audit Programme 2014/15 –** this has been developed in accordance with the Trust's Clinical Audit Policy. The majority of the work programme consists of work to support the delivery of the CQUINS and other mandatory requirements.
- **Review Operation S135 and S136** - it was noted that the Government is currently reviewing the operation to ensure legislation supports people getting the right support at the right time. Nationally there have been questions over whether it is appropriate to detain people under S135 and S136 at a Police Station, especially young people. The Department of Health and Home Office are seeking views by way of a questionnaire which can be completed by individuals or organisations. The committee discussed the use of this legislation and noted that the conversion rate locally to detention in hospital was low. The use of this legislation has also reduced recently given the introduction of the community triage service.

3. Policy Review

Mrs Storey presented the policy report on behalf of the director leads, which was approved by the committee subject to minor amendment / clarification, for ratification by the Trust Board for a period or to be extended as follows:

- **Listening and Responding – PALS and Complaints 4.26, extend until 30 June 2014**
- **Information Governance Policy and Strategy 7.08 and 7.08a, extend until 31 July 2014**
- **Safe Haven Policy 7.14, extend until 31 July 2014**
- **Lone worker policy R06, approve for 3 years and relocate policy to the Health & Safety folder on the Staff Information Desk.**

4. Performance Quality Management Framework Report (PQMF) month 1

Committee members reviewed the month 11 report and were assured that performance against the Monitor compliance framework and key national targets, are all on target. A range of 121 metrics are in place to monitor performance. There was one area reported as under-performing

(amber) relating to the percentage of staff compliant with mandatory training. The committee discussed the mitigating action plans in place to improve performance for this particular metric.

5. 2013/14 Quality Account

The committee received the second draft of the Quality Account for review by the committee. The committee were given assurance that the project plan remains on target to meet the publication date of the 30 June 2014 and because of the timing the committee has delegated authority to approve this document on behalf of the Trust Board.

6. Reports and Strategy

The committee received and approved the Health Records Management Strategy, Clinical Effectiveness Annual Report 2013/14 and the Clinical Audit Programme for 2014/15.

7. Board to Team Visits Timetable 2014/15

This was received by the committee with an analysis of the visits to be presented to the committee in due course.

8. Serious Incidents – January 2014 to March 2014

The report provided a summary of statistical and trend detail for serious incidents requiring investigation as well as a comparative analysis of incidents for Quarter 3 2013/14. The committee also received the Trust wide circulation of the Learning Lessons bulletin which provided a summary of the key findings from investigations and national guidance for patient safety alerts.

9. Nurse Staffing Review

The committee received a paper outlining the findings and process undertaken to review the nursing establishment across all in-patient settings during April 2014. Although there is no recommended evidence-based tool for mental health trusts, it was noted that this paper represents the best methodology available to the Trust. This paper will be presented to the Trust Board at its meeting on the 5 June 2014 as required by NHS England and the National Quality Board. This review will be completed six monthly and will be submitted to the Trust Board again in November 2014.

The committee discussed in detail the paper which did not raise any significant concerns about staffing levels.

10. Nurse Staffing Performance on a shift by shift basis

This paper outlined the performance of the Trust in relation to the National Quality Board Expectation that Trust Board's receive an update containing details and summary of planned and actual staffing on a shift by shift basis. The paper describes the escalation process in place to manage nurse staffing levels. It was further noted that display boards are being developed that will provide real-time information and will be aggregated across all areas.

The committee approved the approach taken and supported autonomy being given to ward managers to effectively manage staffing resource variation, dependent upon the demands of

patient acuity and needs. Matrons will be accountable for ensuring that patient safety is managed through the deployment of the available nursing resource.

11. Integrated Quality Report

The committee received a summary of the Trust's Integrated Quality Report for the period January to March 2014. The summary provides key points and any exception items drawn from the 54 page report. The bulk of the detail within the overall report was noted to have been presented to the committee in its constituent parts through the quarter 4 report.

12. Risks to Quality of Services

Committee members considered the principal risk report for quality risks at Month 1, noting the risk treatment plans that are in place. This was discussed alongside the divisional reports in respect to their risks that are either emerging or require escalation.

The committee discussed how the presentation and the definition of quality risks could be further strengthened in future and this will be considered for future reports. The committee also discussed the mitigating actions and further information for some of the risks that will provide additional assurance to the committee that the risks are being robustly managed.

13. Divisional Reports

- **Adult Mental Health** – the committee noted that as a consequence of the work undertaken the ligature risk had been revised from the door handles to a more general risk. It was noted that there is a whole trust-wide programme of work ongoing to review and address any environmental risks. Control measures are being reassessed to ensure that they are effective and provide the right level of assurance.
- **Children and Young Peoples Division** – progress being made in appointing a divisional governance lead. It was noted that a concern has been raised at the Darwin Centre about staffing levels and the level of patient need and that this is being addressed by the Executive Group and Divisional Team.
- **LDNOAP** – Management of change commenced in respect to Chebsey Close, staff being supported, retrained, and redeployed as appropriate. Risks in respect to the pipework at Harplands Hospital remains and work is ongoing to mitigate this further.

14. Domain Reports

The committee received each of the domain reports for assurance purposes in respect to:

- **Patient safety**
- **Clinical effectiveness**
- **Organisational safety and efficiency**
- **Customer focus**

15. Overarching CQC Action Plan following inspection visits and CQC Monitoring of the Mental Health Act Overarching Plan

These were received for information by the committee.

Next meeting: 17 June 2014, 2.00pm

On behalf of the Committee Chair, Mr Patrick Sullivan, Non Executive Director

Sandra Storey
Trust Secretary / Head of Corporate and Legal Affairs
22 April 2014

North Staffordshire Combined Healthcare NHS
NHS Trust

Enclosure 6

REPORT TO: OPEN TRUST BOARD

Date of Meeting:	5 June 2014
Title of Report:	Nurse Staffing Review
Presented by:	Karen Wilson Executive Director of Nursing & Quality
Author of Report: Date: E-mail:	Kenny Laing (Deputy Director of Nursing & Quality) 17th May 2014 kennylaing@northstaffs.nhs.uk
Purpose / Intent of Report:	• For review and approval
Executive Summary:	This paper outlines the finding and process undertaken to review the nurse staffing establishments across all Trust in-patient settings during April 2014. It also provides an initial analysis of the data for which was gathered during the review. The report outlines an under-establishment on 6 of the 7 wards at the Harplands hospital and the results of measuring acuity across all the other sites across the Trust. Although there is no recommended evidence-based tool for mental health Trusts, this paper represents the best methodology available to the Trust. This paper describes the content of a paper which needs to be discussed at a Public Trust Board meeting, as required by NHS England and the National Quality Board. This review will be repeated six monthly and is due for submission to the Trust Board again in November 2014.
Which Strategy Priority does this relate to? How does this impact on patients or the public?	• Customer Focus Strategy • Clinical Strategy • Governance Strategy • Workforce Strategy • Financial Strategy
Relationship with Annual Objectives	Supports the delivery of the Trust's Annual Objectives and the delivery of high quality care.

Risk / Legal Implications:	Delivery of safe staffing is a key requirement to ensuring that the Trust complies with National Policy direction
Resource Implications:	Proposed additional costs – outlined within the paper
Recommendations:	Review and approve

NURSE STAFFING REVIEW
REPORT FOR OPEN TRUST BOARD MEETING – JUNE 2014

Purpose

This paper sets out the process, findings and recommendations following the Trust undertaking a review of nurse staffing establishments within in-patient areas which took place in April 2014. This review was undertaken to ensure that the Trust has sufficient nursing capacity and capability in all in-patient areas to meet the needs of our patients.

The Trust is required to undertake a review of nurse staffing establishments every six months and receive the subsequent report into the public trust board. This is described in the National Quality Board (2013) report "How to ensure the right people, with the right skills, are in the right place at the right time. A guide to nursing, midwifery and care staffing capacity and capability*"* and expectations for NHS Trusts further refined in March 2014 in "Hard Truths Commitments Regarding the Publishing of Staffing Data - Timetable of Actions" a document prepared by NHS England and the Care Quality Commission. This document states:

"*The Board receives a report every six months on staffing capacity and capability which has involved the use of an evidence-based tool (where available), includes the key points set out in NQB report page 12 and reflects a realistic expectation of the impact of staffing on a range of factors. This report:*

• *Draws on expert professional opinion and insight into local clinical need and context*

• *Makes recommendations to the Board which are considered and discussed*

• *Is presented to and discussed at the public Board meeting*

• *Prompts agreement of actions which are recorded and followed up on*

• *Is posted on the Trust's public website along with all the other public Board papers"*

Reviewing Establishment Data

All establishment data was reviewed and the nursing establishments were calculated using the following rules:

- Ward managers will work in a supernumerary capacity allowing them to ensure that they can be free to lead the ward and not be providing direct care as part of the nursing team.
- Where members of non-nursing clinical staff were present on the ward establishment, they were excluded from the overall numbers, as they do not contribute to the provision of nursing care.
- Non-nursing ancillary and clerical staff (usually house keepers and ward clerks) were not included, but were considered to adversely impact on nursing establishments

where they were not present (i.e. nurses will have to answer phones, type correspondence in the absence of ward clerk)

- A time-out factor of 24% will be applied to the establishment to ensure that nurses can be released to attend statutory and mandatory training, clinical supervision, other training, annual leave, sickness and other requirements.

Skill Mix

Whilst there is no set acceptable level ratio for qualified to unqualified nursing staff the Royal College of Nursing recommends that a ratio does not fall below a registered nurse to Healthcare Support Worker (HCSW) ratio of 65 to 35.

The high ratio of HCAs to registered nurses has been evidenced to have a negative effect on patient outcomes. This was highlighted in connection to care failings at Mid Staffordshire NHS Foundation Trust. There are established and evidenced links between patient outcomes and whether organisations have the right people, with the right skills, in the right place at the right time. The national nursing strategy 'Compassion in Practice', emphasised the importance of getting this right, and the publication of the report of the Mid-Staffordshire NHS Foundation Trust Public Inquiry and more recent reviews by Professor Sir Bruce Keogh into 14 trusts with elevated mortality rates, Berwick's review into patient safety and the Cavendish review into the role of healthcare assistants and support workers5 also highlighted the risks to patients of not taking this issue seriously.

In his report into Mid Staffordshire NHS Foundation Trust, the National Director for Emergency Access, Professor Sir George Alberti said he recommended a 60:40 ratio in favour of qualified nursing staff. The McKinsey report on NHS cost savings did suggest the Department of Health urgently "limit or remove" mandatory staffing ratios which stipulate the number of registered nurses to patients a ward should have.

For the purposes of this review the Director of Nursing is keen to measure performance in respect to skill mix and a minimum target ratio has been set at 50:50 RN to HCSW. In clinical areas where this has not been achieved, there should be a sound clinical reason why this is not the case.

Measuring Patient Acuity (Need)

There is currently no nationally mandated nursing workforce tool for mental health and learning disability to inform nursing staffing reviews. The National Institute for Health and Clinical Excellence (NICE) has been asked by the Department of Health to undertake an evaluation of the tools which are currently in use and provide recommendations for NHS organisations to use in the future.

During this review patient acuity (patient need) was measured in April 2013, using the *Safer Nursing Care Tool* which was adapted to be meaningful in a mental health setting. This work was undertaken internally during 2013 and is based on best practice taken from the work of Dr Keith Hurst and national development work currently being undertaken by NHS England. This data was collected on a daily basis and collated to provide a picture of the range of needs for the patients on each ward. This was analysed to produce information relating patient need and nursing resource required to meet this need in each bedded area.

Performance Against National Guidance

The review measured the performance of each ward against national guidance relating to nurse to patient ratios. Specifically this was RCN guidelines of “No more than 7 patients per registered nurse” and “No more than 3.8 patients per member of nursing staff”.

Professional Judgement Review Meetings

All the data collected for each ward was reviewed by the ward clinical teams. These reviews consisted of ward managers, matrons, MDT members, HR and finance. The meetings reviewed and commented on the information provided and provided professional opinion on the information present. The purpose of these meetings is to provide triangulation and scrutiny to the methodology involved and to ensure that any ward specific factors are taken into consideration. Professional judgement meetings which have not yet taken place are indicated within the review data collection sheets in Appendix A.

Outcome of the Review

The preliminary findings of the review have identified a slight over-establishment on one ward at the Harplands hospital and an under establishment on six other wards at the Harplands hospital. All other ward areas across the Trust have undertaken data collection in regard to patient acuity and the results can be seen at Appendix A. There are seven in-patient areas where professional judgement meetings have yet to take place and so final findings are not available, but it is not anticipated that there will be any significant variance to the current establishments, due to the discussions and the acuity data collected thus far. This review does not intend to make any recommendations relating to Chebsey Close, as the facility is due to close imminently.

Recommendations made to the Quality Committee as well as the Trust Board:

To:

- Note the approach taken.
- Approve the contents of this report (subject to final professional judgement review where indicated) to be discussed at the Public Trust Board on 5th June 2014

Appendix A – Results of nurse staffing review May 2014

	Adult Mental Health						Children & Young People	
	Ward 1	Ward 2	Ward 3	Florence House	Summer view	EMU	Darwin Centre	Dragon Square
1.1. Number of Beds [A]	15	22	22	8	10	12	15	6
1.2. Bed Occupancy Rate [B] –including home leave (October 2013 – March 2014)	92%	98%	110%	98%	97%	96%	88%	75%
1.3 Current nursing establishment by WTE (excluding ward managers)	31.7	24.8	22.46	14.2	18.34	15.8	26.19	15.27
Performance against national guidance/ bed to nursing staff ratio (based on average staff on duty in the day during data collection period)								
2.1 RCN "No more than 7 patient's per registered nurse"	5.16	7.33	9.09	3.65	4.83	6.5	4.6	
2.2. RCN "No more than 3.8 patients per member of nursing staff"	2.76	4.11	3.9	1.47	2.5	3.5	2.31	
2.3. Total Nursing Establishment to Patient Ratio								
Quality Performance								
3.1. Registered Nurse: HCSW ratio of no less than 50:50	46:54	51:49	50:50	45:55	53:47	69:31	48:52	39:61
3.2. Sickness Absence Rate (October 2013 – March 2014) - target 4.95%	5.12%	3.11%	6.33%	9.06%	8.91%	4.53%	2.29%	5.53%
3.3. Total Clinical Incidents (October 2013 – March 2014)	196 ⇓	123 ⇓	160 ⇓	45	64	67	100	17
3.3. Staff Assaults (October 2013 – March 2014)	6	4	3	7	12	0	3	3
3.4. Episodes of restraint (October – March 2014)	91	23	35	5	29	2	14	2
3.5. Medication administration errors	10	7	6	2	0	5	2	1
3.6. Patient Falls	0	7	7	1	1	13	0	0
Findings of review								
4.1. Acuity Tool recommended establishment (WTE)	29.7	33.2	30.7	4.88	21.5	32.5	34.5	N/A
4.2. Final recommended nursing shift pattern after professional judgement	6/6/4	6/6/4	6/6/4	TBC	TBC	TBC	TBC	TBC
4.3. Nurse staffing establishment required to deploy shifts@24% T-out (adjusted to reflect bed occupancy)	29.5WTE	29.5WTE	29.5WTE	-	-	-	-	-
4.4. Total Variance relating to Current Nursing Establishment (WTE)	***+ 1.71***	***-5.19***	***- 7.53***	-	-	-	-	-
4.5. Registered Nurse Variance	***0***	***-2.5***	***- 4.0***	-	-	-	-	-
4.6. HCSW Variance	***+1.71***	***-2.69***	***- 3.53***	-	-	-	-	-

A - Royal College Psychiatry (2011) "Do the right thing: how to judge a good ward: Ten standards for adult in-patient mental healthcare "-General adult wards should not have more than 18 beds on any one ward.
B –Royal College Psychiatry (2011) "Do the right thing: how to judge a good ward: Ten standards for adult in-patient mental healthcare "- bed occupancy rates should be no higher than 85%"

Appendix A – Results of nurse staffing review May 2014

	Learning Disability & Old Age Psychiatry						
	Ward 4	Ward 5	Ward 6	Ward 7	A&T	Telford	Chebsey Close
1.1. Number of Beds [A]	20	15	15	20	4	6	7
1.2. Bed Occupancy Rate [B] –including home leave (October 2013 – March 2014)	81%	72%	70%	72%	83%	80%	66%
1.3 Current nursing establishment by WTE (excluding ward managers)	27.9	24.68	21.79	22.0	16.9	18.38	
Performance against national guidance/ bed to nursing staff ratio (based on average staff on duty in the day during data collection period)							
2.1 RCN "No more than 7 patient's per registered nurse"	7.78	4.86	5.84	8.41	3.1	3.5	2.33
2.2. RCN "No more than 3.8 patients per member of nursing staff"	3.69	1.97	2.46	3.76	0.93	1.27	0.76
2.3. Total Nursing Establishment to Patient Ratio							
Quality Performance							
3.1. Registered Nurse: HCSW ratio of no less than 50:50	46:54	42:58	50: 50	41:59	36:67	35:65	
3.2. Sickness Absence Rate (October 2013 – March 2014) - target 4.95%	6.77%	6.11%	7.17%	5.01%	6.00%	8.22%	7.7%
3.7. Total Clinical Incidents (October 2013 – March 2014)	131 ↓	42 ↓	131 ↑	97 ↑	128	53	284
3.3. Staff Assaults (October 2013 – March 2014)	8	3	22	4	22	5	58
3.8. Episodes of restraint (October – March 2014)	23	3	21	20	90	20	117
3.9. Medication administration errors	6	1	0	9	0	0	0
3.10. Patient Falls	55	18	42	31	3	9	0
Findings of review							
4.1. Acuity Tool recommended establishment (WTE)	42.3WTE	34.11WTE	27.9WTE	34.7 WTE	16.81WTE	29.2WTE	
4.2. Final recommended nursing shift pattern after professional judgement	6/6/4	6/6/4	5/6/3	5/6/3	TBC	TBC	
4.3. Nurse staffing establishment required to deploy shifts@24% T-out (adjusted to reflect bed occupancy)	29.5	29.5	26 WTE	26 WTE	-	-	
4.4. Total Variance relating to Current Nursing Establishment (WTE)	***-2.04***	***- 5.31***	***-4.21***	***-4.0***	***-***	***-***	
4.5. Registered Nurse Variance	***-2.04***	***-2.5***	***-2.21***	***-3.0***	***-***	***-***	
4.6. HCSW Variance	***0***	***-2.81***	***-2***	***-1.0***	***-***	***-***	

A - Royal College Psychiatry (2011) "Do the right thing: how to judge a good ward: Ten standards for adult in-patient mental healthcare "-General adult wards should not have more than 18 beds on any one ward.
B –Royal College Psychiatry (2011) "Do the right thing: how to judge a good ward: Ten standards for adult in-patient mental healthcare "- bed occupancy rates should be no higher than 85%"

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO THE TRUST BOARD (OPEN)

Date of Meeting:	5 June 2014
Title of Report:	Financial Performance – Month 1
Presented by:	Kieran Lappin, Executive Director of Finance
Author of Report: Name: Date: Email:	 Andy Turnock 29 May 2014 andrew.turnock@northstaffs.nhs.uk
Purpose / Intent of Report:	Financial Performance monitoring for information
Executive Summary:	The attached report summarises the financial performance for the period to the end of April 2014. Headline performance is: • A retained deficit of £0.23m, giving a favourable variance against plan of £2k • A cash balance of £5.2m at the end of April 2014. • A year to date Financial Risk Rating (FRR) of 1, with a year-end forecast rating of 3 • Capital expenditure plan for the year of £1.5m and a slight underspend against the planned profile on a year to date basis.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	Financial Strategy Not directly as a result of this report
Relationship with Annual Objectives:	Delivery of financial plan
Risk / Legal Implications:	Not directly as a result of this report
Resource Implications:	Not directly as a result of this report
Equality and Diversity Implications:	Not directly as a result of this report
Relationship with Assurance Framework [Risk,	Monitoring delivery of the financial plan

Control and Assurance]	
Recommendations:	The Board is asked to: • *note that financial performance to date is largely on plan, with a small favourable variance of £2k reported* • *note the cash position of the Trust as at 30 April 2014 of £5.2m* • *note the year to date Financial Risk Rating of 1 reported and also the forecast rating of 3* • *note the capital expenditure position as at 30 April 2014 is a slight underspend against the year to date Capital Resource Limit.*

1. Financial Position

1.1 Introduction

As detailed in the Operating Plan the Trust is planning to make a retained surplus of £0.268m in 2014/15.

This report details the Trust's performance against the Plan for the period ending 30 April 2014.

1.2 Income & Expenditure (I&E) Performance at Month 1

At the end of Month 1, the Trusts budgeted plan was a retained deficit of £232k (£195k at adjusted financial performance level). The reported retained position is a deficit of £230k, giving a favourable variance of £2k from plan.

Table 1 below shows this position in the Statement of Comprehensive Income (SOCI) for the Trust. A more detailed SOCI is shown in Appendix A, page 1.

Table 1: Statement of Comprehensive Income

Detail	Full Year Annual Budget £000	Current Month £000			Year to Date £000		
		Budget	Actual	Variance	Budget	Actual	Variance
Income	73,964	5,769	5,535	-235	5,769	5,535	-235
Pay	-55,722	-4,734	-4,430	304	-4,734	-4,430	304
Non pay	-14,478	-975	-1,044	-68	-975	-1,044	-68
EBITDA	**3,764**	**59**	**61**	**2**	**59**	**61**	**2**
Other Costs	-3,030	-254	-254	0	-254	-254	0
Adjusted Financial Performance	**734**	**-195**	**-193**	**2**	**-195**	**-193**	**2**
IFRIC 12 Expenditure	-466	-37	-37	0	-37	-37	0
Retained Surplus / (Deficit) prior to Impairment	**268**	**-232**	**-230**	**2**	**-232**	**-230**	**2**
Fixed Asset Impairment	0	0	0	0	0	0	0
Retained Surplus / (Deficit)	**268**	**-232**	**-230**	**2**	**-232**	**-230**	**2**

Within non-pay, specific budgets have been set and held centrally. Table 2 shows these reserves and it is envisaged that they will be allocated to divisions and directorates appropriately during the financial year.

Table 2: Reserves Held Centrally

Description	£
Contingency (0.5% of Turnover per NTDA requirements)	367,000
Family & Friends	60,000
Cleanliness in Hospitals	61,808
Out of Area Treatments	100,000
Support from CCG's *	450,000
CCG developments **	1,102,140
Other Earmarked reserves	993,235
Total	**3,134,183**

* Support from local CCGs on a non-recurring basis

** Various developments (see list below) included in the two main CCG contracts subject to full business cases plus the increase in the Staffs DAT contract (£0.53m) and the Community Triage investment (£0.82m)

1. Autism Assessment £0.2m
2. Dementia Service £0.15m
3. Healthy Minds £0.14m

It should be noted that the receipt of the mandate for month one from our host commissioners did not include payment for a number of items e.g. IAPT (which is £1.4m per annum) and in the month contract meeting we are asking them to detail the reasons. An update will be given at the Finance & Activity Committee meeting.

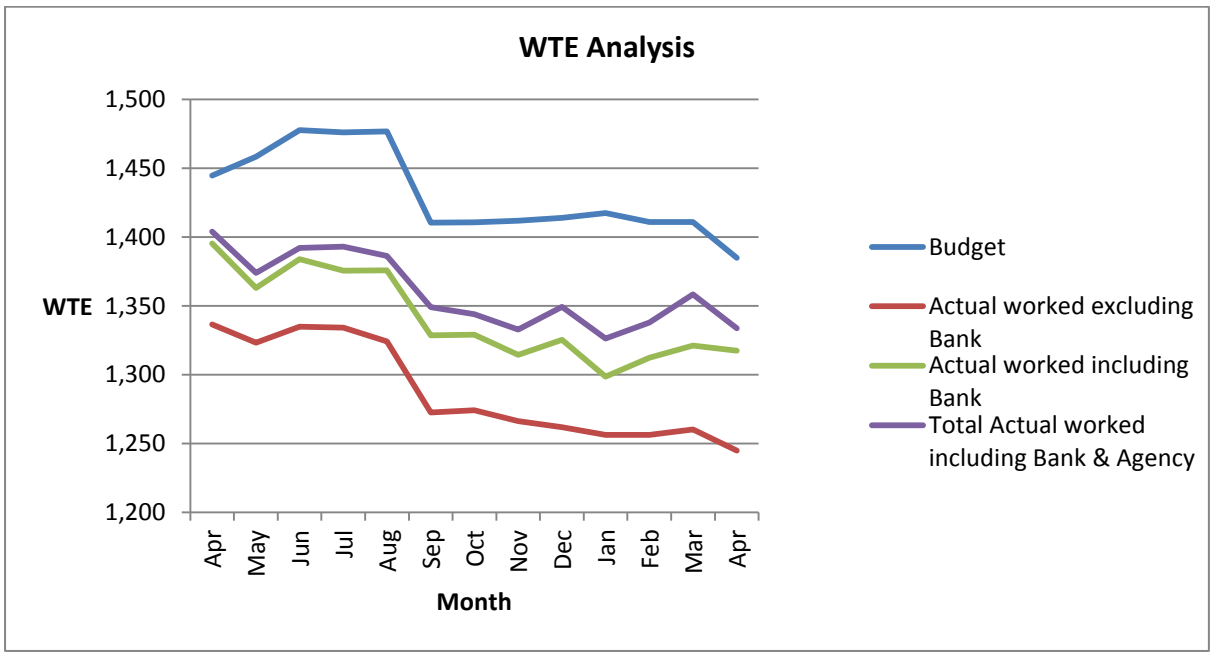
Contained within non-pay are the CIP targets for divisions and directorates. Work remains on-going to transact the majority of these negative budgets to reflect the CIP schemes within the respective divisions and corporately. This work is a high priority and progress will be reported at future Committees. It is envisaged that all entries, excluding extremely complex issues, will be transacted by month 3.

1.3 Workforce Analysis

Graph 1 below shows the whole time equivalent (wte) numbers for last year and the first month of this financial year, incorporating Bank and Agency usage[1]. Graph 2 shows the usage of Bank and Agency staff in isolation. Table 3 shows the data being represented by the graphs.

[1] Agency wte is calculated using an average cost per month per staff category.

Graph 1: WTE Anaylsis



Graph 2: WTE Anaylsis

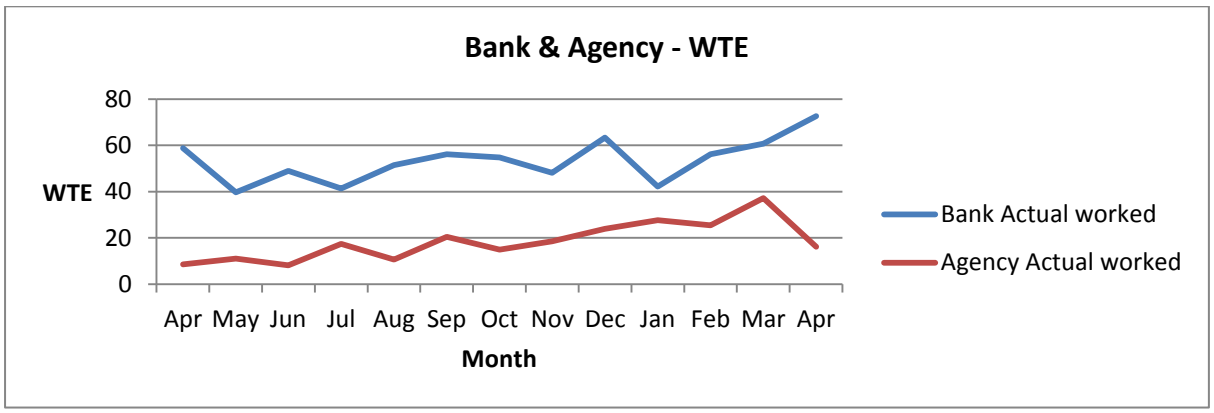


Table 3: WTE Analysis

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Bank Actual worked	58.84	39.73	49.02	41.36	51.49	56.09	54.76	48.13	63.33	42.18	56.12	60.74	72.68
Actual worked excluding Bank	1336.52	1323.16	1334.84	1334.05	1324.20	1272.57	1274.19	1266.19	1261.92	1256.31	1256.21	1260.30	1244.73
Actual worked including Bank	**1395.36**	**1362.89**	**1383.86**	**1375.41**	**1375.69**	**1328.66**	**1328.95**	**1314.32**	**1325.25**	**1298.49**	**1312.33**	**1321.04**	**1317.41**
Agency	8.56	11.11	8.12	17.47	10.58	20.43	14.89	18.45	23.97	27.62	25.42	37.21	16.21
Total Actual worked inc Bank & Agency	**1403.92**	**1374.00**	**1391.98**	**1392.88**	**1386.27**	**1349.09**	**1343.84**	**1332.77**	**1349.22**	**1326.11**	**1337.75**	**1358.25**	**1333.62**
Budget	1444.51	1458.29	1477.50	1476.06	1476.60	1410.40	1410.70	1411.78	1413.87	1417.48	1410.78	1410.90	1384.91

1.4 Forecast Year End Performance

The forecast outturn position is a retained surplus of £0.268m (£0.734m at adjusted financial performance level) in line with the Plan submission. This forecast position has been shared with the NTDA as part of their financial monitoring regime.

1.5 Cost Improvement Programme

The target for the year is £4.08m which is approximately 6% of clinical income. This takes into account the requirement to deliver the 1% surplus referred to above, plus hold a 0.5% contingency of £0.367m.

2. Summary of Financial Position

A Statement of Financial Position is shown in Appendix A, page 2.

2.1 Fixed Assets

Property, Plant & Equipment and Intangible assets balances of the Trust have remained relatively static. The movement is the net result of capital additions and the depreciation charge for the period April 2014.

2.2 Cash

As at 30 April 2014, the Trust's cash position was £5.2m which represents a decrease during April 2014 by £0.2m. This comprises an increase in debtors of £0.8m and an increase in creditors of £0.6m. The updated monthly cash profile, taking account of the actual year end start figure, will be incorporated within the report from next month.

2.3 Creditors

There has been an increase in the month of trade payables of £0.6m. This is due to the increase in other creditors of £0.6m.

2.4 Debtors

Trade & Other Receivables balances have increased during the month by £0.8m. This movement relates to the increase in NHS debtors of £1.1m and local authority debtors of £0.3m. The decreases are related to other debtors of £0.5m and prepayments of £0.1m.

Within the overall value, £1.3m relates to invoiced debt and the balance represents accruals.

2.5 Non-Current Liabilities

The Trust's PFI scheme (Harplands Hospital) is accounted for on the "borrowings" line, reflecting the requirements of International Financial Reporting Standards.

3. Capital Expenditure and Programme

The Trust's permitted capital spend in 2014/15 is £2.64m; this is the combination of the Trust's £1.5m Capital Resource Limit (CRL) and its asset sales of £1.14m. The capital expenditure for the year as at 30 April 2014 is £0.011m which represents a slight underspend against the profiled capital expenditure of £0.025m shown in the Plan submitted to the NTDA.

Appendix A, page 3 details the outline capital programme for 2014/15 to 2018/19. Key issues include the following:

- A main theme is the provision of resource each year to modernise wards at Harplands. A range of schemes has been established and pace of progress will be determined by both approval of the associated business cases and priority setting for each scheme

- Give that the business cases have yet to be fully costed, the current costs are indicative

- The value of the Bucknall sale is not yet known. The current figure is likely to be at the lower end of the potential sale value

- With reference to the progress with the Bucknall sale, the expected sales receipt has been moved from 2016/17 to 2015/16

- There is a risk associated with the delay in finalising developments that the capital programme may slip into 2015/16 creating an in-year underspend.

4. Financial Risk Rating

As reported in the Operating Plan, the Trust is planning to achieve a Continuity of Service Finance Risk Rating of 3.

Using the Monitor rating system, the Trust's month 1 Financial Risk Rating is 1. The calculated rating is 2 but when applying the overriding rules this is reduced to 1 as there are two metrics scored as 1. It should be noted that this will move to a rating of 3 as the year progresses. Appendix A, page 4 shows further detail.

When calculating the Liquidity ratio a working capital facility (authorised overdraft facility) has been assumed which is only available to established Foundation Trusts. The forecast ratings are based on the calculated forecast outturn which is in line with the Trust's plan.

5. Recommendations

The Board is asked to:

- ***note that financial performance to date is largely on plan, with a small favourable variance of £2k reported***
- ***note the cash position of the Trust as at 30th April 2014 of £5.2m***
- ***note the year to date Financial Risk Rating of 1 reported and also the forecast rating of 3***
- ***note the capital expenditure position as at 30th April 2014 is a slight underspend against the year to date Capital Resource Limit.***

Appendix A – Page: 1

Statement of Comprehensive Income including Forecast Outturn – Trust Wide

	Full Year Budget £000	< < < Current Month > > > Actual £000	Budget £000	Variance £000	< < < Year to Date > > > Actual £000	Budget £000	Variance £000
Income:							
Revenue from Patient Care Activities	65,419	5,064	5,064	0	5,064	5,064	0
Other Operating Revenue	8,545	471	705	-235	471	705	-235
	73,964	5,535	5,769	-235	5,535	5,769	-235
Expenses:							
Pay							
Medical	-6,633	-476	-553	77	-476	-553	77
Nursing	-26,464	-2,193	-2,276	83	-2,193	-2,276	83
Other clinical	-13,382	-978	-1,123	146	-978	-1,123	146
Non-clinical	-8,953	-699	-745	47	-699	-745	47
Non-NHS	-338	-85	-41	-44	-85	-41	-44
Cost Improvement	48	0	4	-4	0	4	-4
	-55,722	-4,430	-4,734	304	-4,430	-4,734	304
Non Pay							
Drugs & clinical supplies	-1,622	-113	-135	23	-113	-135	23
Establishment costs	-2,036	-125	-172	48	-125	-172	48
Premises costs	-2,083	-163	-172	9	-163	-172	9
Private Finance Initiative	-3,823	-331	-319	-13	-331	-319	-13
Other (including unallocated CIP)	-1,781	-312	-178	-135	-312	-178	-135
Central Funds	-3,134	0	0	0	0	0	0
	-14,478	-1,044	-975	-68	-1,044	-975	-68
EBITDA *	**3,764**	**61**	**59**	**2**	**61**	**59**	**2**
Depreciation (excludes IFRIC 12 impact and donated income)	-1,010	-86	-86	0	-86	-86	0
Investment Revenue	11	1	1	0	1	1	0
Other Gains & (Losses)	0	0	0	0	0	0	0
Local Government Pension Scheme	0	0	0	0	0	0	0
Finance Costs	-1,400	-117	-117	0	-117	-117	0
Unwinding of Discounts	0	0	0	0	0	0	0
Dividends Payable on PDC	-631	-53	-53	0	-53	-53	0
Adjusted Financial Performance - Surplus / (Deficit) for the Financial Year **	**734**	**-193**	**-195**	**2**	**-193**	**-195**	**2**
IFRIC 12 Expenditure ***	-466	-37	-37	0	-37	-37	0
Retained Surplus / (Deficit) for the Year excluding Impairment	**268**	**-230**	**-232**	**2**	**-230**	**-232**	**2**
Fixed Asset Impairment ****	0	0	0	0	0	0	0
Retained Surplus / (Deficit) for the Year	**268**	**-230**	**-232**	**2**	**-230**	**-232**	**2**

* EBITDA - earnings before interest, tax, depreciation and amortisation

** NTDA expected surplus or deficit against which the Trust is measured

*** Additional costs in respect of the Trust's PFI scheme following the introduction of IFRS, classed as technical adjustments.

Statement of Financial Position – including forecast

Detail	Period End Dates 31/03/2014 £000	30/04/2014 £000	FOT 31/03/2015 £000
NON-CURRENT ASSETS:			
Property, Plant and Equipment	33,834	33,722	31,801
Intangible Assets	109	108	151
Trade and Other Receivables	52	52	52
TOTAL NON-CURRENT ASSETS	33,995	33,882	32,004
CURRENT ASSETS:			
Inventories	98	85	84
Trade and Other Receivables	3,525	4,279	3,491
Cash and cash equivalents	5,445	5,184	4,528
SUB TOTAL CURRENT ASSETS	9,068	9,548	8,103
Non-current assets held for sale	1,148	1,148	2,875
TOTAL ASSETS	**44,211**	**44,578**	**42,982**
CURRENT LIABILITIES:			
NHS Trade Payables	-929	-960	-830
Non-NHS Trade Payables	-4,880	-5,499	-6,231
Borrowings	-360	-360	-351
Provisions for Liabilities and Charges	-2,502	-2,479	-697
TOTAL CURRENT LIABILITIES	-8,671	-9,298	-8,109
NET CURRENT ASSETS/(LIABILITIES)	1,545	1,398	2,869
TOTAL ASSETS LESS CURRENT LIABILITIES	**35,540**	**35,280**	**34,873**
NON-CURRENT LIABILITIES			
Borrowings	-13,343	-13,313	-12,993
Trade & Other Payables	0	0	0
Provisions for Liabilities and Charges	-401	-401	-115
TOTAL NON- CURRENT LIABILITIES	-13,744	-13,714	-13,108
TOTAL ASSETS EMPLOYED	**21,796**	**21,566**	**21,765**
FINANCED BY TAXPAYERS EQUITY:			
Public Dividend Capital	7,998	7,998	7,999
Retained Earnings	150	-80	194
Revaluation Reserve	13,596	13,596	13,520
Other reserves	52	52	52
TOTAL TAXPAYERS EQUITY	**21,796**	**21,566**	**21,765**

Draft Capital Programme 2014/15 to 2018/19

Detail	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
1) Ward Modernisation at Harplands including: a) ABI Aschombe Neuro b) Ward 1 PICU (£50k and £1,450k) c) Ward 5 Upgrade d) Purchase of AT&T and Telford Unit and Development	1,500	1,300	800	800	800
2) New Darwin		TBA			
3) Lifecycle	100	300	300	300	300
4) IT	40	200	200	200	200
5) Other - including: a) Purchase of Trust HQ b) Trust HQ Parking c) Ground Source Heating d) Growth Point Service - user vans (£40k p.a. next 2 years) e) Victoria Surgery - replacement roof (Parent & Baby) f) Roundwell Place - proposed extension	1,000	200	200	200	200
6) Uncommitted		1,500			
Total Capital Expenditure	**2,640**	**3,500**	**1,500**	**1,500**	**1,500**
Funded by:					
Depreciation	1,500	1,500	1,500	1,500	1,500
Asset Sales	1,140	★ 2,000	0	0	0
Total Funding	**2,640**	**3,500**	**1,500**	**1,500**	**1,500**

★ Bucknall

Financial Risk Rating

Metric	Year to Date	Rating	Weighted Rating	FOT	Rating	Weighted Rating
EBITDA Achieved (% of plan)	103%	5	0.5	100%	5	0.5
EBITDA Margin (%)	1.1%	2	0.5	5.1%	3	0.75
Net Return after Financing (%)	-6.2%	1	0.2	0.6%	3	0.6
I&E surplus margin net of dividend (%)	-4.2%	1	0.2	0.4%	2	0.4
Liquidity ratio (days) *	34	4	1	23	3	0.75
Financial Risk Rating			**2**			**3**
Application of overriding rules (see table below)						
Two financial criteria scored as '2' = FRR limited to 2						
One financial criteria scored as '2' = FRR limited to 3						***yes***
One financial criteria scored as '1' = FRR limited to 2						
Two financial criteria scored as '1' = FRR limited to 1			***yes***			
Overall Financial Risk Rating			**1**			**3**

Rating Table

Criteria	Weight %	Metric	Rating				
			5	4	3	2	1
Achievement of Plan	10	EBITDA achieved (% of plan)	100	85	70	50	< 50
Underlying Performance	25	EBITDA margin (%)	11	9	5	1	< 1
Financial Efficiency	20	Net Return after Financing (%)	6	5	3	-2	< -2
Financial Efficiency	20	I&E surplus margin net of dividend (%)	3	2	1	-2	< -2
Liquidity	25	Liquidity ratio (days)	60	25	15	10	< 10

Overriding Rules

If the following Condition Applies	FRR Limited to a maximum
If authorised as FT within previous 12 months	4
One financial criterion scored as '2'	3
Plan submitted either incomplete, with errors or not on time	3
Plan deficit [1] forecast in years 2 or 3	3
Plan deficit forecast in years 2 or 3	2
Public Dividend Capital not paid in full	2
Unplanned breach of Prudential Borrowing Code	2
Two financial criteria scored as '2'	2
One financial criteria scored as '1'	2
Two financial criteria scored as '1'	1

[1] Deficit: defined as an I&E deficit predicted in the annual plan, but after adding back any 'one-off' non-recurring revenue, costs or 'investment adjustments'

Description of Risk Rating

Detail	Risk
Lowest risk - no regulatory concerns	5
No regulatory concerns	4
Regulatory concerns in one or more components. Significant breach unlikely	3
Risk of significant breach in medium-term, e.g. 12 to 18 months, in absence of remedial action	2
Highest risk - high probability of significant breach of authorisation in short-term, e.g. <12 months, unless remedial action is taken	1

North Staffordshire Combined Healthcare NHS
NHS Trust

Encl 7b

REPORT TO TRUST BOARD

Date of Meeting:	5th June, 2014
Title of Report:	Phase II Consultation Reconciliation
Presented by:	Kieran Lappin
Author of Report: Name: Date: Email:	Kieran Lappin Executive Director – Finance 29th May, 2014 Kieran.lappin@northstaffs.nhs.uk
Purpose / Intent of Report:	• For Information
Executive Summary:	The purpose of this paper is to provide a reconciliation of the original saving proposal and intended use with the actual savings and actual use.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Clinical Strategy • Governance Strategy • Financial Strategy
Relationship with Annual Objectives:	N/A
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	N/A
Recommendations:	The Board is asked to note the Trust did secure the planned Phase II savings and, in line with the original proposal, utilised £0.8m of these in new models of care.

Phase II Consultation Reconciliation

Introduction

The purpose of this paper is to provide a reconciliation of the original saving proposal and intended use with the actual savings and actual use.

Background

The planned Phase II financial proposals were as follows:

- To identify £2.5m of savings;
- To invest £0.8m of the savings in new models of care; and
- To utilise £1.7m of the savings as part of the Trust's annual efficiency savings.

Outcome

The Trust made savings of £2.439m as follows:	£m
• Reductions in MHRC's and CMHT's	1.949
• Savings in Older People Day Services	0.490
Total Savings	2.439

The savings were utilised as follows:	£m

• 10 extra staff to enhance, psychology services operating directly in the CMHT's
  • 3 Band 7 Nurses
  • 1 Band 6 Nurse
  • 3 Band 5 Nurses
  • 3 Band 6 OT's
	0.382

• Extended Hours in the Access Team	0.407
Total Service Enhancements	0.789
• Savings applied to meet Trust's efficiency requirements	1.650
GRAND TOTAL	2.439

Summary

The Trust did secure the planned Phase II savings and, in line with the original proposal, utilised £0.8m of these in new models of care.

Kieran Lappin
Executive Director – Finance
29/5/14

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: Board – Open Section

Date of Meeting:	5 June 2014
Title of Report:	Finance and Activity Committee Report – Committee Meeting 29 May 2014
Presented by:	Tony Gadsby – Committee Chairman
Author of Report: Name: Date: Email:	 Andy Turnock 29 May 2014 andrew.turnock@northstaffs.nhs.uk
Purpose / Intent of Report:	• For Decision ✔ • Performance monitoring ✔ • For Information ✔
Executive Summary:	The attached report provides a summary of the Committee meeting held on the 29 May 2014 and provides assurance to the Board over; • the level of review and challenge provided by the Committee of financial and other reporting and forecasting
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Customer Focus Strategy • IM and T Strategy ✔ • Governance Strategy ✔ • Workforce Strategy ✔ • Financial Strategy ✔ Helps ensure appropriate resources are directed to and protected for appropriate patient care services.
Relationship with Annual Objectives:	Supports achievement of financial targets, the monitoring of CQUIN requirements and the delivery of efficiency programmes
Risk / Legal Implications:	Principle risk register reviewed via committee and reported separately to the Board
Resource Implications:	
Equality and Diversity Implications:	None
Relationship with Assurance Framework [Risk, Control and Assurance]	Provides assurance over the Trust's arrangements for sound financial stewardship and risk management.
Recommendations:	The Board are asked to: • *Note the contents of the report and take assurance from the review and challenge evidenced in the Committee.*

North Staffordshire Combined Healthcare NHS Trust

Assurance Report to the Trust Board – Thursday, 5 June 2014

Finance and Activity (F & A) Committee Report to the Trust Board – 29 May 2014

This paper details the issues discussed at the Finance and Activity Committee meeting on 29 May 2014.

The meeting was quorate, approved the minutes from the meeting on the 17 April 2014 and reviewed the progress and actions taken from previous meetings.

The Committee received the financial update for month 1 (April 2014) 2014/15. It was recognised that a limited set of supporting schedules was available to the Committee which is accepted practice for the month 1 accounts pack.

The income and expenditure position to Month 1 was ahead of plan at a deficit of £0.230m against a plan deficit of £0.232m, a favourable variance of £0.002m. The paper also reported that the year-end forecast was in line with the planned position of £0.268m surplus, equating to a £0.734m surplus at adjusted financial performance level.

The Trust's cash balance at the end of April was £5.2m, which is £0.2m lower than the position at the end of March 2014.

The Capital Resource Limit (CRL) for 2014/15 is £1.5m. The planned capital expenditure for the year is £2.64m funded by £1.5m depreciation and £1.14m of asset sales. It was noted that there was a significant likelihood that the capital expenditure for the year wouldn't be in line with plan due to the delay in finalising developments. Also reported was the Capital Programme for 2014/15 to 2018/19. The committee will receive a further update once the Trust's 5 Year Plan is finalised and the associated Capital Plan released.

The committee received an update on workforce and financial implications in respect of the closure of the Chebsey Close unit. This update also included a trading account reporting the costs and income associated with Chebsey Close and showed a trading surplus of circa £0.03m. This will be updated on a monthly basis.

The Committee received the Month 1 Cost Improvement Programme (CIP) 2014/15 report which incorporated elements of the Workforce paper linked to CIP schemes. The paper highlighted the requirement to deliver £4.08m of CIP with plans in place to deliver £3.87m. It showed an underachievement against plan on a year to date basis, but it was recognised that this was impacted upon by the difficulty in monitoring the cost reduction at such an early stage of the financial year.

Other Reports and Updates

The Committee received additional reports and verbal updates as follows:

- Report on the repatriation schemes and the potential financial impact over the next two financial years

- Paper showing a reconciliation of the proposed savings of the Phase II consultation and the intended use of the savings achieved. **The Board can take assurance that the reported savings and reinvestment in services committed to during the Phase II consultation process were achieved.**

- Paper detailing the risks associated with the Trust's contract portfolio and the proposed way forward to provide assurance to the Committee that the risks are being managed and mitigated. **The committee can provide assurance to the Board that risks are being managed and mitigated and that further work is being undertaken to ensure effective reporting.**

- Report on the pay protection within the Trust as a result of a number of Management of Change processes. Currently there are 42 members of staff who were able to be retained under the protected pay scheme which has allowed the Trust to retain skills whilst mitigating the cost of redundancy.

- Verbal update from the Director of Finance on a number of forthcoming issues including the impending HMRC visit in relation to the treatment of VAT associated with lease cars

- Report giving a position statement regarding a number of IT developments and the action taken to update the IM&T strategy. The Committee requested an update at the September 2014 meeting

- Minutes were received from the Capital Investment Group

- Report detailing the Trust's costing processes for the Reference Cost submission to give assurance that the processes are robust and the appropriate guidance is being followed. **The committee can provide assurance to the Board that the process for determining the Trust's Reference Cost is in place, is robust and is in keeping with the appropriate guidance.**

North Staffordshire Combined Healthcare NHS Trust

Tenders Update

A report was tabled and discussed updating the Committee on the Trust's current tender activity.

Financial Risk

The Committee reviewed the key risks to the delivery of the current financial plan and discussed those categorised as significant.

The Board is asked to note the contents of this report and take assurance from the review and challenge evidenced in the Committee.

On Behalf of Tony Gadsby – Chair of Finance and Activity Committee

Andy Turnock – Interim Assistant Director of Finance

29 May 2014

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO TRUST BOARD

Date of Meeting:	5th June 2014
Title of Report:	Performance Report – Month 1 2014/15
Presented by:	Kieran Lappin, Director of Finance
Author of Report: Name: Date: Email:	 Kevin Daley, Performance Development Manager 27th May 2014 Kevin.Daley@northstaffs.nhs.uk
Purpose / Intent of Report:	Performance Monitoring
Executive Summary:	This report provides the Board with a summary of performance to the end of Month 1 (April 2014) Performance against the Monitor compliance framework and key National Targets is included within the report, all indicators are on target. A range of 122 metrics is in place to monitor performance, quality and outcomes. The indicators are those set by our commissioners and local trust targets and aligned to the relevant Trust objectives. There was one area reported as under-performing (amber) at end of April 2014. The attached summary by exception expands on the areas that are underperforming and Executive leads will provide a verbal update at the meeting, where appropriate.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	Governance Strategy The Performance & Quality management Framework measures performance across National and local indicators, presented against the Trust's enabling strategies, commissioning contract and Monitor's compliance framework.
Relationship with Annual Objectives:	The Performance & Quality Management Framework measures performance across all annual objectives
Risk / Legal Implications:	All areas of underperformance are separately risk assessed and added to the risk register dependent on the outcome of the risk assessments.
Resource Implications:	Not directly as a result of this report
Equality and Diversity Implications:	Not directly as a result of this report
Relationship with Assurance Framework	The Performance & Quality Management Framework is a key control within the Assurance Framework
Recommendations:	The Board are asked to • consider and discuss reported performance with particular emphasis on areas of underperformance

	• note the considerable number of metrics reported on target (green) • to confirm sufficient detail and assurance is provided

1 Introduction to Performance Management Report

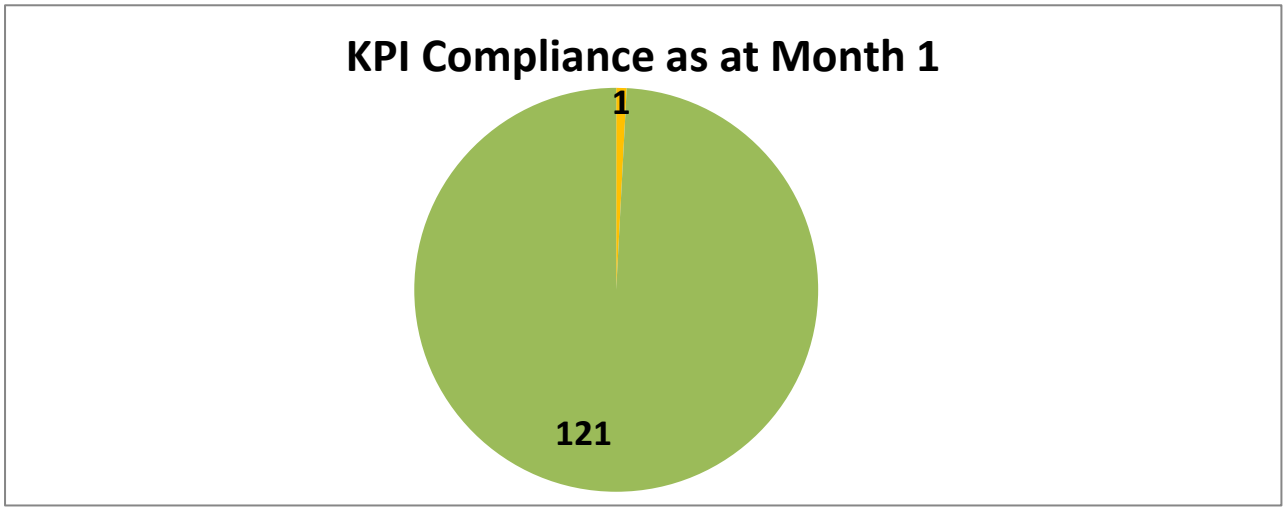
The report includes an Executive summary, proposed TDA metrics, targets where agreed, trends and RAG ratings

In addition to the attached appendices a full database (Divisional Drill-Down) has been made available to Divisional Business Managers and Clinical Directors to enable them to scrutinise / check the supporting data and drive improvements based on that data.

2 Executive Summary – Exception Reporting

This section presents an overview and performance by exception across all Key Performance Indicators in place to measure performance, quality and outcomes.

At month 1 there are 121 metrics rated as Green and one rated as Amber



		YTD			Month 1		
Strategic Goal	**Key Trust Objective**	**Red**	**Amber**	**Green**	**Red**	**Amber**	**Green**
	TDA	0	0	0	0	0	0
SG1 Clinical Effectiveness	KTO 1	0	0	54	0	0	54
SG2 Partnership Working	KTO 2	0	0	33	0	0	33
SG3 Engagement	KTO 3	0	0	10	0	0	10
SG4 Innovation	KTO 4	0	0	0	0	0	0
SG5 Efficient Provider	KTO 5	0	1	12	0	1	12
	KTO 6	0	0	12	0	0	12
	Total	**0**	**1**	**121**	**0**	**1**	**121**

2.1 Proposed TDA Assurance Framework

The TDA assurance framework is included as these are the key performance indicators against which non foundation Trusts' performance is assessed. There are 41 **proposed** key quality indicators applicable to Mental Health Trusts. ***Please Note: Technical guidance has yet to be issued for these metrics.***

KPI	Area	Target	April	YTD	Year End	Data Quality	AMH	LDNOAP	CYP
TDA 1	Inpatient scores from Friends and Family Test		n/a						
TDA 2	Complaints – rate per bed days, MH contacts		n/a						
TDA 3	Inpatient Survey: Q68 Overall I had a very poor/good experience?		n/a						
TDA 4	Community Mental Health : Q45 Overall, how would you rate the care you have received in the last 12 months?		n/a						
TDA 5	Mixed Sex Accommodation Breaches		0						
TDA 6	NHS England inpatients response rate from Friends and Family Test		n/a						
TDA 7	Data Quality of trust returns to the HSCIC		n/a						
TDA 8	NHS Staff Survey: Percentage of staff who would recommend the trust as a place of work		n/a						
TDA 9	NHS Staff Survey: Percentage of staff who would recommend the trust as a place to receive treatment		n/a						
TDA 10	Trust turnover rate		0.47%						
TDA 11	Trust level total sickness rate		2.07%						
TDA 12	Total trust vacancy rate		n/a						
TDA 13	Temporary costs and overtime as % total paybill		6.38%						
TDA 14	Percentage of staff with annual appraisal		93%						
TDA 15	Summary Hospital Mortality Indicator (HSCIC Published data)		n/a						
TDA 16	Hospital Standardised Mortality Ratio (DFI Quarterly)		n/a						
TDA 17	Hospital Standardised Mortality Ratio – weekend		n/a						

TDA 18	**Hospital Standardised Mortality Ratio – weekday**		**n/a**						
TDA 19	**Deaths in low risk conditions**		**n/a**						
TDA 20	**Emergency re-admissions within 30 days following an elective or emergency spell at the trust**		**7.5%**						
TDA 21	**IAPT – The proportion of people who complete treatment who are moving to recovery**		**36%**						
TDA 22	**C DIFF**		**0**						
TDA 23	**MRSA**		**0**						
TDA 24	**Never Event incidence**		**0**						
TDA 25	**Medication errors causing serious harm**		**0**						
TDA 26	**Percentage of Harm Free Care**		**n/a**						
TDA 27	**Serious Incidents**		**4**						
TDA 28	**Proportion of reported patient safety incidents that are harmful**		**39**						
TDA 29	**CAS alerts**		**10**						
TDA 30	**Admissions to adult facilities of patients who are under 16 years of age (Number)**		**0**						
TDA 31	**RTT waiting times for admitted pathways: percentage within 18 weeks**		**0**						
TDA 32	**RTT waiting times for non-admitted pathways: percentage within 18 weeks**		**96.7%**						
TDA 33	**RTT waiting times incomplete pathways**		**n/a**						
TDA 34	**RTT over 52 week waiters**		**n/a**						
TDA 35	**The proportion of those on Care Programme Approach(CPA) for at least 12 months Who had a CPA review within the last 12 months**		**96%**						
TDA 36	**The proportion of those on Care Programme Approach(CPA) for at least 12 months Having formal review within 12 months**		**96%**						
TDA 37	**The proportion of those on Care Programme Approach(CPA) for at least 12 months Receiving follow-up contact within 7 days of discharge**		**100%**						
TDA 38	**Admissions to inpatient services who had access to Crisis Resolution/Home Treatment teams**		**100%**						

TDA 39	Meeting commitment to serve new psychosis cases by early intervention teams (Number)		9						
TDA 40	Mental health delayed transfers of care		2.70%						
TDA 41	Data security breaches or lapses		3						

3 Exception Reports

Below are exceptions where compliance of the KPIs which support the strategic goals and Key Trust Targets (KTO) are below expected levels of performance and require further action.

SG1: To deliver high quality, person-centred models of care Clinical Effectiveness

KTO 1. Delivery of high quality services evidenced by CQC compliance, compliance with NICE guidance, increase in service user engagement and improvement of patient (SG1)
Of the 54 metrics all are within accepted limits at month 1

SG2: To be at the centre of an integrated network of partnerships to provide a holistic approach to care

KTO 2. Integrated models of care evidenced by clinical strategy supported by commissioners, partners and service users. (Medical Director) (SG2)
Of the 33 metrics all are within accepted limits at month 1

SG3 To engage with our communities to ensure we deliver the services they require

KTO 3. Improve stakeholder relationships and working, evidenced by stakeholder survey at beginning and end of year. (Chief Executive) (SG3)
Of the 10 metrics all are within accepted limits at month 1

SG4 To be a dynamic organisation driven by innovation

KTO 4. Use technology as an enabler for high quality service delivery evidenced by implementation of a refreshed IT Strategy and real-time patient feedback systems.(Dir of Finance). (SG4)
Metrics need to be identified in order to offer assurance against this objective

SG5 To be one of the most efficient providers

KTO 5. Robust plans delivering quality and sustainable services evidenced by delivery of financial plan and TDA risk rating of maximum 2. (Dir of Operations) (SG5)
Of the 12 metrics all are within accepted limits at month 1

KTO 6. Improve culture of staff engagement evidenced by improvements in key staff survey indicators and improved team survey results. (Dir of Leadership & Workforce) (SG5)
Of the 13 metrics all except one are within accepted limits at month 1

KPI	Metric	Exec	Op	Target	M1 Perf	YTD	Forecast Outturn	Trend	Comment
O8.6	Percentage of staff compliant with mandatory training	WF Dir	CD	95%	AMBER **90%**	AMBER **90%**	AMBER	↗	**90% @ month 1 from 89% @ month 12** Month 1 AMH = 90% LDNAOP = 89% CYP = 91%

	appropriate to their role								Corporate =86% Work on-going with teams to ensure that all staff attend statutory & mandatory training and maintain their compliance.

4 Quality and Risk Profile (QaRP)

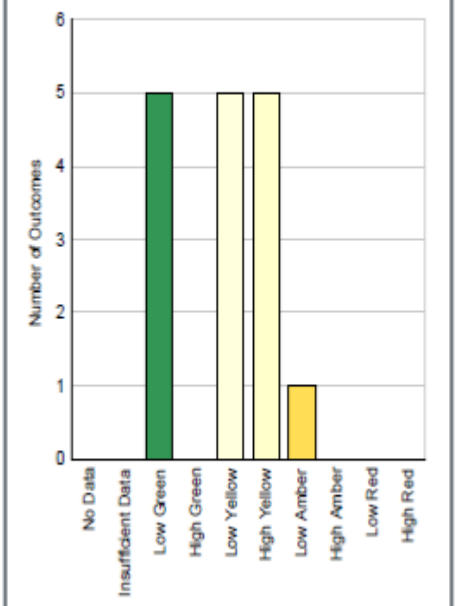
Executive Summary

At Month 12 (latest available data) the overall position remains good, as follows:

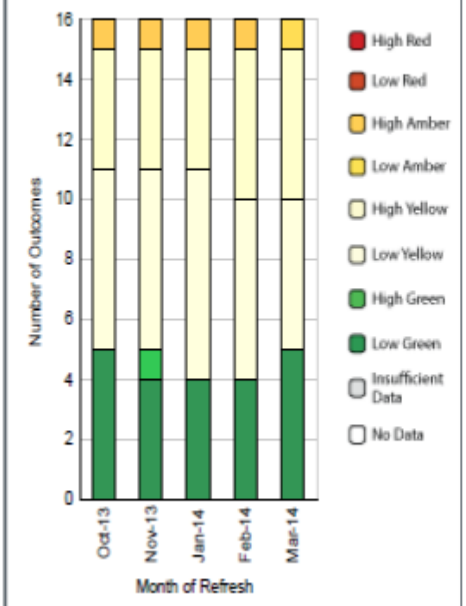
Summary information

Provider type: NHS Healthcare Organisation	
Date registered with CQC	01/04/2010
Number of regulated activities	3
Number of locations	7
Total no. of data items in QRP	843
No. of qualitative data items	92
No. of quantitative data Items	751

Latest risk estimates



Risk estimates over time



5 Recommendations

The Trust Board is asked to:

- Note the performance reported including the forecast position
- Note that all national targets are being met
- Review areas of underperformance as summarised in this report and identify further action required

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: **Open Trust Board**

Date of Meeting:	5 June 2014
Title of Report:	Audit Committee Report
Presented by:	Mrs Bridget Johnson Acting Chair of Audit Committee
Author of Report: Name: Date: Email:	Sandra Storey, Trust Secretary / Head of Corporate & Legal Affairs/ Sandra Storey 4 June 2014 sandraj.storey@northstaffs.nhs.uk
Purpose / Intent of Report:	• For Information & Performance Monitoring
Executive Summary:	This report provides a summary of the recent meeting of the Audit Committee held on 3 June 2014 Trust Board members are reminded that the full minutes and papers are available for inspection from the Trust Secretary / Head of Corporate and Legal Affairs.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Governance Strategy • Finance Strategy • Customer Focus
Relationship with Annual Objectives:	Relates to all annual objectives
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	The Assurance Framework provides the Board with evidence to support the Statement of Internal Control.
Recommendations:	The Board is asked to • Receive and note the contents of this report • Adopt the Annual Accounts 2013/14 and approve the Annual Governance Statement 2013/14

Audit Committee Report to the 5 June 2014 Trust Board of the meeting held on 3 June 2014

Approval of Annual Accounts – 2013/14
Mr Blaise presented the Annual Accounts for 2013/14 to the committee. It was noted that the draft Annual Accounts had been submitted to the Department of Health and External Auditors on the 23 April 2014. In order to help the committee to support the recommendation to the Board to adopt the Accounts, the committee took the following assurance:

- The completed Accounts have been reviewed in detail by the Executive Director of Finance and the Senior Finance Team.

- The Accounts have been extensively reviewed by External Audit who had identified one recommendation and a number of minor presentational changes. The presentational changes were made within the revised Accounts. In addition their draft ISA260 Audit Highlights Memorandum on the Accounts stated that they plan to issue an unqualified opinion on the 2013/14 Accounts.

- The Trusts Key Financial systems and processes have been subject to a series of Internal Audit reviews during the 2013/14 financial year all; of which have concluded that …."the Board can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective".

- Mr Gadsby, Non Executive Director had completed a 'page turn' on the Accounts to satisfy himself on behalf of the committee that they were in proper order.

The committee approved the Accounts and recommended their adoption by the Trust Board at its meeting on the 5 June 2014.

Mrs Johnson and Mr Gadsby expressed their thanks to the Finance Team for the hard work in drafting the accounts, notwithstanding the short amount of time available to them to complete this important piece of work.

First draft of Trust Annual Report 2013/14
Mrs Storey presented a first draft of the Trust's Annual Report 2013/14 in accordance with the project plan. As all NHS Trusts are required to produce an Annual Report and the intention of the paper was to provide an update position in respect to the progress being made in completing the Annual Report and to give assurance that this document is on track to be presented to the Trust's Annual General meeting in September 2014.

Committee members were satisfied that the draft report provided the committee with assurance that the Summary Financial Statements and Accounts for 2013/14 are set out in the Annual Report are consistent with those set out in the Full Accounts.

External Auditors, KPMG informed the committee that they had reviewed the draft of the Annual Report and Summary Financial Statements as part of their review of

accounts and were satisfied that the Annual Report has been produced in line with the national guidelines – the Manual for Accounts.

Further work will be undertaken on the document and will be reported back to the Audit Committee in line with the project plan.

2013/14 Assurance Framework – end of year statement
Mrs Storey presented a report on the Trust's Assurance Framework that has been in operation across the Trust in 2013/14. All NHS Trusts are required to maintain an Assurance Framework so that it can give assurance to the Board that there is an effective system of integrated governance, risk management and internal control across the whole of the Trust's activities. The Assurance Framework is also a key component that informs the Trust's Annual Governance Statement.

It was noted that the Audit Committee had received reports throughout the year on the maintenance of the Assurance Framework and that it had in effect looked behind the framework in year to provide assurance to the Trust Board that this process is still valid and suitable for the Board's requirements.

As the Assurance Framework is a 'live' process, the report highlighted that the process is therefore constantly reviewed and refreshed so that it can manage emerging issues with clear action being taken to seek additional controls and assurances where required.

In terms of external scrutiny of the process, it was noted that an independent audit of the Assurance Framework was undertaken in February 2014 by Baker Tilly which sought to validate the design and application of the Assurance Framework in relation to its ongoing development and maintenance. The audit gave a positive opinion and concluded that the Trust has a robust Assurance Framework which maps registration outcomes, principal risks, key controls and assurances, including information on action being taken to address gaps in control or assurance.

The assurances in the Assurance Framework are a key element which helps to distinguish those areas that are being well managed and those that may be a cause for concern. An assurance stock take was also undertaken by auditors during the year to validate if assurances on the register were actually in existence and that there is a distinguision between positive assurances and those that are potential sources of assurance. This audit gave a positive opinion which has helped to draw a conclusion that there are no significant control issues. Auditors were also satisfied that the Trust has actively sought to develop its risk management arrangements over the last 12 months.

The committee satisfied itself that there has been an effective Assurance Framework in place for 2013/14 and can therefore give assurance to the Trust Board.

Annual Governance Statement (AGS) 2013/14
Mrs Storey informed that committee that a first draft of the AGS had been prepared by her in accordance with TDA guidance and that this had previously been presented to the Audit Committee on the 10 April 2014. The final version was being presented to the committee alongside the Annual Accounts in order that this document could be approved in readiness for presentation to the Trust Board at its meeting on the 5 June 2014.

Mr Palethorpe, Baker Tilly, stated that there were no significant control issues for the Trust in 2013/14 and that the AGS was consistent with their audit findings including

making the required statements and disclosures. Mr Stanyer, KPMG noted that the statement had been subject to review as part of the process for auditing the Annual Accounts and reported that they were also satisfied with the document. The committee supported the AGS for presentation to the Trust Board.

Information Governance Disclosures 2013/14
All Trusts are expected to report on lapses of data security. Mrs Storey provided the committee with a summary of the incidents of data loss or confidentiality breach for the period 1 April 2013 to 31 March 2014 and actions taken to address them. The information had been collated and analysed following the Department of Health's checklist for the reporting, managing and investigating information governance breaches. The summary has informed the Trust's Annual Governance Statement and Annual Report and concluded that there were no breaches beyond level 1 during this reporting period.

It was noted that while numbers are low and there are no significant control issues (as determined by the guidance) some of the incidents indicate that staff need to be more vigilant when handling confidential information. Trust staff are required to complete Information Governance Training on an annual basis (which includes the management of confidential information) and compliance is also monitored through the IG toolkit. The Trust has maintained its good performance by achieving level 2 at year end.

The auditors welcomed this scrutiny of incidents and noted that it provides further assurance to them that the Trust takes the security of information seriously.

Whistleblowing Register
The Trust has a procedure to support members of staff to bring concerns to the attention of the appropriate people within the Trust. The policy states that the Trust Secretary is responsible for maintaining a database of concerns raised under this procedure and submitting this for review by the Audit Committee.

Mrs Storey provided the committee with the current whistleblowing register which satisfied those in attendance in terms of the level of information on the register and that this was in accordance with Trust policy. Members of the committee noted that there were no surprises on the register having already been made aware of this information in accordance with Trust policy.

Healthcare Quality Standards Assurance report
Mr Lappin presented this report to provide the committee with assurance on the processes to assess and monitor compliance in relation to the healthcare quality standards. It was noted that Level 1 (Essential Team Visits) are on track, and Level 2 (Team Self Assessment and Annual Declaration of Compliance) is nearing completion. Level 3 (Corporate Self Assessment and Annual Declaration of compliance is underway and should be completed by the programme deadline.

The recent changes to the CQC inspection process is currently being appraised and the internal monitoring framework will be updated accordingly and reported back to the committee in due course.

Implementation of Audit Recommendations – Performance Management Report
Mr Lappin provided the committee with a position statement at year end in relation to audits completed to date, progress in the implementation of existing audit recommendations and current progress of new audit recommendations.

It was noted that much progress had been made in completing outstanding audit recommendations and that the 6 outstanding (none of which are high level) is the lowest number that the Trust has had for some time. Action is being taken to address those outstanding (some of which link to the Trust's business plan) and further progress on performance will be reported to the committee as part of its cycle of business.

Local Counter Fraud Annual year-end report March 2014
Received for information and will be presented to the Trust Board at its meeting on the 5 June 2014.

Internal Audit year-end report March 2014
Mr Palethorpe presented the annual report which contains an annual opinion in accordance with Public Sector Internal Audit Standards. The opinion is based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance arrangements. It was noted that based on the work undertaken in 2013/14 significant assurance can be given that there is generally a sound system of internal control designed to meet the organisation's objectives and that controls are generally being applied consistently.

There were some weaknesses identified though none of these on their own or in combination did not lead the auditors to provide a negative opinion at year end. It was further noted that where weaknesses had been identified, these were very specific reviews and were areas in which management had concerns due to a lack of full assurance, hence the audits.

KPMG ISA 260 Audit Memorandum
Mr Stanyer presented the ISA 260 Audit Highlights Memorandum relating to their audit of the Trust's 2013/14 financial statements. This document was discussed at length by the committee and approved for presentation to the Trust Board at its meeting on the 5 June 2014.

Based on the findings of their work, auditors concluded that the Trust has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources. They intend to issue and unqualified opinion on the accounts following the Trust Board adopting the accounts and receipt of the management representation letter. Mr Stanyer further noted that they have completed their audit of the financial statements and that they have read the Annual Report (including the Remuneration Report) and reviewed the Annual Governance Statement. Their key finding is that there are no unadjusted audit differences explained. Some presentational changes to the accounts have been agreed with finance, mainly related to compliance with relevant guidance.

It was noted that this was a very positive report for the Trust. Mr Stanyer thanked Mr Blaise in particular and the finance team for their support and the timely and efficient production of information in support of the audit process.

Review of Losses and Compensation report
Received for information from Mr Blaise.

Cost Improvement Plan (CIP)
Mr Lappin provided the committee with information on the processes and procedures in place in order to give assurance to the committee around the management of CIP schemes. Mr Lappin reminded the committee that the Trust had achieved its

2013/14 CIP target in full. The development of CIP for 2014/15 was noted to be making good progress but further work was still required. Mr Lappin also provided information on the Quality Assurance Process that is in place where schemes are assessed and rejected if they have the potential to impact on the quality of service provision.

Review of the Business of other Board Committees
The committee received the following summary business reports:

- *Quality Committee* – 15 April 2014 meeting;
- *Finance & Activity Committee* – 17 April 2014 meeting;
- *People and Culture Development Committee* – 14 April 2014 meeting.

Cycle of Business
The Committee received the revised cycle of business and meeting dates for the coming year.

Next meeting
11 September 2014

On behalf of the Committee Chair
Sandra Storey
Trust Secretary / Head of Corporate and Legal Affairs
4 June 2014

Encl 11

REPORT TO TRUST BOARD

Date of Meeting:	5 June 2014
Title of Report:	NHS Trust Development Authority (NTDA) Monthly Self Certifications.
Presented by:	Kieran Lappin, Director of Finance
Author of Report: Name: Date: Email:	Glen Sargeant, Head of Performance and Information 27 May 2014 glen.sargeant@northstaffs.nhs.uk
Purpose / Intent of Report:	Information as approved by Board members ahead of the Board meeting
Executive Summary:	This report presents the monthly NTDA self-certification documents for Board approval. These self-certification declarations form part of the NTDA Oversight and Escalation Process. Based on April 2014 data, the Trust is declaring compliance with all requirements.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	Clinical, Finance and Governance. There is no direct impact on patients or the public.
Relationship with Annual Objectives:	To support delivery of TDA risk rating of maximum 2, impacting on the future form of the Trust.
Risk / Legal Implications:	None
Resource Implications:	None identified
Equality and Diversity Implications:	None identified
Relationship with Assurance Framework [Risk, Control and Assurance]	None
Recommendations:	The Board is asked to receive this report for governance purposes as given the timescale for submission this report has previously been approved by the Board by way of email circulation and agreement

NHS TRUST DEVELOPMENT AUTHORITY

OVERSIGHT: Monthly self-certification requirements - Compliance Monitor
Monthly Data.

CONTACT INFORMATION:

Enter Your Name: Kieran Lappin

Enter Your Email Address: kieran.lappin@northstaffs.nhs.uk

Full Telephone Number: 01782275030 Tel Extension:

SELF-CERTIFICATION DETAILS:

Select Your Trust: North Staffordshire Combined Healthcare NHS Trust

Submission Date: 30/05/2014 Reporting Year: 2014/15

Select the Month

- ○ April
- ○ May
- ○ June
- ○ July
- ○ August
- ○ September
- ○ October
- ○ November
- ○ December
- ○ January
- ○ February
- ○ March

COMPLIANCE WITH MONITOR LICENCE REQUIREMENTS FOR NHS TRUSTS:

1. **Condition G4** – Fit and proper persons as Governors and Directors (also applicable to those performing equivalent or similar functions).
2. **Condition G5** – Having regard to monitor Guidance.
3. **Condition G7** – Registration with the Care Quality Commission.
4. **Condition G8** – Patient eligibility and selection criteria.

5. **Condition P1** – Recording of information.
6. **Condition P2** – Provision of information.
7. **Condition P3** – Assurance report on submissions to Monitor.
8. **Condition P4** – Compliance with the National Tariff.
9. **Condition P5** – Constructive engagement concerning local tariff modifications.

10. **Condition C1** – The right of patients to make choices.
11. **Condition C2** – Competition oversight.

12. **Condition IC1** – Provision of integrated care.

Further guidance can be found in Monitor's response to the statutory consultation on the new NHS provider licence: The new NHS Provider Licence

COMPLIANCE WITH MONITOR LICENCE REQUIREMENTS FOR NHS TRUSTS:

		Comment where non-compliant or at risk of non-compliance
1. Condition G4 Fit and proper persons as Governors and Directors.	Yes	
	Timescale for compliance:	
2. Condition G5 Having regard to monitor Guidance.	Yes	
	Timescale for compliance:	
3. Condition G7 Registration with the Care Quality Commission.	Yes	
	Timescale for compliance:	
		Comment where non-compliant or at risk of non-compliance
4. Condition G8 Patient eligibility and selection criteria.	Yes	
	Timescale for compliance:	

		Comment where non-compliant or at risk of non-compliance
5. Condition P1 Recording of information.	Yes	
		Timescale for compliance:
6. Condition P2 Provision of information.	Yes	
		Timescale for compliance:
7. Condition P3 Assurance report on submissions to Monitor.	Yes	
		Timescale for compliance:
8. Condition P4 Compliance with the National Tariff.	Yes	
		Timescale for compliance:

		Comment where non-compliant or at risk of non-compliance
9. Condition P5 Constructive engagement concerning local tariff modifications.	Yes	
		Timescale for compliance:

Comment where non-compliant or at risk of non-compliance

10. Condition C1
The right of patients to make choices.

Yes

Timescale for compliance:

11. Condition C2
Competition oversight.

Yes

Timescale for compliance:

12. Condition IC1
Provision of integrated care.

Yes

Timescale for compliance:

Submit

NHS TRUST DEVELOPMENT AUTHORITY

OVERSIGHT: Monthly self-certification requirements - Board Statements
Monthly Data.

CONTACT INFORMATION:

Enter Your Name: Kieran Lappin

Enter Your Email Address: kieran.lappin@northstaffs.nhs.uk

Full Telephone Number: 01782275030 Tel Extension:

SELF-CERTIFICATION DETAILS:

Select Your Trust: North Staffordshire Combined Healthcare NHS Trust

Submission Date: 30/05/2014 Reporting Year: 2014/15

Select the Month

- April
- May
- June
- July
- August
- September
- October
- November
- December
- January
- February
- March

BOARD STATEMENTS:

CLINICAL QUALITY
FINANCE
GOVERNANCE

The NHS TDA's role is to ensure, on behalf of the Secretary of State, that aspirant FTs are ready to proceed for assessment by Monitor. As such, the processes outlined here replace those previously undertaken by both SHAs and the Department of Health.

In line with the recommendations of the Mid Staffordshire Public Inquiry, the achievement of FT status will only be possible for NHS Trusts that are delivering the key fundamentals of clinical quality, good patient experience, and national and local standards and targets, within the available financial envelope.

BOARD STATEMENTS:

For CLINICAL QUALITY, that

1. The Board is satisfied that, to the best of its knowledge and using its own processes and having had regard to the TDA's oversight model (supported by Care Quality Commission information, its own information on serious incidents, patterns of complaints, and including any further metrics it chooses to adopt), the trust has, and will keep in place, effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to its patients.

1. CLINICAL QUALITY Indicate compliance.	Yes
Timescale for compliance:	
RESPONSE:	
Comment where non-compliant or at risk of non-compliance	

BOARD STATEMENTS:

For CLINICAL QUALITY, that

2. The board is satisfied that plans in place are sufficient to ensure ongoing compliance with the Care Quality Commission's registration requirements.

2. CLINICAL QUALITY
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For CLINICAL QUALITY, that

3. The board is satisfied that processes and procedures are in place to ensure all medical practitioners providing care on behalf of the trust have met the relevant registration and revalidation requirements.

3. CLINICAL QUALITY
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For FINANCE, that

4. The board is satisfied that the trust shall at all times remain a going concern, as defined by the most up to date accounting standards in force from time to time.

4. FINANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

5. The board will ensure that the trust remains at all times compliant with the NTDA accountability framework and shows regard to the NHS Constitution at all times.

5. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

6. All current key risks to compliance with the NTDA's Accountability Framework have been identified (raised either internally or by external audit and assessment bodies) and addressed – or there are appropriate action plans in place to address the issues in a timely manner.

6. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

7. The board has considered all likely future risks to compliance with the NTDA Accountability Framework and has reviewed appropriate evidence regarding the level of severity, likelihood of a breach occurring and the plans for mitigation of these risks to ensure continued compliance.

7. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

8. The necessary planning, performance management and corporate and clinical risk management processes and mitigation plans are in place to deliver the annual operating plan, including that all audit committee recommendations accepted by the board are implemented satisfactorily.

8. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

9. An Annual Governance Statement is in place, and the trust is compliant with the risk management and assurance framework requirements that support the Statement pursuant to the most up to date guidance from HM Treasury (www.hm-treasury.gov.uk).

9. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

10. The Board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets as set out in the NTDA oversight model; and a commitment to comply with all known targets going forward.

10. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

11. The trust has achieved a minimum of Level 2 performance against the requirements of the Information Governance Toolkit.

11. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

12. The board will ensure that the trust will at all times operate effectively. This includes maintaining its register of interests, ensuring that there are no material conflicts of interest in the board of directors; and that all board positions are filled, or plans are in place to fill any vacancies.

12. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

13. The board is satisfied that all executive and non-executive directors have the appropriate qualifications, experience and skills to discharge their functions effectively, including setting strategy, monitoring and managing performance and risks, and ensuring management capacity and capability.

13. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:

For GOVERNANCE, that

14. The board is satisfied that: the management team has the capacity, capability and experience necessary to deliver the annual operating plan; and the management structure in place is adequate to deliver the annual operating plan.

14. GOVERNANCE
Indicate compliance.

Yes

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

Submit

North Staffordshire Combined Healthcare NHS
NHS Trust

Encl 12a

REPORT TO: **Open Trust Board**

Date of Meeting:	5 June 2014
Title of Report:	Report from the Risk Management Committee
Presented by:	Mr P Sullivan on behalf of Mrs B Johnson, Chair of the Risk Management Committee
Author of Report: Name: Date: Email:	Sandra Storey, Trust Secretary, Head of Corporate and Legal Affairs 23 May 2014 sandraj.storey@northstaffs.nhs.uk
Purpose / Intent of Report:	• For decision / assurance
Executive Summary:	This report provides a summary of the Risk Management Committee meeting held on the 14 May 2014
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Customer Focus Strategy • Clinical Strategy - • Governance Strategy
Relationship with Annual Objectives:	Ensure provision of safe clinical services
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	Risk Management is an integral part of the Trust's Board Assurance Framework and informs the Annual Governance Statement
Recommendations:	To note the contents of the report

Risk Management Committee Report to the Trust Board on the 3 June 2014 of the meeting held on 14 May 2014

1. Chair of the Meeting

Mr Patrick Sullivan, Non Executive Director, chaired this meeting in the absence of Mrs Bridget Johnson, Non Executive Director.

2. Q1 2014-15 Principal Risk Register

Mr Sargeant presented this paper which highlighted principal risks, their ratings and mitigating actions. The report noted 10 principal risks, with an additional four risks escalated from the operational risk register. It was noted that the principal risks had been substantially revised to reflect the 2014/15 Trust Objectives and to incorporate comments from the last committee meeting on those risks which had been carried forward from Q4 2013/14.

Committee members were asked to consider whether these were the right risks for 2014/15, whether their gross and residual risk ratings were appropriate and in particular whether the respective mitigations that were in place were sufficiently detailed and current. It was agreed that improvements had been and that the wording used was much more up to date.

Committee members agreed that at future meetings the current report would serve as a base document and that verbal updates would be provided by the appropriate lead director on an exception basis, to better focus the meeting on any key gaps. It was noted that this matched the approach taken at the Trust's Risk Review Group which was moving back to holding monthly meetings. This change was supported by the committee.

A new operational risk to cover signing of all Service Level Agreements (SLAs) managed by the Trust was being finalised by the Director of Finance and that this would be escalated to the Principal Risk Register in Q2.

Committee members discussed the residual rating for risk 129 and whether this was effectively the Trust's 'risk appetite', given that the residual risk was still quite high and had remained so for the past few months. It was agreed for the need to balance good clinical practice with risk mitigation and accepted that yes, there would be a level of risk appetite remaining for this (and other) risks, albeit not at the current level and that it might be more appropriate to think in terms of overall levels of safety rather than just focussing on ligatures, e.g. the wider interactions with staff, appropriateness of environments and considering where we stand against our peers. It was noted that the

Friends and Family Test might also be a reasonable measure to use to test the committee's thinking.

It was noted that Principal Risk 10 (information systems) needed to be much more robust, as such it was agreed that a detailed update on this risk would be brought back to the July Committee meeting.

The committee discussed looking in more detail at the key controls that help to mitigate the principal risks and it was agreed that the top 15 controls should be incorporated into the report for Q2.

Mr Sargeant will look at the possibility of delivering a live presentation of the report at future meetings, with 'drill down' into the mitigation actions and controls.

3. Cycle of Business

This was received by the committee.

4. Next meeting

9 July 2014, 10.00 am

This will focus on the Q2 2014/15 Principal Risk Register and the Trust's risk appetite.

On behalf of the Acting Committee Chair, Patrick Sullivan
Sandra Storey
Trust Secretary / Head of Corporate and Legal Affairs
25 May 2014

North Staffordshire Combined Healthcare NHS
NHS Trust

Encl 12b

REPORT TO: Trust Board (open)

Date of Meeting:	5 June 2014
Title of Report:	Q1 Principal Risk Register Report 2014/15
Presented by:	Kieran Lappin, Director of Finance
Author of Report: Name: Date: Email:	Glen Sargeant, Head of Performance and Information 27 May 2014 Glen.sargeant@northstaffs.nhs.uk
Purpose / Intent of Report:	• For review and approval
Executive Summary:	The enclosed principal risk register was discussed in detail and agreed by the Risk Management Committee at its meeting on 14 May 2014
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Governance Strategy Robust risk management supports the effective delivery of safe and high quality services.
Relationship with Annual Objectives:	The Risk Management Framework measures and facilitates the management of risk across all annual objectives.
Risk / Legal Implications:	Addressed by this report
Resource Implications:	Not directly as a result of this report
Equality and Diversity Implications:	Not directly as a result of this report
Relationship with Assurance Framework [Risk, Control and Assurance]	The Risk Management Framework is a key control within the Assurance Framework.
Recommendations:	The Board is asked to : - Review and confirm the principal risks and their gross risk scoring - Review and confirm the accuracy of the residual risk assessments - Identify any known risks not contained within this report

2014/15 Principal Risk Register - Q1 (FINAL)

Ref	Strategic Risk	Annual Objectives	Controls	Lead	Impact	Likelihood	Gross Risk	Impact	Likelihood	Residual Risk Q1	2014/15 Mitigation Plans
STRATEGIC PLANNING											
1	**Failure to maintain clinical effectiveness and operate safe clinical services:** The Trust fails to develop an outcome focus which is integral to clinical practice; Fails to implement methods to assess clinical effectiveness; Fails to assess outcomes; Fails to deliver services that improve outcomes; failure to implement robust and safe clinical services, fails to deliver a culture where patient safety is continually reviewed and improved; failure to maintain infection prevention & control: failure to safeguard children & vulnerable adults.	**1,3,4,5,6**	15, 18, 20, 22, 27, 32, 34, 52, 53, 55, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 111, 124, 127,	Med Director/Dir Nursing & Quality	5	3	**15**	5	1	**5**	Trust level and Team level outcome measurement framework established and will continue to be enhanced moving forward. Full implementation of the new processes to learn from disparate quality systems in an integrated manner. External quality reports (e.g. DoH, TDA, CQC) are viewed alongside internal performance reports to ensure the Trust is on track in the key areas. Service Line Management / Reporting - Local focus on compliance and safety established. (Dir of Leadership & Workforce) Increased focus on quality & governance is in place at divisional level – e.g. Q&G leads and Q&G infrastructure built in to the wider Divisional Governance Framework Data Quality arrangements are continually monitored and enhanced where possible (Dir of Finance). As a result of the Phase 2 public consultation, investment in additional community support has been established to support more patients to be supported within the community. Home treatment team & Crisis Resolution work closely with acute wards to facilitate discharge & ensure by providing timely interventions that support admission avoidance where appropriate and embed the 'recovery model' of care for users and their carers. Significantly more robust divisional and service line risk management structures are now in place. Enhanced community teams in AMH and NOAP. Some staff have been moved from community to inpatient settings in order to reduce the need for bank usage. In NOAP enhancements to the community service have led to a reduced demand for user beds. The Trust has an integrated process for the reporting of safeguarding activity, which is embedded within the Trust incident reporting system which allows performance to be effectively managed.
2	**Failure to jointly develop clinical pathways and develop a clinical strategy which informs the future direction of the Trust:** The Trust fails to develop appropriate and effective, or develops undeliverable, clinical pathways and a clinical strategy	**2,3**	1, 2, 3, 4, 5, 6, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 38, 40, 43, 44, 45, 48, 59,	Chief Executive	4	3	**12**	4	2	**8**	Within the LHE, the CELG group meet to align plans and the development of strategy across the economy with a commitment to a 'whole system' approach to service redesign and transformation. A Trust commissioning board, chaired by CCGs, meets monthly. In addition there is a sector wide QIPP board that meets quarterly. 8 clinical pathway groups established with clear clinical or commissioning leads. Terms of reference for each group established and key partners identified. Governance structure established and agreed with commissioners. Monthly Commissioning Board and monthly internal Programme Board tracks progress. Workshops planned for May and June to share progress internally and externally and to strengthen integration across pathways.
286	**Future organisational form is unable to deliver sustainable services:** impacting on future provision and delivery of patient care	**2,5**	1,3,5,6,13,14,15,16, 20,25,26,40, 43,46,47,50, 56,57,58	Chief Executive	4	3	**12**	4	2	**8**	Agreement with Commissioners and TDA to refresh clinical strategy currently under way to develop robust, integrated clinical pathways that support integration with physical healthcare and social care. Clinical pathway work will inform the decision for future organisational form. 2-year plan developed and broadly supported by TDA with minimal concerns raised. 5-year plan currently being developed, to be completed by 20th June, will describe and model future services. TDA risk rating for Trust reduced from 3 to 2.
4	**Failure to maintain the confidence of commissioners and deliver outcomes together:** The Trust fails to meet the ongoing expectations of commissioners; Fails to work jointly in an effective manner to deliver agreed outcomes	**2,3,**	13, 14, 15, 20, 23, 28, 40, 41, 42, 43, 44, 45, 52, 58, 125, 126,	Dir of Operations	4	4	**16**	4	3	**12**	Clinical pathways are being established in partnership with local commissioners to jointly determine the direction of travel of this organisation. Director of Operations and Director of Nursing hold regular 1:1 meetings with the lead commissioners for Staffordshire and Stoke on Trent. Where issues do occur, items are escalated to the Commissioning Board for further discussion and agreement. At NSCHT's request the Commissioning Board's focus has been extended to include CAMHS service in order to be fully inclusive. The Commissioning Board has also been extended to include Stoke on Trent City Council. CIP and longer-term service change plans are shared and agreed with commissioners to help inform clinical pathway work.
5	**Potential impact of CIP on quality:**The Trust fails to ensure that arrangements are in place to prevent any reduction in quality of services during the delivery of the CIP.	**4,5**	2, 4, 5, 15, 20, 27, 28, 29, 32, 33, 39, 59, 60, 61, 64, 65, 66, 68, 69, 70, 71, 72, 73, 74, 75, 76, 87, 89, 124,	Med Director/Dir Nursing & Quality	4	3	**12**	4	2	**8**	Top level Board commitment to maintaining Quality is recorded in public minutes and message is disseminated through the organisation via Trust communication (plenary/ team brief etc) Review of clinical change and any negative impact by Clinical Directors/Senior Nurses at least a monthly basis . Review of incidents and specifically to see if there is any correlation with where CIP is being delivered. Consultation and scrutiny of plans (Exec Team). Continue the regular monitoring of any impact on quality as a result of delivering the CIP (SMT). Increased focus on quality & governance at divisional level - i.e. Q&G leads and Q&G infrastructure. Close scrutiny of all plans from a clinical perspective; confirm and challenge meeting held with commissioners - in year post implementation review. All CIP schemes are quality impact assessed by Clinical Directors and signed off by the Medical and Nursing Directors. The Trust Quality committee reviews CIP implementation plans on a quarterly basis to ensure that the implementation of CIP plans is monitored for their impact on quality.
287	**Failure to deliver a culture change in staff engagement and other internal / external relationships:** The Trust fails to engage staff iand other internal / external partners n the planning and delivery of services; Fails to communicate its plans in a clear and compelling way that builds confidence	**3,4,6**	15, 20, 23, 27, 28, 59, 60, 61, 65, 75, 76, 87, 111, 124, 125, 126,	Dir Leadership & Workforce	4	3	**12**	4	2	**8**	People and Culture Development Committee in place to help promote strategic leadership and guidance. Introduction of Aston Team Based Working Programme across the Trust Introduction of Listening into Action Regular bulletins and updates for staff on SID and in staff newsletter. Monthly Chair and Chief Executive –led plenary sessions continue to engage with senior managers across the organisation (and all staff by cascade). Monthly Team Brief sessions delivered face-to-face in teams to ensure 2-way dialogue is generated. Updated Staff Friends and Family Test rolling out in Q1 2014/15, taking a structured approach to ensure that all staff (including agency, bank and locum workers) have the opportunity to feed back at least once a year in addition to the National Staff Survey. Regular programme of 'Board to Ward' visits in place to facilitate open discussion and more informal feedback. CDs, Business Managers and Service Line Managers support robust organisational leadership. Staff at all levels are empowered to influence and help deliver the strategic direction of the Trust. Identified as an organisational objective for 2014/15

Ref	Strategic Risk	Annual Objectives	Controls	Lead	Impact	Likelihood	Gross Risk	Impact	Likelihood	Residual Risk Q1	2014/15 Mitigation Plans
280	**Failure to develop effective 5-year strategic plan:** The Trust is unable or lacks ability to develop an effective 5-year strategic plan, impacting on services and on the future form of the Trust; Trust fails to take sufficient advantage of opportunities presented by the current market environment	**5**	15, 20, 23, 27, 28, 59, 60, 61, 65, 75, 76, 87, 111, 124, 125, 126,	Dir of Finance	4	4	**16**	4	3	**12**	The Trust is developing its Strategic Plans with deep involvement of commissioners, particularly our host CCGs. This action will ensure both commitment from commissioners to fund the outcome of Clinical Pathway work and commitment from the Trust to deliver the outcomes aligned to the commissioners' Clinical Strategy.
FINANCIAL											
288	**Insufficient funding to meet the cost base for service provision arising from the financial impact of CIP, Bucknall site and LD changes:** This could result in insufficient income to maintain service provision and to inform contract negotiations on an ongoing basis, as we progress towards a Payment by Results regime.	**5**	16, 24, 26, 29, 39, 46, 47, 50, 51, 53, 54, 56, 97, 98, 109, 111, 116, 117, 121,	Dir of Finance	5	4	**20**	5	3	**15**	The Trust has developed a robust CIP regime which involves both an assurance of deliverability and a quality impact assessment to ensure appropriate quality standards are maintained. The Trust is progressing the implementation of PbR in line with national requirements and is working with commissioners to progress this agenda. Significant work has been completed in clustering activity on the patient information system in preparation for the new regime. The PLICS system provides service line information combining financial and non financial information at patient, service line, divisional and Trust level. Details are continually being refined with individual service lines. In advance of tariff being developed for Mental Health, in order to better understand the potential contribution of individual services, the Trust is currently undertaking an exercise to match costs and income by service utilising block contract data.
INFORMATION MANAGEMENT & TECHNOLOGY											
10	**Failure to develop and implement fit-for-purpose information systems that provide real-time information for patients and fully support PbR, mobile working and efficiency:** The Trust fails to develop electronic information systems, including the technical skills, which are fit for purpose; Fails to effectively manage information; Fails to develop an electronic patient record (EPR); fails to support clinicians through ensuring there are integrated electronic recording systems.	**4,6**	19, 109, 111, 112, 114, 116, 117, 118, 119, 121, 122, 123,	Dir of Finance	4	5	**20**	4	4	**16**	A Director of Strategy is in the process of being appointed to help drive forward actions to mitigate this risk. The Trust has also arranged a series of diagnostic meetings between key staff and an external IT consultant to gain a better understanding of the issues facing staff and the potential solutions. A data quality forum is in place to ensure quality is driven up, for current systems. Training is provided for both clinical and non-clinical staff - including clinical coding, records maintenance, system usage etc. Investment in information Technology is planned and the IM&T strategy includes plans to increase mobile and flexible working and also to identify an electronic patient record solution. In the medium term Investment in IT remains a priority for the use of the Trust's Capital Resource. In the interim a significant amount of work is being undertaken to update CHIPS. This has included rationalising coding, improving reporting. This has enabled release of significant amounts of data to support development of PBR to commissioners and mitigated the risk significantly. In addition a proposal has been written to add a patient noted function to CHIPS, which would then facilitate a functional if basic patient record system that can be used to unlock some of the efficiency possible from mobile working and discussions about the feasibility and time to implement this are ongoing with HIS. In recent years there has been little investment in IT infrastructure and hardware, largely linked to the former transaction timetable. This will also be reviewed during 2014/15 in the light of ongoing discussions in respect of organisational form. The Trust is also investing in a range of IT support systems e.g. Big Hand (voice dictation), electronic whiteboards etc.
WORKFORCE											
12	**Failure to comply with safe staffing requirements and establish safe staffing levels in clinical areas:**The Trust fails to review and implement safe and effective levels of clinical staff to meet patient needs in clinical services.	**5,6**	1, 17, 34, 35, 36, 39, 55, 59, 97, 101, 102, 103, 128	Dir Nursing & Quality	3	3	**9**	3	2	**6**	The Trust Board is accountable in ensuring that the Trust has sufficient levels of clinical staff in place to provide safe, effective care to all its patients. The Trust is in the process of reviewing staffing levels. Steps taken to assure the Trust board to date are: Ward staffing review of wards 1 -7 at the Harplands hospital, which indicated an under-establishment in some areas. Recruiting to vacancies across the Harplands site, recruiting to the Nursing Bank to ensure availability of resource when needed, reducing bed number on wards which are under occupied, improving HR process to effectively manage sickness absence.

Ref	Strategic Risk	Annual Objectives	Controls	Lead	Impact	Likelihood	Gross Risk	Impact	Likelihood	Residual Risk Q1	2014/15 Mitigation Plans
ESCALATED FROM OPERATIONAL RISK REGISTER											
131	**Significant financial impact in 2014/15 as a result of future model of LD services**	-	-	Dir of Finance	5	4	**20**	5	3	**15**	Ongoing TUPE discussions taking place with relevant parties; support team in place to help manage process. Escalated to Trust's Principal Risk Register in view of potential cost impact. Risk has been escalated to the chair of the LD Project Board and raised with the Commissioning Board. HR 'task and finish' group and an Assertive Outreach Support Team have been established to support the care to clients through the Transaction period. Our host commissioners are supporting the Trust in securing other commissioners' 'fair share' contributions towards exit costs. (There is considerable uncertainty over whether other commissioners will pay.) The Trust has enhanced its accounting provision to align with current anticipated redundancy costs.
259	**Risk of harm to patients and staff due to potential latent defect in the pipework serving Harplands Hospital.** Could cause harm to patients and staff and impact on patient care if a failure occurs	-	-	Dir of Operations	5	3	**15**	5	3	**15**	Standstill agreement in place between the Trust and our PFI partners. (This effectively extends the warranty period for the Hospital.) Trust received a copy of a technical report from Semperion just before Christmas which they had commissioned from their technical consultants. The Trust's contract monitoring team met with Semperion in January 2014 to go through the report and start to discuss method statements (i.e. how the contractors propose to replace the offending pipework, timetabling, impact on service provision etc). The first steps will almost certainly be at a technical level before Clinical staff are engaged to discuss the logistics of how we work together to effect a solution. At this stage no work would commence much before summer 2014, to take advantage of hopefully warmer weather when the heating will not be required. Risk reviewed regularly at divisional meetings and Risk Review Group; escalated to Principal Risk Register for wider consideration. Issue raised formally with legal advice.
129	**Risk of patients using ligature points in in-patient unit at Harplands resulting in potential harm**. Previous audits had assessed this risk in areas where it was most likely (i.e. bedrooms) and concluded it to be low risk. This has been increased following a recent suicide on Ward 1 where a bedroom door handle was used as an anchorage point.	-	-	Dir of Operations	4	4	**16**	4	3	**12**	All annual risk assessments in respect to ligature points are in place and have been undertaken External review undertaken week beginning 15th July. Action plan developed and actions expedited following receipt of review. All staff have been made aware that door handles are a potential anchorage point and observation levels for service users at risk will be assessed against this potential. Environmental Risk Group established. Additional values-based sessions delivered.
279	**Failure to effectively manage the PFI contract for Harplands Hospital impacts on quality of patient care:**Trust fails to manage the contract effectively, leading to potential safety issues through checks / updates / replacements not being undertaken in a timely manner.	-	-	Dir of Operations	3	4	**12**	3	4	**12**	Full Implementation of 13/14 Audit recommendations. Introduction of Exec Director lead Strategic review meetings. External support in PFI contract Management to be obtained (UHNS have offered to support). Monthly contract monitoring meetings. Review of rights and responsibilities under contract.

		LIKELIHOOD				
		Rare	Unlikely	Possible	Likely	Almost Certain
IMPACT	**Rating**	**1**	**2**	**3**	**4**	**5**
Negligible/Insignificant	**1**	1	2	3	4	5
Minor	**2**	2	4	6	8	10
Moderate	**3**	3	6	9	12	15
Major	**4**	4	8	12	16	20
Catastrophic	**5**	5	10	15	20	25

Overall Risk Rating

1-3= Low

4-6= Moderate

8-12= Significant

15-25= High

North Staffordshire Combined Healthcare NHS
NHS Trust

Enclosure 13

REPORT TO: TRUST BOARD

Date of Meeting:	5 June 2014
Title of Report:	Approval of the 2013/14 Annual Accounts
Presented by:	Kieran Lappin – Executive Director of Finance
Author of Report: Name: Date: Email:	Steve Blaise – Interim Deputy Director of Finance 30th May 2014. Steve.blaise@northstaffs.nhs.uk
Purpose / Intent of Report:	• For Decision ✔
Executive Summary:	The Trusts Draft Annual Accounts were submitted to the Department of Health and External Auditors on 23rd April 2014. Following External Audit scrutiny and discussion at the Trust's Audit Committee, the 2013/14 Annual Accounts are being presented to the Trust Board for approval at its meeting on 5th June 2014 prior to the final submission to the Department of Health prior to the national deadline of midday on 9th June 2014. The paper, as attached provided assurance to the Audit Committee that it can approve the Trusts 2013/14 Accounts and therefore recommends their adoption by the Trust Board.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Governance and Finance Strategy ✔
Relationship with Annual Objectives:	To ensure that the Trust delivers it Financial Plan and statutory requirements
Risk / Legal Implications:	None
Resource Implications:	None
Equality and Diversity Implications:	None
Relationship with Assurance Framework	
Recommendations:	The Trust Board is asked to adopt the 2013/14 Annual Accounts

Report to the Audit Committee – 3rd June 2014

2013/14 Annual Accounts

Background.

The Trust submitted its draft Annual Accounts to the Department of Health and its External Auditors in line with the nationally set deadline of noon, 23rd April 2014. Following the external audit of these accounts there is a requirement for the auditors to submit, on the Trusts behalf, the approved, audited accounts to the Department of Health by noon on 9th June 2014.

Prior to this the Audit Committee are required to review the Accounts and recommend their adoption by the Trust Board at its meeting on 5th June 2014.

The Statement of Comprehensive Income and the Statement of Financial Position are included as appendices at the end of this report. The full Accounts have been amended, from those submitted at draft stage, in order to include the minor presentational changes identified by External Auditor following their examination of the Accounts.

Overview of financial Performance

- The Trust has a statutory "breakeven" duty, which requires that it ensures that income is sufficient to meet expenditure, taking one year with another. In 2013/14 the Trust recorded a retained surplus of £31,000 after adjusting for technical items that the Department of Health deems to be outside the managerial control of the Trust.

- The Trust is set an External Financing Limit (a cash limit) that it is permitted to undershoot but not exceed. In 2013/14 the target was to have a net cash outflow of £175,000. However the Trusts actual cash inflow was £1,276,000 and, consequently, undershot its target by £1,451,000.

- The Trust is also set a Capital Resource Limit which in 2013/14 was £1,640,000 which it is permitted to undershoot but not exceed. In 2013/14 the Trust undershot this capital limit by £1,374,000.

- The Trust is expected to pay non-NHS trade creditors in accordance with the CBI (Confederation of British Industries) better payment practice code and Government accounting rules. The target is to pay creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier. In 2013/14 the Trust paid 97% (based on value) of invoices within the target but only 92% by number of invoices paid.

In addition the Trust is expected to pay NHS invoices within similar timescales. This year the Trust paid 99% of NHS invoices within target based on value and 96% by number.

Basis of the Accounts

The Accounts have been prepared in accordance with International Financial Reporting Standards and the NHS Trust Financial Reporting Manual for the 2013/14 Accounts as instructed by the Secretary of State. This directs as to the format, content and basis of preparation of the Accounts. The Trusts draft Accounting policies were approved by the Audit Committee in March 2014.

2013/14 Key Considerations and Major Judgments

1. **Property, Plant and Equipment.** There is a reduction in 2013/14 land and building values as a consequence of the application of depreciation and because a number of former LD properties declared as surplus to requirements and have been shown as assets held for sale on the Trusts Balance Sheet. In order to ensure that the Trust carried its buildings at an appropriate value at the Balance Sheet date, an index driven increase was applied with effect of 31 March 2014 increasing building values by £309,000.

2. **Provisions.** The Trusts total provision rose in 13/14 by £885,000 (£2.0m in 12/13 to £2.9m in 13/14). This includes an increase in the redundancy provision that was brought forward from 2012/13 at a value of just under £1.4m and has, following a reassessment of the LD related redundancies, risen to £2.1m at the end of 2013/14.

External Audit – Significant adjustments arising from the Audit review.

The External Audit review has not identified any significant adjustments. Their report does include one low recommendation relating to the incorrect application of indexation on two building assets currently valued at Open Market Value. As the Trust regards the value associated with this error to be immaterial it has not made any amended to the 2013/14 Accounts but will ensure that indexation is correctly applied in future years.

In addition the audit has also identified a number of minor presentational changes which have been made to the Accounts.

Sources of Assurance

In order to help the Audit Committee to support the recommendation to the Board to adopt the Accounts, the Committee can take the following assurances;

- The completed Accounts have been reviewed in detail by the Executive Director of Finance and the Senior Finance Team.

- The Accounts have been extensively reviewed by External Audit who have identified one recommendation and a number of minor presentational changes. The presentational changes have been made within the revised Accounts. In addition their draft ISA260 Audit Highlights Memorandum on the Accounts has stated that they plan issue an unqualified opinion on the 2013/14 Accounts.

- The Trusts Key Financial systems and processes have been subject a series of Internal Audit reviews during the 2013/14 financial year all; of which have concluded that …."the Board can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective".

Recommendation

The Committee is asked to approve the 2013/14 Annual Accounts and to recommend their adoption by the Trust Board at its meeting on 5th June 2014
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	2013/14 £000	2012/13 £000
Revenue from patient care activities	**66,377**	**67,769**
Other operating revenue	**21,094**	**11,718**
Operating expenses	**-85,880**	**-76,999**
Operating surplus	**1,591**	**2,488**
Investment revenue	**26**	**111**
Gains on disposal of Non Current Assets held for sale	**0**	**0**
Finance costs	**-1,440**	**-1,479**
Deficit for the financial year	**177**	**1,120**
Public dividend capital dividends payable	**-550**	**-686**
Retained surplus for the year	**-373**	**434**

Reconciliation to Operational Surplus	
The following items are included in the retained surplus above but are considered exceptional and do not count towards the measurement of the Trusts Operational Position	
Asset Impairments Reversal	**-48**
Increased Financial Impact in respect of PFI schemes	**452**
Revised operational surplus	**31**

Other comprehensive income		
Impairments and reversals	0	**-5,142**
Gains on revaluations	261	**81**
Receipt of donated/government granted assets		**0**
Other Pension Remeasurements - LGPS - defined benefit pension scheme	61	**-596**
Net gains/(losses) on available for sale financial assets	0	**0**
Total comprehensive income for the year	**-51**	**-5,223**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	31 March 2014 £000	31 March 2013 £000
Non-current assets		
Property, plant and equipment	**33,834**	**35,850**
Intangible assets	**109**	**159**
Trade and Other Receivables	**52**	**0**
Total non-current assets	**33,995**	**36,009**
Current assets		
Inventories	**98**	**84**
Trade and other receivables	**3,593**	**3,951**
Cash and cash equivalents	**5,445**	**4,564**
Non-current assets held for sale	**1,148**	**0**
Total current assets	**10,284**	**8,599**
Total assets	**44,279**	**44,608**
Current liabilities		
Trade and other payables	**-5,877**	**-6,625**
Borrowings	**-360**	**-395**
Provisions	**-2,502**	**-811**
Net current assets	**1,545**	**768**
Total assets less current liabilities	**35,540**	**36,777**
Borrowings	**-13,343**	**-13,703**
Provisions	**-401**	**-1,207**
Trade and Other Payables	**0**	**-20**
Total assets employed	**21,796**	**21,847**
Financed by taxpayers' equity:		
Public dividend capital	**7,998**	**7,998**
Retained earnings	**150**	**349**
Revaluation reserve	**13,596**	**13,520**
Other reserves	**52**	**-20**
Total Taxpayers' Equity	**21,796**	**21,847**

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: Trust Board

Date of Meeting:	5th June, 2014.
Title of Report:	Local Counter Fraud Service (LCFS) Annual Report
Presented by:	Kieran Lappin, Director of Finance
Author of Report: Name: Date: Email:	 Kieran Lappin 30th May, 2014 Kieran.lappin@northstaffs.nhs.uk
Purpose / Intent of Report:	For Information
Executive Summary:	In April, 2013 the Audit Committee approved the 2013/14 LCFS Workplan. The Workplan was completed and the appended report provides the details of the outcome; in summary the report: • Supports the Director of Finance in confirming the Trust meets LCFS standards • Provides details upon four referrals • Details the work undertaken on Strategic Governance, Informing and Involving, Prevention and Deterrence and Holding to Account • Provides evidence to support the Trust in confirming it meets LCFS Standards
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Workforce Strategy • Financial Strategy • An element of Corporate Governance that supports effective use of resources
Relationship with Annual Objectives:	Supports effective use of resources
Risk / Legal Implications:	The LCFS Plan is an integral part of the Trust's plans to ensure governance, inform and involve, prevent and deter, hold to account and manage risk in respect of fraud and corruption
Resource Implications:	Essential element of the Trust's action to ensure effective use of NHS Resource
Equality and Diversity Implications:	 N/A

Relationship with Assurance Framework [Risk, Control and Assurance]	A key element of the Trust's Risk Management arrangements
Recommendations:	The Board is asked to note the contents of the Annual Report

North Staffordshire Combined Healthcare NHS Trust

LCFS Annual Report – Year ended 31 March 2014

Presented at the Audit Committee meeting

June 2014

Contents

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2. Organisational Compliance 3
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4. Performance against Reactive and Off Plan Activity 5
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Appendix B: Checklist against NHS Protect Standards for Providers 12

Your Local Counter Fraud Team

David Foley - Head of Fraud Risk Services

Role: Engagement Lead - overall responsibility for the delivery of the contract

✉ david.foley@bakertilly.co.uk

☎ 07721 977 523

Gavin Ball - Managing Consultant

Role: Operational Lead - manages the delivery of the Counter Fraud provision at this organisation and contact point for our Management Team.

✉ gavin.ball@bakertilly.co.uk

☎ 07760174460

Andrew Barlow - Consultant

Role: Lead LCFS - main point of contact for this organisation and holds responsibility for the delivery of this workplan

✉ andrew.barlow@bakertilly.co.uk

☎ 07800617012

Sophie Coster - Intelligence Analyst

Role: Support - to assist the Consultant in the delivery of elements of this workplan

✉ sophie.coster@bakertilly.co.uk

☎ 07855460443

Executive Summary

There is clear strategic support for anti-fraud and bribery work at North Staffordshire Combined Healthcare NHS Trust (the Trust). The LCFS is actively supported by the Director of Finance and the Audit Committee. As proactive and reactive work is completed, reports are compiled and disseminated including system weaknesses and recommendations to the Director of Finance and reports (anonymised where appropriate) presented to the Audit Committee.

The LCFS provision at the Trust is provided by Fraud Risk Services, Baker Tilly Risk Advisory Services LLP. The nominated LCFS for the Trust is currently Andrew Barlow who is responsible for the delivery of the LCFS workplan on behalf of Samantha Bostock, who proceeded on maternity leave in December 2013.

The activities undertaken by the LCFS during the year have been delivered to ensure that they are risk-based and in-line with the latest thought-leadership and emerging methodologies, including the Directions, the Government's National Fraud Strategy and CIPFA's 'Managing the Risk of Fraud' document which are considered best practice when countering fraud.

Whether they are low value/high volume frauds, or one-off 'get rich quick' schemes, the LCFS is able to tackle the ever-growing range of frauds the Trust is likely to be subject to. However, rather than simply investigating, the LCFS is trained to undertake Root Cause Analysis to ensure that such a fraud does not reoccur; this knowledge is shared amongst the Fraud Risk Services team and the LCFS constantly updates the controls and risk environment to anticipate emerging frauds.

In countering fraud, we advocate 'Action', not 'Reaction' and have been proactive in driving forward compliance with the UK Bribery Act 2010 by working with the Trust to ensure they meet the six Adequate Procedures in defence of any allegation of them 'failing to prevent bribery'. A benchmarking exercise was undertaken across the Fraud Solutions client base to measure the actions taken since the implementation of the Bribery Act 2010. The exercise highlighted the extent and diversity of the work undertaken in particular bespoke bribery training, policy reviews and risk assessments.

Our knowledge and experience across all sectors has informed our proactive strategies ensuring that they are innovative and address emerging fraud threats. For example we have developed proactive work programmes in the area of procurement and declarations of interest to minimise the Trust's exposure to fraud in these areas.

A workplan for 2013/14 for the Trust was agreed with the Director of Finance and approved at the Audit Committee in April 2013. The workplan outlined the core LCFS activities to be undertaken during the financial year and the related resources which enabled the activities to be delivered and completed successfully.

The agreed workplan for 2013/14 was 61 proactive days. Further details of the key activities undertaken during the financial year 2013/14 in the areas of Strategic Governance, Inform and Involve and Prevent and Deter are provided at Appendix A of this report.

2. Organisational Compliance

A self -assessment against the Standards has been conducted by the Trust a summary of which is provided in the table below and full details of which can be found in Appendix B:

Area of Activity	Assessment Risk Level
Strategic Governance	Green
Inform and Involve	Green
Prevent and Deter	Green
Hold to Account	Green
Overall Risk Level	Green

Declaration

I declare that the anti-fraud, bribery and corruption work carried out during the financial year 2013/2014 has been reviewed against the NHS Standards for Providers: Fraud, Bribery and Corruption/NHS Standard Contract and the above rating has been achieved.

Signature:

Name: Kieran Lappin

Director of Finance

3. Performance against Proactive Workplan

The Local Counter Fraud Specialist (LCFS) Workplan for 2013/14 was agreed with the Director of Finance and subsequently approved by the Audit Committee in April 2013. There have been no amendments to the Workplan following this meeting.

The LCFS Proactive Workplan for 2013/14 has been completed within the reporting period requiring no additional resource or expenditure by the Trust.

The table below shows the utilisation of the workplan resource for the year. Further details of the key activities undertaken in each of the areas are provided at Appendix A of this report.

Area of Activity	Planned Days	Reasons for Any Variance
Strategic Governance	11	No variance
Inform and Involve	15	No variance
Prevent and Deter	5	No variance
Hold to Account (Proactive)	30	No variance
Total Proactive	**61**	**No variance**

Cost of Counter Fraud Provision

The table below shows the cost of the Counter Fraud provision for 2013/2014.

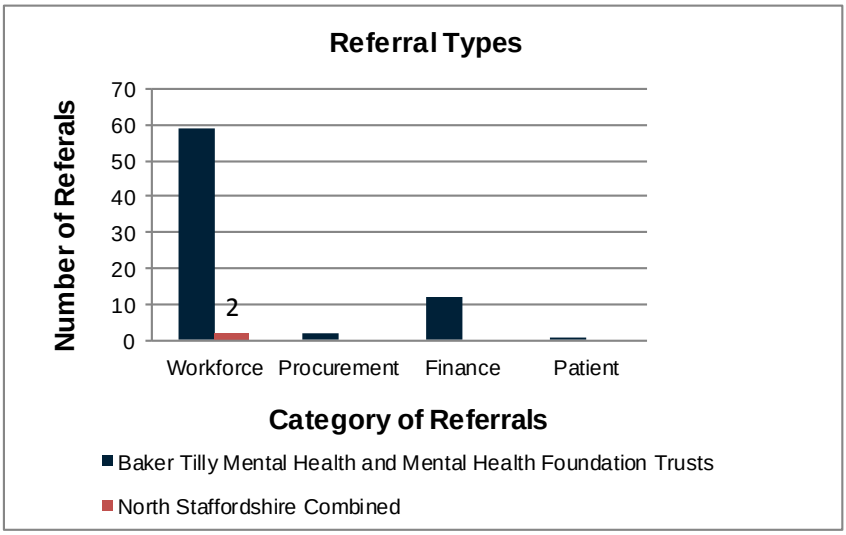
Area of work	Number of days used	Cost
Proactive	61	£22,875
Reactive	16	£6,000
Total	77	£28,875

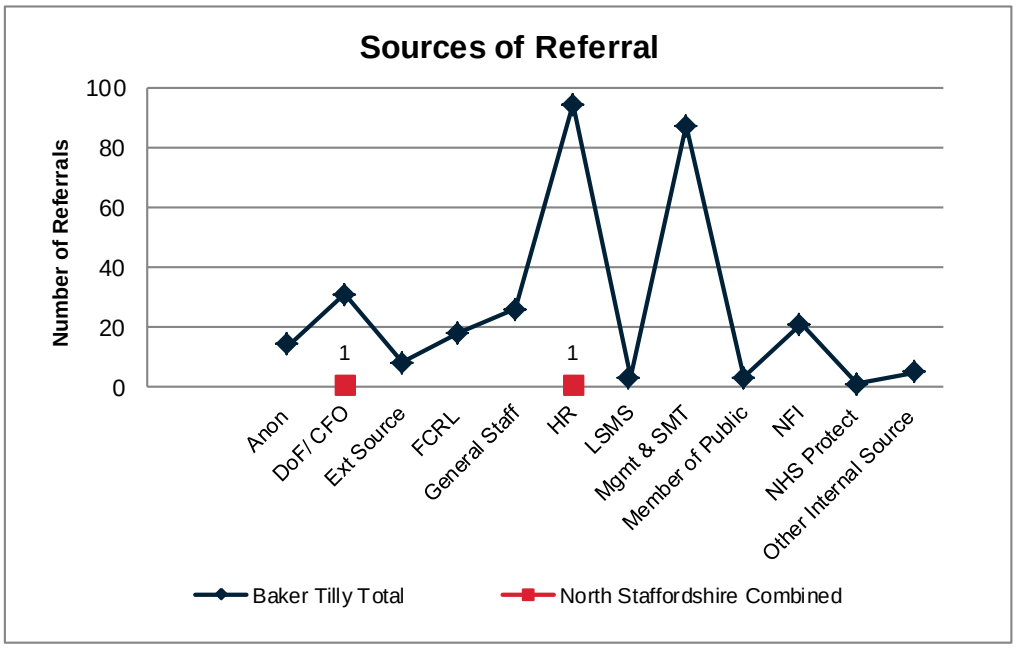
4. Performance against Reactive and Off Plan Activity

The table below shows progress against reactive and off plan activity this workplan year.

Area of Activity	Days Completed
Reactive	16
Off Plan Activity	0
Total	16

During the workplan year 2013/2014, a total of four referrals were formally investigated. Of these, two were new investigations whilst the additional two were carried forward from the previous work plan year. The two graphs below highlight the source of the new referrals received and the types of referral.





The four referrals received resulted in four formal investigations being conducted. Of these:

- Three cases have been closed with no recommendation to progress as a criminal matter, however where appropriate, suggestions were made for further Counter Fraud measures to be implemented in order to reduce the associated fraud risk.

- One case was advised to be progressed as an internal disciplinary matter and also where appropriate, suggestions were made for further Counter Fraud measures to be implemented in order to reduce the associated fraud risk.

All investigations have been recorded on the NHS Protect Case Management System and discussed with the Director of Finance and NHS Protect's Area Anti-Fraud Specialist.

Appendix A: Key Activities Undertaken During 2013/14

Strategic Governance

- The LCFS has provided statistical information to the NHS Protect on a quarterly basis throughout 2013/2014. This information is used by NHS Protect to benchmark the level of activity in relation to proactive counter fraud resource.

- The LCFS has provided assistance to the Trust in the completion of the Organisational Crime Profile in accordance with NHS Protect's standards. A self-assessment against the standards has been conducted by the LCFS which resulted in an overall 'green' rating. The self-assessment together with a copy of the LCFS annual report for 2012/13 and the LCFS workplan for 2013/14 was submitted to NHS Protect within the prescribed timescale.

- The LCFS attended four Audit Committee meetings held during the year. At each meeting the LCFS presented the Audit Committee members with an update on the work completed in the form of a progress report supported by anonymised proactive and reactive closure reports. In attending these meetings, the LCFS has been able to further embed their role within the Trust and take an active part in discussions during the meetings.

- Throughout the year the LCFS has kept up to date with emerging fraud risks and counter fraud measures through their membership of the West Midlands Fraud Forum and the Local Intelligence Network group. These memberships together with regular communications received from the National Fraud Authority and NHS Protect have allowed the LCFS to provide the Trust with information on potential risks and emerging trends within the fraud arena, enabling the Trust to effectively assess their risks.

- The LCFS attended the NHS Protect West Midlands Regional forums throughout the year. This forum provided the LCFS with the opportunity to discuss emerging fraud risks, best practice and legislative changes which have been communicated with the Trust.

- The LCFS has continued to liaise with the Director of Finance when operational requirements dictated through email and telephone contact. Formalised one to one meetings in 2014/15 will continue to take place on a quarterly basis to discuss the work plan tasks and progress.

Inform and Involve

- The LCFS has attended six induction sessions held by the Trust covering new starters. At the sessions the LCFS has promoted the counter fraud role by providing publicity materials and information on fraud and bribery within the NHS. The awareness sessions delivered to date have been well received by staff and positive feedback has been received by the LCFS relating to content and relevance to Trust business.

- The LCFS continues to liaise with key personnel within the Trust including the Communications Team with whom a formal communication strategy for promoting fraud and bribery awareness was agreed. During the NHS sponsored Fraud Awareness Month in November, fraud and bribery publicity material was developed and circulated to all staff by the use of the Trust's intranet. This publicity material contained recent Baker Tilly fraud notices together with details of the LCFS and how to report concerns.

- The LCFS has maintained a presence at corporate induction and continuation of fraud and bribery awareness training for Trust staff with LCFS visits to key Trust locations. The LCFS will continue to visit Trust locations in 2014/15 placing emphasis on smaller departments and lone workers. In advance of these visits, the LCFS has produced awareness packs for managers which have been distributed by the Communications Team and contain fraud notices, posters, aide memoires for managers and staff and an introduction to fraud and bribery in the NHS.

- The Trust's Anti-Fraud and Bribery policy continued to receive publicity in 2013/14 through circulation to line managers and promotion during LCFS awareness sessions. Evidence of the outcome of this publicity has reached the LCFS as staff have contacted the LCFS for advice and guidance on fraud related matters after reading the policy.

- The LCFS has revised the counter fraud webpages on the Trust's intranet pages to ensure that the latest counter fraud literature is readily accessible to staff and service users.

- The LCFS has a good working relationship with the communications team at the Trust and has implemented a counter fraud screensaver to continue to highlight the role of the LCFS at the Trust. This has been in addition to releasing electronic fraud newsletters through the staff electronic magazine.

- The LCFS has conducted department visits to assist in raising the LCFS's profile at the Trust Headquarters. The visits are seen as a key tool in providing all staff with information on fraud and bribery within the NHS but also highlighting the LCFS function as the first line of defence in countering this risk.

Prevent and Deter

- The LCFS has completed reviews of Fraud & Corruption Policy, Bribery Policy, Disciplinary Policy and the Whistleblowing Policy. The reviews found areas of weakness within the policies that required addressing to ensure that they are robust and provide up to date information with regards to relevant legislation. Recommendations made by the LCFS reviews have been accepted by the Trust and either incorporated immediately into the policies or in the cases of low priority recommendations, form part of the Trust's recognised policy review process.

- The LCFS has continued to work closely with Internal Audit formally during the year to discuss alignment of the respective plans to avoid duplication of work.

- The LCFS drafted and circulated five 'Fraud Spotlights' which have raised awareness of particular subjects and provide preventative advice to mitigate the potential risk of the fraud being perpetrated at the Trust in the areas of: Email Scams, Recruitment, Gifts and Hospitality, Declaration of Interest and Insider Enabled Fraud.

- The quarterly LCFS newsletter, 'Notice Fraud' was disseminated to all staff. The newsletters featured articles on the latest scams, electronic signatures, gifts and hospitality, secondary employment, recruitment and cyber enabled fraud. In addition to details of how to report suspicions of fraud and case studies of proven cases of fraud within the NHS.

- The LCFS distributed a special edition of the 'Notice Fraud' newsletter and a 'Fraud Spotlight' which focused on whistleblowing. Both publications described what constitutes a concern, the reporting lines available and the protections afforded to members of staff under the Whistleblowing Policy and the Public Interest Disclosure Act.

- The LCFS has forwarded all relevant fraud, bribery and corruption preventative guidance, intelligence bulletins and alerts to the Director of Finance for dissemination to the relevant staff groups. Following the issue of intelligence bulletins around mandate fraud Baker Tilly's Fraud Risk Services has provided additional client briefings to ensure awareness of this risk is increased.

Hold to Account (Proactive)

- Baker Tilly Risk Advisory Services LLP has experienced an increase in referrals relating to the procurement function across their client base of Public and Private Sector clients. Many of these referrals have led to major investigations resulting in criminal and disciplinary sanctions being applied to offenders and an improvement to the organisation's procedures. Procurement within public sector organisations is considered a high risk area for fraud and bribery and is identified by NHS Protect as an area for proactive work. A local proactive exercise was conducted at the Trust and made recommendations on the following areas within the procurement function:

    - Procurement policy and procedures
    - Formal Tender process
    - Single Tender Waiver process
    - Purchase Order Process

- The proactive exercise in this area made a total of one medium and three low recommendations for action by the Trust, the medium recommendation related to including counter bribery wording in the invite to tender documentation. The three low recommendations were made against the policy and procedure governing the procurement process.

- The LCFS undertook a local proactive exercise relating to Patient Property at the Trust. The exercise was aimed at providing assurance to the Trust that effective procedures are in place and are adhered to by staff and management when receiving, storing and auditing patient's personal property. The LCFS made recommendations to further strengthen the procedures that govern this area. All LCFS recommendations were agreed by the Trust.

- The LCFS made two medium recommendations in this area; firstly that all patients' monies should be handed to the cash office immediately upon receipt and to ensure the policy that governs patient property is communicated to all wards to ensure the same process is followed across the Trust. It has been reported to the LCFS that these recommendations have been implemented as of December 2013

- The LCFS undertook a follow up proactive exercise relating to travel expense claims submitted by staff. It was agreed within the LCFS workplan to follow up on this area from the previous year to provide assurance that the Trust has successfully mitigated against the risk of fraud in this process. The previous report made five recommendations which were reviewed as part of this work. The LCFS reported that four recommendations had been successfully implemented with one final recommendation still being worked towards at the time of the review, this recommendation related to an additional information box being incorporated on the claim form to allow for staff to provide more detail against journeys undertaken.

- The National Fraud Initiative (NFI) exercise for 2012/13 was completed by the LCFS and a report issued to the Trust with one low categorised recommendation relating to payroll cleansing with HMRC. The NFI exercise identified data matches for the Trust within the areas of payroll, pensions and UKBA immigration queries. Following a review of these data matches and information held by the Trust, no further investigations were required. Data matches in respect of creditors have been reviewed by the Finance team with the advice to contact the LCFS should any suspicious activity be discovered. The LCFS did not receive any queries from the Finance team relating to creditor data matches.

- There were 27 Payroll to Payroll matches, matching NHS staff that held other employment with either another NHS body or a Local Authority. The LCFS examined all 27 matches, as any fraud committed against the Trust would most likely have occurred in one of these matches. Of the 27 matches, five matches were forwarded to HR in order to confirm job role, working hours and to establish if there were any concerns over sickness absence. HR were able to confirm information for all five matches and no further LCFS action was deemed necessary in relation to these. The remaining 22 were deemed as not requiring further information as the secondary employment was not deemed excessive when compared to the substantive post.
- The five matches investigated by the LCFS were forward to the relevant contacts at the Trust who provided confirmation of the match information and were able to inform the LCFS of any further action required.
- Three matches forwarded to the Trust were cleared following the information provided. All three matches showed an acceptable level of secondary employment with no concerns over their individual sickness records.
- Two of the outstanding matches related to staff members who had been matched against other individuals with the same National Insurance number (NINO). Enquiries were made by the LCFS with the Human Resources Department to determine whether they held the right NINO for the two staff members. Two staff members had their NINO recorded incorrectly on the NFI system, leading to an incorrect data match.

Appendix B: Checklist against NHS Protect Standards for Providers

Standard		Status	Comment
Inform and Involve			
2.1	The organisation has an on-going programme of work to raise awareness of fraud, bribery and corruption and create an anti-fraud, bribery and corruption culture among all staff, across all sites, using all available media. This may include (but is not limited to) presentations, newsletters, leaflets, posters, intranet pages, induction materials for new staff and emails, making use of NHS Protect's crime awareness toolkit as appropriate. The effectiveness of the awareness programme is measured.	Green	The LCFS dedicates a large proportion of the annual workplan to awareness raising, including, induction and departmental presentations, newsletters; intranet updates, Fraud Awareness Month, payslip messages and more. The awareness levels are measured annually via a survey conducted by the LCFS and reported back to the Director of Finance, Audit Committee and Communications team within the Trust.
2.2	The organisation has an anti-fraud, bribery and corruption policy that follows NHS Protect's strategic guidance and has been approved by the executive body or senior management team. The policy is reviewed, evaluated and updated as required, and levels of staff awareness are measured.	Green	The Trust has in place an anti bribery and counter fraud policy which has been reviewed and agreed by the Audit Committee
2.3	The organisation liaises with other organisations and agencies (including local police, the Home Office, local authorities, regulatory and professional bodies) to assist in countering fraud, bribery and corruption, ensuring that all liaison complies with relevant legislation such as the Data Protection Act 1998 and with relevant organisational policies. The organisation can demonstrate improved operational effectiveness as a result of the liaison.	Green	The Trust leases closely with the Police, UKBA and Local Authority in the prevention and detection of crime.
2.4	The organisation has a code of conduct that includes reference to fraud, corruption and the Bribery Act 2010. Staff awareness of the requirements of the code of conduct is regularly tested.	Green	The Trust standards of business conduct and disciplinary policy refer to both fraud and bribery as unacceptable conduct and cross reference the Trusts counter fraud and anti bribery policies. Levels of staff awareness of these policies are measured during the LCFS annual awareness survey.

Standard		Status	Comment
Prevent and Deter			
3.1	The organisation reviews new and existing policies and procedures, using the results from audits, investigation closure reports and NHS Protect guidance, to ensure that appropriate anti-fraud, bribery and corruption measures are included. This includes (but is not limited to) policies and procedures in human resources, standing orders, standing financial instructions and other finance policies. The organisation evaluates the success of the measures in reducing fraud and corruption, where risks have been identified.	Green	The LCFS review policies as part of the annual counter fraud workplan and all recommendations for amendment to policies are reviewed and implemented by the Trust Board secretary.
3.2	The organisation uses all available information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption, and reports the findings to the appropriate person(s). Relevant information and intelligence may include (but is not limited to) internal and external audit reports, information on outliers and information from payroll. The findings are acted upon promptly and appropriate action is taken.	Green	The Trust uses exception reports via Payroll, Internal and External audit to identify any anomalies and all instances are reported to the LCFS for further investigation. The LCFS works closely with the Internal Audit team as they are also contracted from Baker Tilly; this allows for a regular exchange of information which feeds in closely to the LCFS proactive work.
3.3	The organisation proactively identifies and addresses system weaknesses and records them on NHS Protect's FIRST case management system where relevant.	Green	The LCFS records all system weaknesses identified as a result of investigations carried out at the Trust.
3.4	The organisation complies with and implements all appropriate fraud, bribery and corruption prevention guidance, intelligence bulletins and alerts issued by NHS Protect, undertaking follow up reviews to ensure the preventative measures applied as a result have achieved the intended outcomes.	Green	The Trust complies with and implements all fraud, bribery and corruption guidance. Issuing intelligence bulletins and alerts via the Director of Finance and Finance teams. The Trust does follow up on the outcomes of these alerts.

Standard		Status	Comment
Prevent and Deter			
3.5	The organisation issues local anti-fraud, bribery and corruption warnings and alerts to all relevant staff following guidance in NHS Protect's Intelligence Alerts, Bulletins and Local Warnings Guidance. The organisation has an established system of follow-up reviews to ensure that it remains vigilant and that all appropriate action has been taken.	Green	The Trust complies with and implements all fraud, bribery and corruption guidance. Issuing intelligence bulletins and alerts via the Director of Finance and Finance teams. The Trust does follow up on the outcomes of these alerts.
3.6	The organisation ensures that all new staff are subject to pre-employment checks, as recommended by NHS Employers, before commencing employment within the organisation. Assurance is sought from any employment agencies used that staff provided by them have been subject to adequate vetting checks, in line with guidance from NHS Protect and NHS Employers. Suspicions of fraud, bribery and corruption are promptly referred to the appropriate person, allowing appropriate action to be taken.	Green	The Trust use the Staffordshire Shared Service to carry out all necessary pre-employment checks and informs the Trust to inform the LCFS where there may be concerns regarding documentation, immigrations status, criminal records checks and qualifications.
3.7	The organisation has proportionate processes in place for preventing, deterring and detecting fraud, bribery and corruption in procurement.	Green	The Trust has in place necessary tendering, single tender waiver, segregation of duties and procurement processes and a proactive review of this area is to be undertaken in 2013/14/
3.8	The organisation has proportionate processes in place for preventing, deterring and detecting invoice fraud, bribery and corruption, including reconciliation, segregation of duties, processes for changing supplier bank details and checking of deliveries.	Green	The Trust underwent a proactive exercise in 2012/13 to check the robustness of the Creditors processes in relation to supplier payment and change of bank account details. The LCFS found that the Trust systems in place were generally sound to the threat of mandate fraud.

Standard		Select Level	Comment
Hold to Account			
4.1	The organisation carries out local proactive exercises to detect fraud, bribery and corruption, based on locally identified risks. The results of exercises are reported on and recommendations are made and acted upon. Actions taken as a result are subject to further evaluation to	Green	The organisation carried out three LPE's in 2012/13 and undertook three LPE's in 2013/14. All findings and recommendations are reported back to the audit committee and all actions are implemented (where agreed) with the support of the executive board.

Standard		Select Level	Comment
Hold to Account			
	ensure they have had the intended outcomes.		
4.2	The organisation ensures that FIRST is used to record all allegations of suspected fraud, bribery and corruption, and to provide information to inform national intelligence.	Green	All investigations at the Trust are recorded by the LCFS on the FIRST reporting system.
4.3	The organisation uses FIRST to support and progress the investigation of fraud, bribery and corruption allegations, in line with NHS Protect guidance.	Green	Where a full formal investigation is required into an incident the LCFS uses FIRST to document all progress reports, witness statements and evidence
4.4	The organisation follows NHS Protect guidance, as set out in the NHS anti-fraud manual and current case acceptance criteria, in supporting the investigation of all allegations of fraud, bribery and corruption, and ensures relevant legislation, such as the Police and Criminal Evidence Act 1984 and the Criminal Procedure and Investigations Act 1996, is adhered to.	Green	The LCFS is fully qualified and trained in PACE, CPIA and all other relevant legislation and is always mindful of the correct investigation procedure when undertaking any enquiries.
4.5	The organisation shows a commitment to pursuing, and/or supporting NHS Protect in pursuing, the full range of available sanctions (criminal, civil and disciplinary) against those found to have committed fraud, bribery and corruption, as detailed in NHS Protect's guidance and following the advice of Area Anti-Fraud Specialists.	Green	The Trust always considers the triple track sanctions approach and where criminal sanctions are not available the Trust will pursue disciplinary and/or civil sanctions as appropriate.
4.6	The organisation completes witness statements that satisfy the NHS Protect training model and best practice, and follow national guidelines approved by the Crown Prosecution Service.	Green	The LCFS is the only person who obtains witness statements in connection with a criminal investigation and all statements are obtained in the correct and relevant manner using the correct MG forms as directed by the CPS.
4.7	Interviews under caution are conducted following the NHS Protect training model, and in line with the National Occupational Standards (CJ201.2) and the Police and Criminal Evidence Act 1984.	Green	All Inc.'s are conducted by the Lead LCFS and are all in line with the PEACE model of interviewing as taught by NHS Protect in their LCFS accreditation course.
4.8	The organisation seeks to recover, and/or supports NHS Protect in seeking to recover, NHS funds that have been lost or diverted through fraud, bribery and corruption, following an assessment of the likelihood	Green	The Trust will always seek to recover monies lost to fraud and/or error and will publicise (where appropriate) all cases of fraud resulting in criminal and/or disciplinary sanctions.

Standard		Select Level	Comment
Hold to Account			
	and financial viability of recovery. The organisation publicises cases that have led to successful recovery of NHS funds.		
Standard		**Select Level**	**Comment**
Strategic Governance			
1.1	A member of the executive board is responsible for overseeing and providing strategic management and support for all anti-fraud, bribery and corruption work within the organisation.	Green	The LCFS reports all proactive and reactive work to the Director of Finance
1.2	There is clear, demonstrable proactive support and strategic direction for anti-fraud, bribery and corruption work from non-executive directors and board level senior management within the organisation. Evidence of proactive management and control of anti-fraud, bribery and corruption work is present.	Green	There is a top down support from the audit committee, non-exec and exec directors with assurance placed on the LCFS reports delivered to the committee and LCFS recommendations acted upon to improve fraud controls within the organisation
1.3	The organisation employs or contracts in a qualified person (or persons) to undertake the full range of anti-fraud, bribery and corruption work, including proactive work to prevent and deter fraud, bribery and corruption and reactive work to hold those who commit fraud, bribery and corruption to account.	Green	LCFS is contracted in from Baker Tilly.
1.4	The organisation has carried out a risk assessment to identify fraud, bribery and corruption risks, and has anti-fraud, bribery and corruption provision that is proportionate to the level of risk identified. Identified risks are translated into an organisational work plan, progress is monitored at a senior level within the organisation and results are fed back to the audit committee.	Green	LCFS workplan is risk based and based on a bi annual full fraud risk assessment and emerging risks identified both nationally and locally from investigation work carried out at both this Trust and others across the Baker Tilly client base.
1.5	The organisation reports annually on how it has met the standards set by NHS Protect in relation to anti-fraud, bribery and corruption work, and details corrective action where standards have not been met.	Green	Annual Report completed annually by the LCFS and provided to NHS Protect as part of the QA process

Standard		Select Level	Comment
Hold to Account			
1.6	The organisation co-operates with, and participates in, activities at the request of NHS Protect, including the implementation of national anti-fraud, bribery and corruption measures. This includes (but is not limited to) the quality assurance process, attendance at regional forums, implementing fraud prevention guidance and completing compliance statements.	Green	The organisation complies fully with all NHS Protect requirements. The LCFS attends the West Midlands NHS Protect forums and ensures that all guidance provided by NHS Protect is provided to and implemented by the Trust.
1.7	The organisation ensures that those carrying out anti-fraud, bribery and corruption work have all the necessary support to enable them to carry out their role efficiently, effectively and promptly. This includes (but is not limited to) access to IT systems, access to secure storage, access to key managers and staff groups and access to the audit committee.	Green	The LCFS has access to NHS IT systems, NHS NET email account, FIRST reporting system, all key managers throughout the Trust and a direct reporting capability to the Chair of Audit Committee should it be required.
1.8	The organisation ensures that there are effective lines of communication between those responsible for anti-fraud, bribery and corruption work and other key staff groups within the organisation, including (but not limited to) audit, risk, finance, communications and human resources. There is evidence of positive outcomes as a result of this liaison.	Green	The LCFS has a very positive relationship with the Trust HR department, Internal/External audit, Finance and Communications teams. The LCFS has received numerous referrals via these teams and has worked closely with these departments in promoting the anti fraud culture within the Trust.

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: **OPEN TRUST BOARD**

Date of Meeting:	5 June 2014
Title of Report:	Register of Declared Interests
Presented by:	Sandra Storey, Trust Secretary / Head of Corporate & Legal Affairs
Author of Report: Name: Date: Email:	Sandra Storey 27 May 2014 Sandraj.Storey@northstaffs.nhs.uk
Purpose / Intent of Report:	• For Decision • Performance monitoring • For Information √
Executive Summary:	Attached is the Register of Directors declared interests as at 31 March 2014.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Customer Focus Strategy • Clinical Strategy • IM and T Strategy • Governance Strategy • Innovation Strategy • Workforce Strategy • Financial Strategy • Estates Strategy
Relationship with Annual Objectives:	Governance and Financial
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	The NHS Code of Accountability requires Board members to declare interests which are relevant and material to the NHS Board of which they are a member.
Recommendations:	The Board is asked to review the contents of the register and confirm that it is an accurate record.

NORTH STAFFORDSHIRE COMBINED HEALTHCARE NHS TRUST

REGISTER OF DIRECTORS' DECLARED PRIVATE INTERESTS

As at 31 March 2014

NAME OF DIRECTOR	INTEREST DECLARED
K Jarrold Chairman	**NHS Retirement Fellowship** Patron **The Dearden Partnership LLP** Partner **University of Durham** Honorary Professor **Chairman Government Pharmacy Programme Board** Ministerial Appointment
T Gadsby Non Executive Director	**Lions Club International (LCI)** Lions Clubs International, British Isles & Ireland National Executive Officer. Lions MD105 Lifeskills Ltd Chairman Lions MD105 Conventions Ltd Director **MedicAlert Foundation** Trustee and Deputy Chairman
P O'Hagan Non Executive Director	**ICT4Change Ltd** Head of Imagineering **Angel Solutions Ltd** Non-Executive Director **St Mary's Voluntary Aided Catholic Primary School** Chair of Governors **Cleary MAC** Director
R Carder Non Executive Director	**Carder Consulting Limited** Director
P Sullivan Non Executive Director	**Care Quality Commission** Mental Health Act Commissioner **Health, Education and Social Care Chamber (Mental Health)** Fee-paid Specialist Lay Member of the First-tier Tribunal **Open University** Associate Lecturer
B Johnson Non Executive Director	**Moorlands Housing (part of Your Housing Group)** Chair

	Your Housing Group Operating Board Member **Ascent Housing LLP, a partnership between Staffordshire Moorlands District Council and Your Housing,** Non Executive Director
C Donovan Acting Chief Executive	**No interests declared**
Dr B Adeyemo Executive Medical Director	**No interests declared**
K Lappin Executive Director of Finance	**Kieran Lappin Ltd** Chief Executive. Spouse is Company Secretary. **Treasurer of the Hereford Muheza Link Society.** A small charity that for over 25 years (formerly as part of NHS Charitable Funds) has organised health education visits between staff in Herefordshire and Muheza District in Tanzania. It has also established and funded the first hospice in West Africa and organises the shipment of donated medical equipment and supplies to Muheza.
P Draycott Acting Executive Director of Leadership & Workforce	**Trustee of Impact AAS** Charitable organisation providing alcohol and addictions services for the people of Shropshire. **Paul Draycott Development** Sole Trader – no active development
K Wilson Executive Director of Nursing & Quality	**No interests declared**

The register is only of those direct interests of Board members personally however, the Trust policy does require 'any' interests to be declared, which include those of spouses, etc. These are held centrally by the Trust and is available upon request.

REGISTER OF ACCEPTANCE OF THE CODE OF CONDUCT AND CODE OF ACCOUNTABILITY IN THE NHS

In November 2007, the Trust Board requested that a formal register of acceptance of the Code of Conduct and Code of Accountability in the NHS is established.

All Directors have provided a signed declaration of their acceptance of the Code of Conduct and Code of Accountability in the NHS to the Trust Secretary

The Code of Conduct and Code of Accountability in the NHS can be viewed on the Department of Health website at:

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4116281

North Staffordshire Combined Healthcare NHS
NHS Trust

Encl 16

REPORT TO: Trust Board Open Section

Date of Meeting:	5th June 2014
Title of Report:	A Guide to Special Measures
Presented by:	Caroline Donovan Acting Chief Executive
Author of Report: Name: Date: Email:	Monitor, NTDA & CQC
Purpose / Intent of Report:	• For Information
Executive Summary:	Monitor, the NHS Trust Development Authority and the Care Quality Commission have issued guidance on special measures. This guidance explains why Trusts are put into special measures, what happens to Trusts in special measures, when Trusts are removed from special measures, and the Care Quality Commission's role in this process.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Customer Focus Strategy • Clinical Strategy • IM and T Strategy • Governance Strategy • Innovation Strategy • Workforce Strategy • Financial Strategy • Estates Strategy
Relationship with Annual Objectives:	N/A
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	Links to the Board Assurance Framework, compliance with the Healthcare Quality Standards (Registration) and the management of risk.
Recommendations:	To receive for information

A guide to special measures

On the day briefing

Monitor, the NHS Trust Development Authority and the Care Quality Commission published *A guide to special measures* today. Below is an outline of the key messages from the guide.

Why trusts are placed in special measures?

- The CQC (through the Chief Inspector of Hospitals) will normally recommend that a trust is placed in special measures when they are rated 'inadequate' in the well led domain and 'inadequate' in one or more of the other domains (safe, caring, responsive and effective).
- The NHS TDA or Monitor will make a decision to place a trust in special measures based on the evidence provided by the CQC, alongside other relevant evidence.
- The NHS TDA or Monitor may also place a trust or foundation trust into special measures without receiving a recommendation from the CQC based on its own evidence. However, they will always seek advice from the CQC in these circumstances.

What will happen when the NHS TDA and Monitor place a trust in special measures?

- The NHS TDA or Monitor will communicate its decision to the trust and make a formal public announcement through a press release.
- Monitor will take appropriate regulatory action in line with its existing powers as set out in its Enforcement Guide.
- An NHS trust that the NHS TDA places into special measures will automatically be given an escalation score of 1 – the highest escalation level for NHS trusts.

*What will **typically** happen to trusts in special measures?*

- It is intended that a trust will usually remain in special measures for a maximum of 12 months, although this may be extended in some circumstances.
- The NHS TDA or Monitor will appoint an improvement director, who will act on their behalf to provide assurance of the trust's or foundation trust's approach to improving performance.
- In most cases, the NHS TDA or Monitor will appoint one or more appropriate partner 'buddy' organisations (selected for their strength in the areas of weakness at the trust in special measures) to provide support in improvement. A memorandum of understanding will set out the nature and amount of support the 'buddy' organisation will provide, they will be reimbursed for reasonable expenses and may receive an incentive payment.
- The NHS TDA or Monitor will review the capability of the trust or foundation trust's leadership. This may lead to changes to the management of the organisation, to ensure the required improvements can be made.
- Trusts or foundation trust's in special measures will be required to publish their progress against action plans every month on the NHS Choices and their own website.
- CQC will continue to monitor quality at the trust and can use their urgent powers if at any time patients are at immediate risk of harm.

CQC re-inspection

- CQC will re-inspect the trust or foundation trust within 12 months of the start of special measures and will judge if there have been improvements to the quality of patient care and leadership.
- When the CQC re-inspect they will take account of the trust's or foundation trust's action plans when planning the focus of the inspection and will gather information from a wide range of sources.

- The inspection may be comprehensive or targeted on specific areas.
- The NHS TDA or Monitor will also provide CQC with information on their view of the trust or foundation trust's progress against their action plan, and other intelligence gained from their other regulatory activities.

Removing a trust from special measures

- A trust or foundation trust will only be taken out of special measures by the NHS TDA or Monitor following a recommendation from the Chief Inspector at CQC.
- This will usually be after a trust or foundation trust has been re-inspected, is no longer rated as 'inadequate' in the well led domain (even if it is not yet 'good') and has made process across the four other domains and are confident that improvements will be sustained.
- If the NHS TDA or Monitor take the decision to remove a trust or foundation trust from special measures they will consider whether any elements of the programme should continue beyond the original defined period. For example, where a partner's trust's programme of work is scheduled for completion after special measures formally ends.
- The decision will be communicated to the trust or foundation trust and then publically in a press release and on the NHS TDA or Monitor websites and the NHS Choices website.
- Trusts which exit special measures may still have on-going concerns and foundation trusts exiting special measures may remain subject to enforcement action.

Extension of special measures

- In some circumstances, special measures will be extended for a short period to allow the trust or foundation trust to make the improvements needed.
- When making this decision, NHS TDA or Monitor, in consultation with CQC, will consider whether they are confident that the measures already under way will deliver required improvements within a designated period of time (this time will not normally exceed six months).
- A trust or foundation trust will be required to prepare a revised action plan that lists actions to address any outstanding or new concerns.

Continuing in special measures

- A trust or foundation trust may remain in special measures where the NHS TDA or Monitor have residual concerns and further action is required to secure on going improvements to services.
- In some circumstances, a transaction may be the best means of securing longer term improvements in the quality of care. In these circumstances, the resulting organisation (whether an acquiring parent organisation, new entity formed by merger, etc.) itself would not automatically be placed into special measures at the point of transaction. The resulting organisation would be assessed on its own merits.

FTN view

- **We welcome the publication of this long-awaited guidance** and commend the CQC, Monitor and the NHS TDA for working together to jointly produce it.

- **However, we believe that more clarity is needed on what exactly triggers a trust or foundation trust to be placed into special measures.**

- **For example, it is important to note that the guidance details two routes in which a trust or foundation trust can enter special measures.** The process can either triggered by a recommendation from the CQC Chief Inspector, following an inspection or by evidence acquired by the NHS TDA or Monitor.

- Although it will differ for each trust and foundation trust, **more clarity on the actions and improvement required to exit special measures would be welcomed.**

- It will be important to ensure that CQC's re-inspections are as timely as possible (but within 12 months), according to the trusts or foundation trusts progress against their action plan. In order to limit the possibility of a trust or foundation receiving an extension or continuation of special measures.

- All regulatory action as part of the special measures programme should be undertaken in the spirit of partnership with the affected trust.

Monitor
Making the health sector work for patients

Care Quality Commission

tda Trust Development Authority
Quality. Delivery. Sustainability.

A guide to special measures

www.monitor.gov.uk

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Introduction

Special measures apply to NHS trusts and foundation trusts that have serious failures in quality of care and where there are concerns that existing management cannot make the necessary improvements without support. Special measures consist of a set of specific interventions designed to improve the quality of care within a reasonable time.

In this approach the Care Quality Commission (CQC) will focus on identifying failures in the quality of care and judging whether improvements have been made. The NHS Trust Development Authority (NHS TDA) and Monitor will use their respective powers to support improvement in the quality of care provided.

This guide, developed jointly by CQC, Monitor and NHS TDA, describes how the special measures programme works for NHS trusts and foundation trusts. It explains:

- why trusts are placed in special measures
- what will happen to trusts during special measures
- the roles and responsibilities of key organisations involved; and
- when and how trusts will exit special measures.

Why trusts are placed in special measures

CQC, through the Chief Inspector of Hospitals ('Chief Inspector'), will normally recommend that a trust is placed in special measures when an NHS trust or foundation trust is rated 'inadequate' in the well led domain (ie there are concerns that the organisation's leadership is unable to make sufficient improvements in a reasonable timeframe without extra support) and 'inadequate' in one or more of the other domains (safe, caring, responsive and effective).

When NHS TDA or Monitor receives a recommendation from the Chief Inspector to place an NHS trust or foundation trust in special measures, NHS TDA or Monitor will consider the evidence that CQC provides to them alongside other relevant evidence. On the basis of the full range of information, NHS TDA or Monitor will make a decision whether the trust or foundation trust will be placed in special measures.

NHS TDA or Monitor may also place a trust or foundation trust into special measures without receiving a recommendation from the Chief Inspector, based on its own evidence. In these circumstances, NHS TDA or Monitor will always seek advice from CQC.

An NHS trust or foundation trust will not enter special measures until NHS TDA or Monitor formally makes that decision.

What will happen when NHS TDA and Monitor place a trust in special measures

Monitor will take appropriate regulatory action in line with its existing powers as set out in its 'Enforcement Guidance'.

An NHS trust that NHS TDA places into special measures will automatically be given an escalation score of 1 – the highest escalation level for NHS trusts. The range of interventions and support that a trust at escalation level 1 should expect is set out in 'Delivering for Patients: the 2014/15 Accountability Framework for NHS trust boards'.

NHS TDA or Monitor will communicate its decision to the trust and then make a formal public announcement through a press release. The period of special measures begins when NHS TDA or Monitor formally and publicly announces that a trust is in special measures. It is intended that the usual period of time a trust remains in special measures will be a maximum of 12 months, although this may be extended in some circumstances (see 'Extension of special measures' below).

What will happen to trusts in special measures

Typically, providers will be subject to the following interventions, although their detailed application will vary according to the specific circumstances of the organisation.

1. NHS TDA or Monitor will appoint an **improvement director** who will act on our behalf to provide assurance of the trust's approach to improving performance.

2. In most cases, NHS TDA or Monitor will also appoint one or more appropriate **partner organisations** to provide support in improvement. Partner organisations will be selected for their strength in the areas of weakness at the trust in special measures. The nature and amount of support from the partner will be tailored to the trust's requirements but will focus on addressing quality issues identified in the trust's action plan. Arrangements for this appointment will be set out in a memorandum of understanding between NHS TDA or Monitor and the partner ('buddy') organisation. Partner organisations will be reimbursed by Monitor or NHS TDA for reasonable expenses and may receive an incentive payment.

3. NHS TDA or Monitor will **review the capability of the trust's leadership**. If needed, this may lead to changes to the management of the organisation to make sure that the board and executive team can make the required improvements.

4. NHS TDA or Monitor will require trusts in special measures to **publish their progress against action plans** every month on the NHS Choices and their own website, and to participate as required in national and local press conferences.

CQC will continue to monitor quality at the trust. If at any time patients are at immediate risk of harm, they can use their urgent powers to safeguard the patients. CQC will re-inspect the trust within 12 months of the start of special measures. It will judge if there have been improvements to the quality of patient care and leadership.

Removing trusts from special measures

NHS TDA or Monitor will only take a trust out of special measures following a recommendation from the Chief Inspector. NHS TDA or Monitor will usually make such a recommendation after a trust has been re-inspected, is no longer rated as 'inadequate' in the 'well led' domain and has made progress across the other four domains. NHS TDA or Monitor must also be confident that improvements will be sustained.

Care Quality Commission re-inspection

Normally an NHS trust or foundation trust will be re-inspected by CQC within 12 months of being placed in special measures. CQC will take account of the trust's action plans when planning the focus of the re-inspection. They will gather data from a wide range of sources across the five domains before the re-inspection.

NHS TDA and Monitor will provide CQC with information on their view of the progress that the NHS trust or foundation trust has made. This will be based on feedback from the improvement director, progress that the trust has demonstrated against its action plan, and other intelligence NHS TDA and Monitor gain from their regulatory activities.

The re-inspection may be comprehensive or it may be targeted on specific areas – for example, when it is designed to investigate a particular concern or is a follow-up review after an extension period. CQC will decide the scope following discussion with NHS TDA or Monitor and depending on the original reasons for the trust's entry into special measures. The re-inspection will always look at the well led domain.

Care Quality Commission recommendation

CQC will normally recommend that a trust comes out of special measures if the quality of care is showing sufficient signs of improvement, even if it is not yet 'good', and the trust leadership is robust enough to ensure that the trust will sustain current improvements and make further improvements. This will normally be demonstrated through the trust no longer being judged 'inadequate' in the 'well led' domain.

An inspection and recommendation from the Chief Inspector may result in a range of outcomes for a trust in special measures that includes:

- exit from special measures
- exit after an extension period
- continuing in special measures where Monitor or NHS TDA has concerns that the Trust may not be able to sustain improvements without special measures in place (in this instance special measures may run in parallel to processes which will consider longer-term solutions, eg a transaction).

Removal from special measures at first re-inspection

NHS TDA or Monitor will decide whether to formally remove the trust from special measures following the recommendation from the Chief Inspector.

When deciding whether a trust can exit special measures NHS TDA or Monitor will consider whether we are confident that the improvements at the trust will be sustainable without the support of the special measures regime and they are therefore unlikely to re-enter special measures within 12 months.

If NHS TDA or Monitor reaches a positive conclusion, NHS TDA or Monitor will then consider whether any elements of the special measures programme should continue beyond the original defined period. For example, where a partner trust's programme of work is scheduled for completion a few months after special measures formally ends.

NHS TDA or Monitor will communicate a decision to the NHS trust or foundation trust in question and then communicate it formally and publicly in a press release, on the NHS TDA or Monitor websites and on the NHS Choices website.

It is important to note that trusts which exit special measures may still have on-going concerns and foundation trusts exiting special measures may remain subject to enforcement action.

Extension of special measures

In some circumstances, special measures will be extended for a short period to allow the trust to make the improvements needed. This might occur, for example, where there have been changes to the leadership team and more time is needed for the new team to bring about change.

When deciding whether to extend the time a trust spends in special measures, NHS TDA or Monitor, in consultation with CQC, will consider whether they are confident that the measures already under way will deliver required improvements within a designated period of time.

What constitutes a reasonable time frame will be decided by NHS TDA or Monitor in consultation with CQC, and will depend on the nature of the remaining improvements that are necessary. It will not normally exceed six months.

In the case of an extension the trust will prepare a revised action plan that lists actions to address any outstanding or new concerns. The trust will publish the revised action plan on the NHS Choices website and its own website.

Continuing in special measures

An NHS trust or foundation trust may remain in special measures where NHS TDA or Monitor has residual concerns and further action is required to secure ongoing improvements to services. In some instances we will already be taking action and have communicated relevant concerns to CQC before the trust's re-inspection.

In some circumstances, a transaction may be the best means of securing longer term improvements in the quality of care. In these circumstances, the resulting organisation (whether an acquiring parent organisation, new entity formed by merger, etc) itself would not automatically be placed into special measures at the point of transaction. The resulting organisation would be assessed on its own merits and regulated accordingly by CQC, NHS TDA and Monitor, which would take full account of the nature of the quality problems being taken on within the resulting organisation and how it, as a whole, was seeking to address them.

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North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: **Open Trust Board**

Date of Meeting:	5 June 2014
Title of Report:	2014/15 NHS Trust Development Accountability Framework
Presented by:	Mr Kieran Lappin Director of Finance
Author of Report: Name: Date: Email:	Mr K Lappin, Director of Finance 29 May 2014 Kieran.lappin@northstaffs.nhs.uk
Purpose / Intent of Report:	• For information
Executive Summary:	The Trust Development Authority (TDA) has recently published its refreshed Accountability Framework. The document is appended and sets out how the TDA will work with this Trust to assist us in informing both the quality and sustainability of services offered to patients. It sits alongside their Planning Guidance and articulates in one place, the key policies and processes which govern the relationship between the TDA and this Trust. The Framework reflects some of the key changes of the last year, including the development of the new Chief Inspector of Hospitals regime and the 'special measures' process. It also reflects their learning from their first year supporting NHS Trusts and the feedback they have received on their approach.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Customer Focus Strategy • Clinical Strategy • IM and T Strategy • Governance Strategy • Innovation Strategy • Workforce Strategy • Financial Strategy • Estates Strategy
Relationship with Annual Objectives:	Sets out TDA monitoring arrangements
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	-
Relationship with Assurance Framework [Risk, Control and Assurance]	Key element of NHS Assurance Framework
Recommendations:	The Board is asked to note the 2014/15 Accountability Framework

NHS
Trust Development Authority

Delivering for Patients:

the 2014/15 Accountability Framework for NHS trust boards

tda Trust Development Authority
Quality. Delivery. Sustainability.

Foreword

As we move into 2014/15, the leadership challenge for NHS providers remains very significant indeed. Improving quality for patients at a time of growing financial constraint is an increasingly demanding goal for NHS trusts, one which we must take on at a time when the scrutiny applied to the NHS is rightly very intense. The *Accountability Framework for NHS Trust Boards* sets out how the TDA will work alongside NHS trusts to meet this challenge.

The purpose of the *Accountability Framework* remains a simple one: to articulate in one place all of the key policies and processes which govern the relationship between NHS trusts and the TDA. The Framework sits alongside our planning guidance and covers our approach to measuring and overseeing NHS trusts; to escalation and intervention; to the provision of support for improvement; and to the way we move NHS trusts towards a sustainable future.

The refreshed Framework reflects some of the changes we have seen in the past year, including the development of the new Chief Inspector of Hospitals regime and the "special measures" process. It also reflects out learning from our first year supporting NHS trusts and the feedback we have received on our approach. Our approaches to measurement, intervention and support have all been adapted to reflect these changes.

But while much of the detail has changed, the core principles underpinning our *Accountability Framework* remain consistent. Firstly, the Framework aims to be holistic and integrated, setting out in one place of all our key policies and supporting a single conversation between the TDA and NHS trusts.

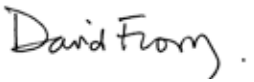
Secondly, our approach is more closely aligned than before with that of our partners, particularly regulators and commissioners. So our oversight metrics are aligned with those used by CQC, while our approvals process has been aligned to clarify the respective of roles of Monitor, CQC and the TDA. And much of our development work will be undertaken in partnership with other bodies. As we come to understand the new system, it is more evident than ever that these partnerships are critical to our success.

Thirdly, our clear focus on quality is stitched throughout the *Accountability Framework*. It sits at the heart of our oversight and approvals models and it is central to our development work.

However, it is important that alongside our focus on quality, a focus on financial discipline and value for money is retained. Improving quality at the same time as maintaining financial control represents a more difficult equation than ever for NHS providers, but it is an equation we must continue to solve.

And finally, focussing on developing and supporting our trusts remains a key priority for the TDA. The challenge of moving towards sustainability is not about quick fixes, but rather a long-term process of improvement, based on a deep understanding of organisational needs. So we want more than ever to focus on support and development and on improving culture, leadership and governance in NHS trusts.

I hope this *Accountability Framework* provides a useful guide to the way our organisations work together over the coming year and, as ever, I would welcome feedback so that we can continue to develop and improve.



David Flory
Chief Executive

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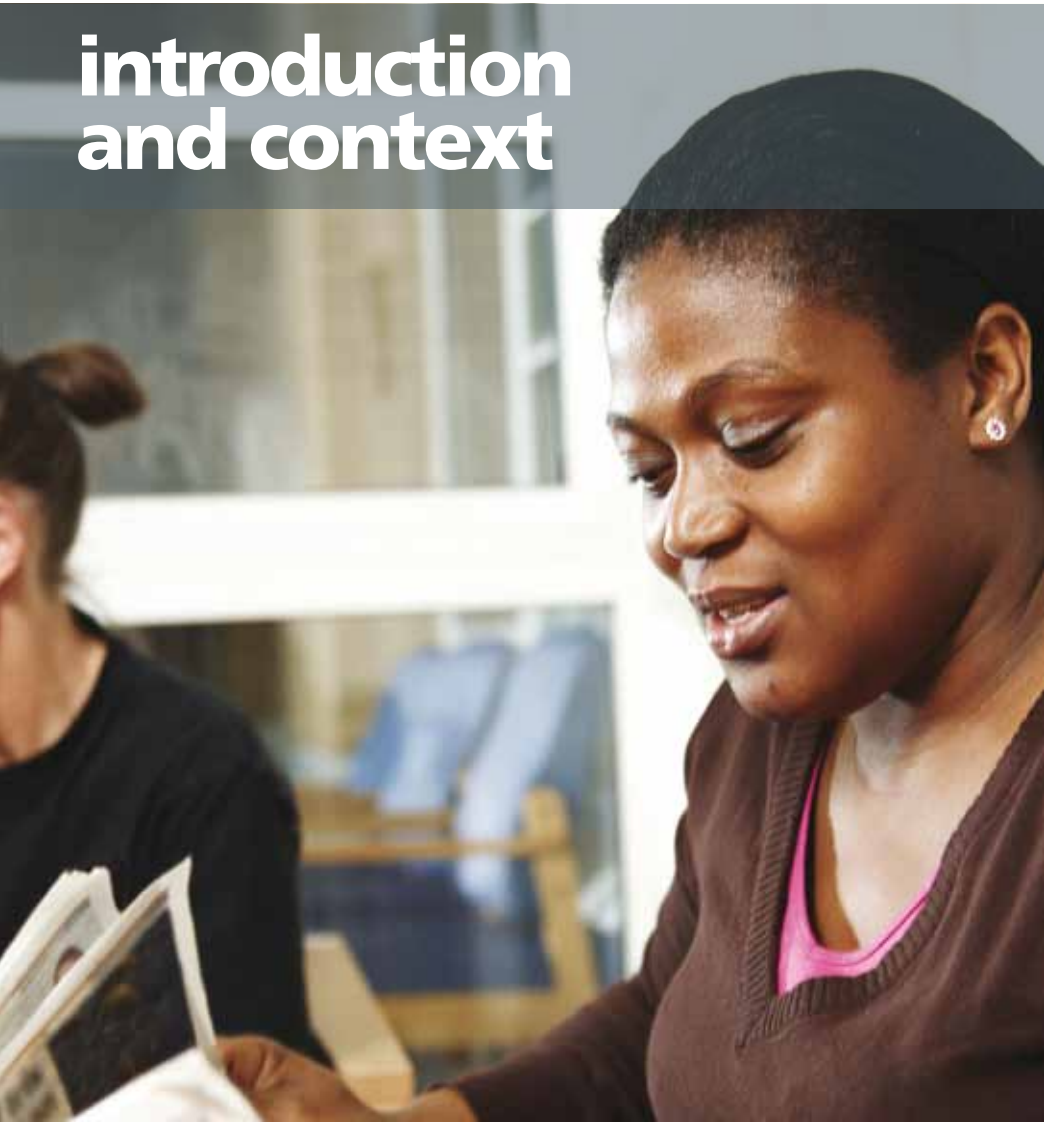
introduction and context



The context for NHS trusts

1.1 The period ahead is likely to prove very challenging for the NHS as a whole, and particularly for provider organisations. The emphasis on providing high quality care for patients has rightly never been greater; the many lessons from the Mid Staffordshire Inquiry and the development of the new regime of the Chief Inspector of Hospitals demonstrate the urgency of the quality agenda. Meanwhile, the financial pressures facing providers are becoming ever more acute, with a 4% annual efficiency requirement likely for the foreseeable future and the introduction of the Better Care Fund from 2015/16. Continuing to deliver high quality care within available resources, to do more and better with less, is therefore an increasing challenge for providers and the boards that oversee them.

1.2 *Securing Sustainability*, the planning guidance for NHS trust boards, was published in December and set out the scale of this challenge and the need for local health systems to work together to deliver effective operational and strategic plans to meet future needs. This refreshed *Accountability Framework* sets out the other key elements of the TDA's relationship with NHS trusts and the approach we will take to our collective business in 2014/15.

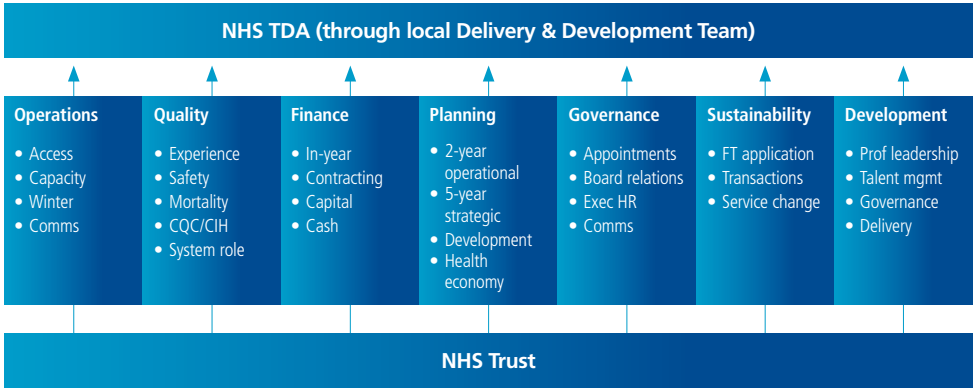
The role of the NHS TDA

1.3 While the system in which NHS trusts operate is highly complex, the role of the NHS TDA and its relationship with NHS trusts remains a simple one. The TDA oversees NHS trusts and holds them to account across all aspects of their business, while providing them with support to improve services and ultimately achieve a sustainable organisational form. The relationship is holistic and combines a hard edge of accountability with a clear role in providing support and development. Hence the objectives of NHS trusts and the TDA are one and the same, and your success is our success. Figure 1 below captures all of the core elements of the relationship between NHS trusts and the TDA.

1.4 In delivering their responsibilities, both NHS trusts and the TDA work in a much broader environment and interact with a range of other bodies. It is increasingly apparent in the new system that joint working and effective partnerships are critical to all aspects of business, both at local and national level.

1.5 **Commissioners** play a key role across the NHS in setting the shape and pattern of services and overseeing the delivery of services through their contractual relationship with providers. NHS trusts and the NHS TDA therefore work closely with local clinical commissioning groups and with NHS England at regional and national level both on the planning of services and on the day-to-day delivery of contractual requirements. While NHS trusts are responsible to commissioners through their contracts for the service they deliver, their accountability to the NHS TDA is broader and covers all aspects of their business, as shown in Figure 1.

Figure 1: NHS TDA relationship with NHS trusts



1.6 **NHS England** has a number of roles in addition to the direct commissioning of certain services. The NHS TDA works with NHS England in its assurance role regarding clinical commissioning groups to provide joint support in resolving issues that span whole health economies or local areas. Our organisations also work together at a national level on key strategic projects to ensure that the system works to provide high quality, sustainable services for patients.

1.7 The **Care Quality Commission** regulates the quality of services provided by NHS trusts and through the Chief Inspector of Hospitals is the ultimate arbiter of the quality of care. The role of the NHS TDA is to support NHS trusts and hold them to account for making improvements to the quality of services, both pro-actively and in response to the findings of the Chief Inspector. So while the Chief Inspector judges the quality of services and identifies where improvement is needed, the role of the NHS TDA is to ensure that NHS trusts fix problems and improve standards.

1.8 **Monitor** licenses existing foundation trusts and makes the final decision on whether applicant NHS trusts meet the standards for FT status. The NHS TDA's role is to support NHS trusts in developing sustainable services and moving through the FT application process by meeting the necessary standards for quality, finance and governance. Monitor also advises the NHS TDA on the impact on choice and competition of transactions involving NHS trusts, and assesses transactions involving NHS foundation trusts.

1.9 The TDA also works with a range of other bodies which interact with NHS trusts, including Health Education England, the General Medical Council, Nursing and Midwifery Council and other professional regulators, NICE, the Health and Social Care Information Centre, the NHS Leadership Academy and the Department of Health. While the number of different bodies which interact with NHS providers is significant, the role of the NHS TDA as the point of accountability for NHS trusts across all aspects of their business provide some clarity in this highly complex environment.

Developments since the 2013/14 *Accountability Framework*

1.10 The NHS TDA published its first *Accountability Framework* for NHS trust boards at the beginning of April 2013, in line with the TDA taking on its full powers. Since then a number of important developments have taken place which affect the work of NHS trusts and the TDA. First, and most significant, the new health system has been operating for a year and much has been learnt both nationally and locally about roles and responsibilities and dynamics and behaviours within that system. The TDA has also been working alongside NHS trusts and has gathered feedback on its role and processes.

1.11 Secondly, a number of new roles, policies and processes have been introduced since April 2013. Most notably, the first Chief Inspector of Hospitals has been appointed and his work on the programme of new inspections has begun in earnest across all sectors of the NHS. The need for a "Good" or "Outstanding" rating from the Chief Inspector to proceed to foundation trust status has been set out, significantly changing the standards required for moving to FT. And the inspections overseen by Sir Bruce Keogh early in 2013/14 have led to the introduction of the "special measures" process to secure rapid improvement in a small number of provider organisations with significant quality problems.

1.12 Thirdly, the implications of the Mid Staffordshire Inquiry are now clearer than they were a year ago, and a number of related inquiries have been completed, each with significant implications for NHS providers. These include the Keogh review, Professor Don Berwick's review of patient safety, the Cavendish review on healthcare support workers and the Clywd-Hart review into improving the patient complaints procedure. The National Quality Board has also recently published important guidance for providers on maintaining safe staffing levels.

1.13 All of these and many other changes over the past year have had a significant impact on the environment for NHS providers, meaning there is a clear need to refresh and update the different processes within our *Accountability Framework*.

Approach to the 2014/15 *Accountability Framework*

1.14 Despite these many changes, the purpose and structure of the *Accountability Framework* remain consistent. Put simply, the *Accountability Framework* sets out the key rules, processes and commitments which underpin and define the relationship between NHS trusts and the NHS TDA. The document aims to provide a clear, concise and integrated account of all the key things that NHS trust boards need to be aware of in doing business with the TDA.

1.15 The principles underpinning the *Accountability Framework* remain consistent with those set out last year, highlighting the continuity in the approach taken by the NHS TDA. So the principles which continue to drive our work are:

- **Every interaction we undertake has an impact on the quality of care patients receive** – our focus on quality improvement remains central to the work of the NHS TDA
- **One model, one approach** – the NHS TDA is a national organisation and the approach set out in the *Accountability Framework* will be applied consistently to NHS trusts across England and across all sectors of care
- **Clear local accountability for delivery** – the accountability for all aspects of NHS trust business remains with the board of the trust, held to account and supported by the TDA
- **Openness and transparency** – being open and candid publicly about the quality of care remains central to the TDA's approach
- **Making better care as easy to achieve as possible** – working with partners to create the right environment for change remains a central challenge both locally and nationally
- **Working supportively and respectfully** – the TDA recognises the very significant challenges faced by NHS trust boards and therefore aims to work supportively and respectfully at all times
- **An integrated approach to business** – the TDA remains committed to aligning all the different aspects of its business with NHS trusts through a single set of processes, as set out in this *Accountability Framework*.

1.16 The structure of the *2014/15 Accountability Framework* also remains consistent: the **planning guidance**, already published, sets out the different plans that are required from NHS trusts and how the NHS TDA will assure those plans. 2-year operational plans are due at the beginning of April, 5-year strategic plans by 20 June, and Development Support Plans by the end of September. The planning process provides the foundation for the other aspects of the *Accountability Framework*.

1.17 The **oversight** process (Chapter 2) sets out what we will measure and how we will hold trusts to account for delivering high quality services and effective financial management. For 2014/15, the TDA's quality metrics have been adjusted to improve alignment with the CQC's *Intelligent Monitoring* process. It also sets out how we will score and categorise NHS trusts and a clearer approach to both intervention and support for organisations at different levels of escalation. Finally, the oversight section covers other rules and processes which apply to NHS trusts in areas such as appointments, remuneration, data quality and information governance.

1.18 The **development** section (Chapter 3) describes the TDA's approach to understanding the evolving development needs of NHS trusts, particularly through the production of Development Support Plans to complement trusts' operational and strategic plans. This section also sets out the TDA's approach to development and areas where development support will be targeted during 2014/15. This includes support for challenged health economies to produce effective strategic plans, greater support for boards and leaders across the trust sector, and a refreshed approach to support for aspirant FTs, delivered in partnership with the Foundation Trust Network. The TDA recognises the importance of providing effective support for NHS trusts and will seek to increase the emphasis on this area during 2014/15.

1.19 The **approvals** section (Chapter 4) sets out the TDA's approach to assuring foundation trust applications, transactions proposals and capital schemes. This section clarifies the new role of the Chief Inspector of Hospitals in the FT assessment process, and sets out the ambition for a single framework for assessing provider leadership to increase alignment between current regulatory and assessment processes.

1.20 Each section is underpinned by more detailed guidance and templates where these are needed. Taken together, the different processes brought together in the *Accountability Framework* aim to provide some clarity for NHS trusts in the increasingly complex and demanding environment in which they operate.

oversight and escalation

Introduction

2.1 The Oversight model describes how the TDA will work with NHS trusts on a day-to-day basis, within a clear and unambiguous framework. It describes the expectations we have of NHS trusts to deliver high quality services for the communities that they serve. It sets out how we will measure progress, how we will judge performance, how we will intervene where it is necessary to do so, and other rules and policies which will govern our day-to-day relationship with NHS trusts.

2.2 The overall TDA approach to oversight remains consistent for 2014/15, with a clear focus on quality, delivery and sustainability. In holding organisations to account we will act in accordance with the principles set out in the Introduction to this Framework and in particular, we will always seek to be:

- Proportionate and consistent
- Open and transparent
- Respectful and supportive

2.3 For the sake of clarity and consistency, it is critical that we set out the nature of our oversight relationship with trusts. It is important to reiterate that our role in ensuring that patients receive a standard of care consistent with their rights – as set out in the *NHS Constitution* – requires a proactive approach. The TDA will not wait for concerns to become apparent through monthly reporting, but will build effective relationships with trusts to ensure that any issues can be identified and addressed as quickly as possible.

2.4 The key changes to the Oversight model for 2014/15 reflect the changing environment described above and in particular the need to ensure alignment with other national bodies. They reflect the findings of the Mid Staffordshire Public Inquiry and in particular the emergence of the new Chief Inspector of Hospitals' regime.

2.5 The next sections sets out an overview of the Oversight Model for 2014/15, covering:

- Measurement of progress on quality, finance and sustainability
- Escalation and intervention
- Other areas of oversight

Measurement of progress on quality, finance and sustainability

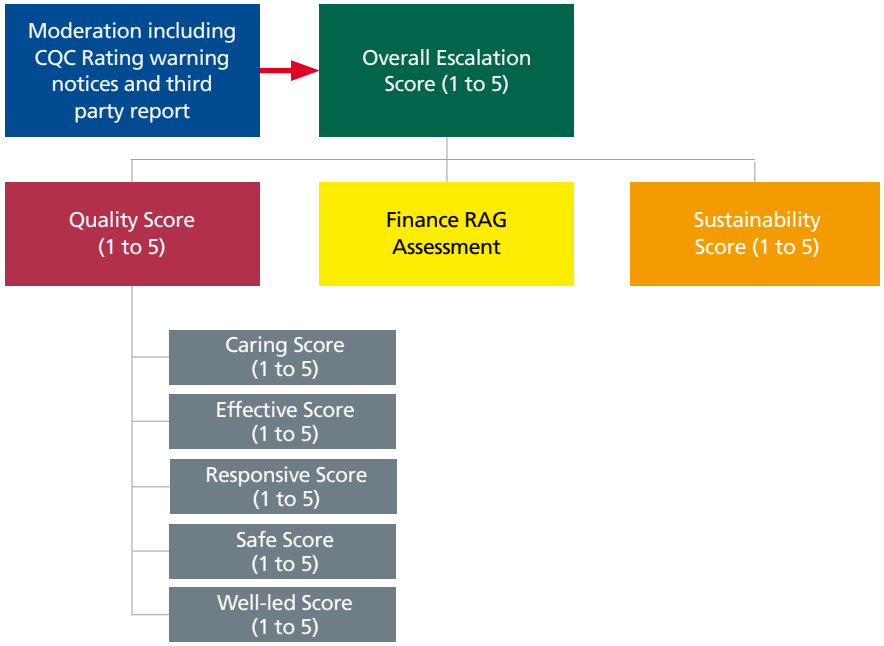
2.6 The overall approach to measuring and tracking NHS trust performance remains consistent with last year's *Accountability Framework*. There are a number of domains each with an associated set of indicators. Performance against these indicators will determine a score for each domain. These domain scores in turn contribute towards an overall Escalation score for each NHS trust.

2.7 Figure 2 sets out an overview of the key elements of the Oversight model.

2.8 For 2014/15, the Quality domain has been aligned with the new CQC regime and the domains of its *Intelligent Monitoring* system. As well as contributing to a consistent assessment of quality nationally, this approach also ensures continued alignment with the *NHS Constitution* and the *NHS Outcomes Framework*.

2.9 There has also been a change to the way the escalation scores will work for next year: for 2014/15 NHS trusts will be scored using escalation levels 1 to 5, as it was last year, but the key change will be that escalation level 1 will now be the highest risk rating with level 5 the lowest. This is to ensure consistency with the CQC's approach to assessing risk through its *Intelligent Monitoring* system.

Figure 2: Key Elements of the Oversight Model



2.10 Whilst the Oversight and Escalation model will be closely aligned with the CQC's *Intelligent Monitoring* system, there will remain a number of differences which reflect the different roles of the two organisations. As the regulator and final arbiter of quality, the CQC model is based on a broad and comprehensive set of indicators which are used to highlight where a trust is an outlier compared to its peers. In order to be effective in its oversight and performance management of trusts, the TDA needs a narrower set of metrics, all of which can be updated frequently so that changes in performance can be identified and addressed promptly. The TDA also has a role in ensuring that trusts deliver on commitments made to patients in the *NHS Constitution*, such as maximum waiting times, and must be able to monitor whether trusts are meeting these standards.

2.11 The Quality, Finance and Sustainability scores will primarily be rules-based using a set of thresholds for each indicator. Scores will be aggregated to the overall domain level according to performance against each indicator, individual indicator weightings and where appropriate override rules in extreme cases of poor delivery against key indicators such as mortality. A supporting guidance document will supplement the *Accountability Framework* and will contain all the detailed information about our scoring methodology.

2.12 In addition, and consistent with our current approach, the overall escalation score will be subject to a moderation process led by the directors of delivery and development supported by business and quality directors to determine the level of risk and appropriate level of intervention for each organisation. The results of the rules-based scores will be supplemented with softer intelligence from a range of third party reports including CQC warning notices. Consideration will also be given to any future risks faced by trusts.

2.13 Escalation scores will be refreshed on a monthly basis using only publically available information. This will ensure that all the supporting data and analysis are able to be shared openly, consistent with our commitment to transparency. A timetable setting out the monthly business rhythm for the oversight process is contained within the supporting guidance document.

2.14 The TDA will take a proactive approach to managing the quality of services delivered by trusts. Whilst the oversight model will be based on published data, where there are concerns regarding the performance of a trust, TDA staff may require more frequent information relating to a limited number of key metrics.

2.15 Further detail on the main domain headings of Quality, Finance and Sustainability is set out below.

Quality

2.16 For 2014/15, we will align the domains we use in our assessment of quality with the 5 domains used by CQC in their regime for assessing the quality of services: Caring, Effective, Responsive, Safe and Well-led.

2.17 There is no intention for Oversight to attempt to replicate the CQC risk ratings, rather Oversight will use a sub-set of the indicators used by CQC. In developing this list of indicators we have also taken into consideration:

- *NHS Constitution* standards;
- Measures used by Monitor in their *Risk Assessment Framework*;
- Measures required to be published in NHS trust Quality Accounts, reflecting the *NHS Outcomes Framework* measurements;
- Measures for which data is routinely available;
- Measures which are part of the current Oversight and Escalation and are considered worth retaining.

2.18 Figure 3 details the indicators that will be used in each of the 5 domain areas. An assessment will be made against each indicator, usually on a monthly basis depending on the regularity of information being available. Using thresholds, individual indicator weightings and override rules, an overall domain score will be calculated. These 5 domain scores will then be used to calculate an overall score for Quality.

2.19 Supporting guidance will be available via the TDA website and will provide indicators definitions, data sources and indicator constructions along with detailed scoring rules. It will also set out the indicators which have been added or removed from last year and the rationale behind these decisions.

Finance

2.20 The underpinning business plan that supports an NHS trust's sustainability is as important as the delivery of high quality services as it helps ensure that effective care can be delivered well into the future.

2.21 As in last year, NHS trusts will be monitored against two financial categories:

- In-year financial delivery;
- Monitor *Risk Assessment Framework* – Continuity of Service.

2.22 Delivery against these categories will be RAG rated using agreed thresholds but only the RAG rating for in-year delivery will be used in the assessment of the overall escalation score.

2.23 The indicators that make up the in-year financial delivery domain have been reviewed and a revised set of indicators are included in Figure 3. The thresholds for calculating the overall financial RAG rating have also been updated so that any trust with a forecast deficit or a significant deterioration in surplus will be red rated overall.

2.24 Supporting guidance will be available via the TDA website, including detailed indicator descriptions and clarification of how the individual indicator RAG ratings and overall in-year financial delivery RAG rating is calculated.

Sustainability

2.25 *Securing Sustainability – Planning guidance for trust boards 2014/15 to 2018/19* set out for the first time a framework to enable NHS trusts to look in more depth at how they plan to deliver high quality services in a sustainable way, not just over the coming year but over the next five years.

2.26 The ultimate goal of the NHS TDA is to support organisations to deliver high quality services that are clinically and financially sustainable, and thereby become foundation trusts or implement a suitable alternative solution. The five year plans submitted by trusts are critical to this work.

2.27 In assessing the plans of NHS trusts, the TDA will consider the credibility of the assumptions made by the NHS trusts before determining whether to support their plan. Our assessment of the credibility of plans, will focus on five broad areas of assurance:

- Clinical and workforce strategy
- Financial and business strategy
- Future commissioning and service strategy
- Securing a sustainable organisational form
- Leadership capability and capacity.

2.28 It is the intention that following the assessment of five year plans by the TDA it will be possible to develop a score for the Sustainability domain which will in turn feed through to the overall escalation level for the trust. This will happen later in 2014/15 once the five year plans have been submitted and reviewed by the TDA. Until this approach has been refined, the sustainability of a trust will feed into the escalation scoring system through the moderation process outlined above.

Figure 3: Proposed indicators for Monthly Oversight and Escalation

Caring
Inpatient scores from Friends and Family Test
A&E scores from Friends and Family Test
Complaints – rate per bed days, MH contacts or calls to ambulance services
Inpatient Survey: Q68 Overall I had a very poor/ good experience?
Community Mental Health : Q45 Overall, how would you rate the care you have received in the last 12 months?
Mixed Sex Accommodation Breaches

Well-led
NHS England inpatients response rate from Friends and Family Test
NHS England A&E response rate from Friends and Family Test
Data Quality of trust returns to the HSCIC
NHS Staff Survey: Percentage of staff who would recommend the trust as a place of work
NHS Staff Survey: Percentage of staff who would recommend the trust as a place to receive treatment
Trust turnover rate
Trust level total sickness rate
Total trust vacancy rate
Temporary costs and overtime as % total paybill
Percentage of staff with annual appraisal

Effective
Summary Hospital Mortality Indicator (HSCIC Published data)
Hospital Standardised Mortality Ratio (DFI Quarterly)
Hospital Standardised Mortality Ratio – weekend
Hospital Standardised Mortality Ratio – weekday
Deaths in low risk conditions
Emergency re-admissions within 30 days following an elective or emergency spell at the trust
IAPT – The proportion of people who complete treatment who are moving to recovery

Safe
CDIFF
MRSA
Never Event incidence
Medication errors causing serious harm
Percentage of Harm Free Care
Maternal deaths
Proportion of patients risk assessed for Venous Thromboembolism (VTE)
Serious Incidents
Proportion of reported patient safety incidents that are harmful
CAS alerts
Admissions to adult facilities of patients who are under 16 years of age (Number)

Continued on next page >>

Figure 3: Proposed indicators for Monthly Oversight and Escalation (continued from previous page)

Responsive
Proportion of patients spending more than 4 hours in A&E
RTT waiting times for admitted pathways: percentage within 18 weeks
RTT waiting times for non-admitted pathways: percentage within 18 weeks
RTT waiting times incomplete pathways
RTT over 52 week waiters
Diagnostic waiting times: patients waiting over 6 weeks for a diagnostic test
Proportion of patients receiving first definitive treatment for cancer within 62 days of referral from GP
Proportion of patients receiving first definitive treatment for cancer within 62 days of referral from screening
Proportion of patients receiving first definitive treatment for cancer within 31 days of decision to treat
Proportion of patients receiving subsequent treatment within 31 days (Drug)
Proportion of patients receiving subsequent treatment within 31 days (Surgery)
Proportion of patients receiving subsequent treatment within 31 days (Radiotherapy)
Proportion of patients seen within 14 days of urgent GP referral
Proportion of patients with breast symptoms seen within 14 days of GP referral

Responsive
Urgent operations cancelled for a second time
Proportion of patients not treated within 28 days of last minute cancellation due to non-clinical reasons
Certification against compliance with requirements regarding access to health care for people with a learning disability
The proportion of those on Care Programme Approach(CPA) for at least 12 months **A** Who had a CPA review within the last 12 months **B** Having formal review within 12 months **C** Receiving follow-up contact within 7 days of discharge
Admissions to inpatient services who had access to Crisis Resolution/Home Treatment teams
Meeting commitment to serve new psychosis cases by early intervention teams (Number)
Category A8 Red 1 calls
Category A8 Red 2 calls
Category A call – ambulance vehicle arrives within 19 minutes
12 hour trolley waits in A&E
Mental health delayed transfers of care

Finance
Bottom line I&E position – Forecast compared to plan
Bottom line I&E position – Year to date actual compared to plan
Actual efficiency recurring/non-recurring compared to plan – Year to date actual compared to plan
Actual efficiency recurring/non-recurring compared to plan – Forecast compared to plan
Forecast underlying surplus/deficit compared to plan
Forecast year end charge to capital resource limit
Is the Trust forecasting permanent PDC for liquidity purposes?

Escalation and intervention

2.29 The measurement and monitoring process described above will continue to place each NHS trust in one of five oversight categories, based on their scoring against the various oversight domains, relevant views of third parties such as the CQC, and the judgement of the TDA. The following table sets out the five escalation levels that will apply, including the characteristics of organisations at each level of escalation, the nature of likely interventions, and the support available to trusts to help them to improve.

2.30 Table 1 below aims to provide more clarity for NHS trusts about what it means to be at each level of escalation, and to ensure greater consistency in our approach to intervening and supporting NHS trusts. The table also clarifies that escalation level 1 and the "special measures" designation are one and the same thing.

2.31 Trust boards should be clear that they at all times remain responsible for ensuring that effective governance and assurance arrangements are in place within their organisations. The purpose of the oversight model is to provide assurance regarding trusts' performance to the TDA and does not affect the overall accountability of trust boards.

2.32 The special measures process will apply to NHS trusts which have serious failures in their quality of care and / or financial performance, along with concerns that the trust's existing leadership cannot make the necessary improvements without intensive oversight and support. Special measures can be triggered by the NHS TDA following a recommendation from the Chief Inspector of Hospitals, or whenever the TDA judges it is necessary. Organisations placed in special measures because of concerns about the quality of care will require a successful re-inspection by the Chief Inspector in order to exit special measures.

2.33 Organisations in special measures will be subject to a set of specific interventions designed to rapidly improve the quality of care. The NHS TDA will intensify its engagement with and oversight of the NHS trust, and trusts will be held to account through regular board-to-board meetings. While the interventions and support brought to bear during the special measures process will reflect the circumstances and needs of the trust, there are a small number of interventions which will apply to every provider placed in special measures. These are:

- The development of a clear, published **Improvement Plan** to address the issues raised, with clear timescales for improvement.
- The appointment of an **improvement director** who will act on behalf of the NHS TDA. They will have a presence on the ground for, on average, two days a week. They will work with NHS trusts and their partners to support improvement and to monitor progress against the action plan.
- The appointment of a **partner organisation** to provide support and expertise in improvement. Partner organisations will be selected on the basis of their strength in relevant areas of weakness in the NHS trust or foundation trust in special measures.
- **The capability of the trust's leadership will be reviewed** and changes to the management of the organisation could be made, if needed, to ensure that the board and executive team is best placed to make the required improvements.

2.34 As the table below sets out, these and other measures can also be used by the TDA for trusts at levels 2 and 3 of escalation. While trusts in special measures will be subject to all of the processes set out above, the deployment of interventions at lower levels of escalation will reflect the particular needs and circumstances of the trust.

2.35 Special measures will be a time-limited period, the expectation being that trusts – with the support of the TDA – will make the necessary improvements within 12 months. From this year, a similar approach will be taken to trusts in escalation levels 2 & 3: trusts will be expected to develop and execute a time-limited improvement plan that will enable them to return to escalation level 4 or 5. Once a trust achieves escalation level 5 it is anticipated that its foundation trust application or transaction will be completed within 12 months.

2.36 At all levels of escalation, the TDA can consider supplementing the interventions below with additional processes, for example reviews of particular services areas or financial systems. In addition, the TDA will explore during 2014/15 a reduction in the autonomy of NHS trusts at high levels of escalation, particularly on financial matters.

2.37 In its approach to escalation and intervention, the TDA will always seek to balance hard-edged intervention with the provision of appropriate support and development. This is clear in the table below and more detail on support available for NHS trusts, including support targeted at challenged organisations, is set out in Chapter 3.

Table 1: TDA Oversight Categories for 2014/15

	Name	Characteristics of a trust in this category	Intervention	Support	Accountability
1	Special Measures	The organisation has significant delivery issues, including clinical and / or financial challenges; the clinical concerns may be serious and / or the in-year financial challenges may be greater than planned; the TDA has limited confidence in the board's current capacity to deliver improvement without additional external support and challenge.	Trust would be subject to all of the following: • Improvement plan; • Capability review; • Board-to-board meetings; • Potential loss of autonomy; • Further reviews as needed.	Support focussed on rapid quality improvement and /or financial turnaround. Support **will** include: • Improvement director; • Partnering with high performer.	Through board-to-board meetings.
2	Intervention	The organisation has significant delivery issues, including clinical and / or financial challenges; the TDA has concerns about the board's capacity to deliver improvement and is therefore keeping progress under close review, with the potential to deploy external interventions.	Trust required to produce an Improvement Plan and **may** be subject to: • Capability review; • Board-to-board meetings; • Potential loss of autonomy; • Further reviews as needed.	Support focussed on rapid quality improvement and /or financial turnaround. Support **can** include: • Improvement director; • Partnering with high performer.	Through TDA director of delivery and development (with possibility of board-to-board meetings).
3	Intervention	The organisation has some delivery issues, including clinical and / or financial challenges; the TDA has confidence in the board's capacity to deliver improvement and continue its journey to sustainability.	Interventions likely to be focussed on supporting improvement in particular areas, but broader intervention can be deployed.	Support focussed on improvement on specific issues and early development of foundation trust application.	Through TDA portfolio director.
4	Standard Oversight	The organisation has limited or no delivery issues; the TDA has confidence in the board's capacity to deliver any improvements needed and make significant progress towards sustainability.	No interventions likely at this level of escalation, but standard TDA oversight processes continue.	Support focussed on movement through the foundation trust application or alternative sustainability plan.	Through TDA Delivery and Development team.
5	Standard Oversight	The organisation has developed a sound FT application and received a 'Good' or 'Outstanding' rating from the CIH; the TDA has confidence in the board's capacity and expects a sustainable solution to be delivered quickly.	No interventions likely at this level of escalation; standard oversight processes continue but frequency may reduce.	Support focussed on finalising foundation trust application or alternative sustainability plan.	Through TDA Delivery and Development team.

Other areas of TDA oversight of NHS Trusts

2.38 In addition to the core measurement, scoring and escalation processes set out above, there are a number of other areas where the NHS TDA has oversight of NHS trusts. For clarity and completeness, these areas are set out below, along with a summary of our expectation of NHS trusts. The key areas are:

- Human resources decisions;
- Workforce assurance mechanisms;
- Data quality;
- Information governance.

Human Resources

2.39 The NHS TDA has an important relationship with trusts in relation to certain workforce and human resources issues.

2.40 The NHS TDA has responsibility on behalf of the Secretary of State for making chair and non-executive appointments to NHS trusts, for ensuring chairs and non-executives have appropriate training and support, and for the suspension and dismissal of chairs and non-executives when this is required. Policies relating to these processes will be available on the TDA website. More detail on support for chairs and non-executives is set out in Chapter 3.

2.41 The TDA also has a key role in oversight of executive appointment, remuneration and severance decisions. The key elements of this are as follows:

- A senior member of TDA staff must be invited to act as an external assessor when NHS trusts make director appointments.
- The NHS TDA will agree annual performance assessments for NHS trust chief executives.
- The NHS TDA has a role in ensuring senior pay levels are proportionate and may from time to time request pay data from trusts in order to respond to DH and wider government pay queries. As part of this, the NHS TDA must agree remuneration rates for senior appointments made by NHS ambulance trusts and community providers.
- The NHS TDA must agree any "off-payroll" senior appointments, including any appointments to roles with significant financial responsibility, whether interim or substantive.
- The NHS TDA must approve proposed severance arrangements for any directors in NHS trusts and for any non-contractual severance arrangements at any grade. Contractual terminations for non-director staff in excess of £100k also require NHS TDA Remuneration Committee approval.

2.42 Details of the NHS TDA's role in appointment, remuneration, performance assessment and severance decisions was set out in writing for NHS trusts in guidance sent out to chairs, CEOs and HRDs in June 2013. This is being updated and will be on the TDA website from April 2014. Further information about the role of the NHS TDA in executive HR decisions by NHS trusts can be found in the supporting guidance published alongside this document.

Workforce Assurance

2.43 In light of the increased focus on workforce next year, e.g. through the National Quality Board's *A guide to nursing, midwifery and care staffing capacity and capability* we are taking steps to enhance our oversight of key workforce metrics in 2014/15. As such, trusts will be required to provide more detailed workforce data, including funded workforce establishments, temporary staffing usage and vacancy rates. In recognition of the need for effective triangulation between finance, activity, quality and workforce, we have also continued to develop the national workforce assurance tool.

2.44 All NHS trusts have access to this tool free of charge. It will be the primary method by which the TDA will support and challenge trusts on the triangulation of their plans as part of this year's planning round and on the in-year delivery of workforce and finance metrics (including the delivery of safe staffing) through our core oversight processes.

2.45 For the coming year we are mandating all NHS trusts to actively use the tool to complement existing workforce reporting processes and to inform future planning cycles. Support packages are available to trusts to support them in maximising the benefits of the tool.

2.46 To further evidence application of the NQB guidance NHS trusts will be asked to demonstrate compliance by submitting information about how they have put into practise the nine expectations for provider organisations as set out in the *Guide to nursing, midwifery and care staffing capacity and capability*.

Data Quality

2.47 Following the publication of the recent NAO report into elective waiting times in the NHS, it is clear that more robust assurance processes need to be established with respect to the systems that are in place to ensure data quality.

2.48 In line with the recent correspondence with trusts on this matter, NHS trusts should therefore ensure they are undertaking the following best-practice actions:

- Reviewing data quality annually though their internal audit programme;
- Ensuring checks of waiting list management are undertaken through the external audit programme at least every 3 years;
- Deploying Intensive Support Teams where the organisation continues to have difficulty with waiting list management issues and/or where emerging problems are detected;
- Maintaining and publicising a clear patient access policy.

2.49 The NHS TDA will continue to provide support for trusts in this area, in particular working with NHS trusts to understand and implement best practice. If any problems with the data quality of patient access procedures are brought to our attention we will consider commissioning independent reviews. In serious cases, such reviews could inform actions taken in relation to the wider governance of organisations.

Information Governance

2.50 Following the Government's response to the Caldicott 2 report, *To Share or not To Share* in September 2013, the NHS TDA requires each NHS trust to provide details of data breaches in both their annual governance statement and in their annual report. NHS trusts are expected to log and summarise any such data security breaches or lapses including the advice of the Caldicott Guardian and any issues that are significant enough to warrant reporting to the Information Commissioner. NHS trusts should also detail how they will manage and mitigate risks in this area and how they measure compliance beyond the requirements of the Information Governance toolkit.

development and support

The importance of development for NHS trusts

3.1 NHS trusts provide a wide range of services for patients across England, from the most specialised hospital care to a diverse range of community services. The role of the NHS TDA is to hold NHS trusts to account but at the same time to support them to maximise their potential for delivering high quality sustainable services. Every organisation has development needs, and for NHS trusts the extremely challenging environment that they face means that those development needs are likely to be both far-ranging and critical to the success of the trust.

3.2 Providing support for NHS trusts is part of the core business of the NHS TDA. Much of that support can be provided through our day-to-day interactions, drawing on expertise from within the NHS TDA. In addition, the TDA has sought to provide a range of additional programmes to support priority development areas. To date this has included:

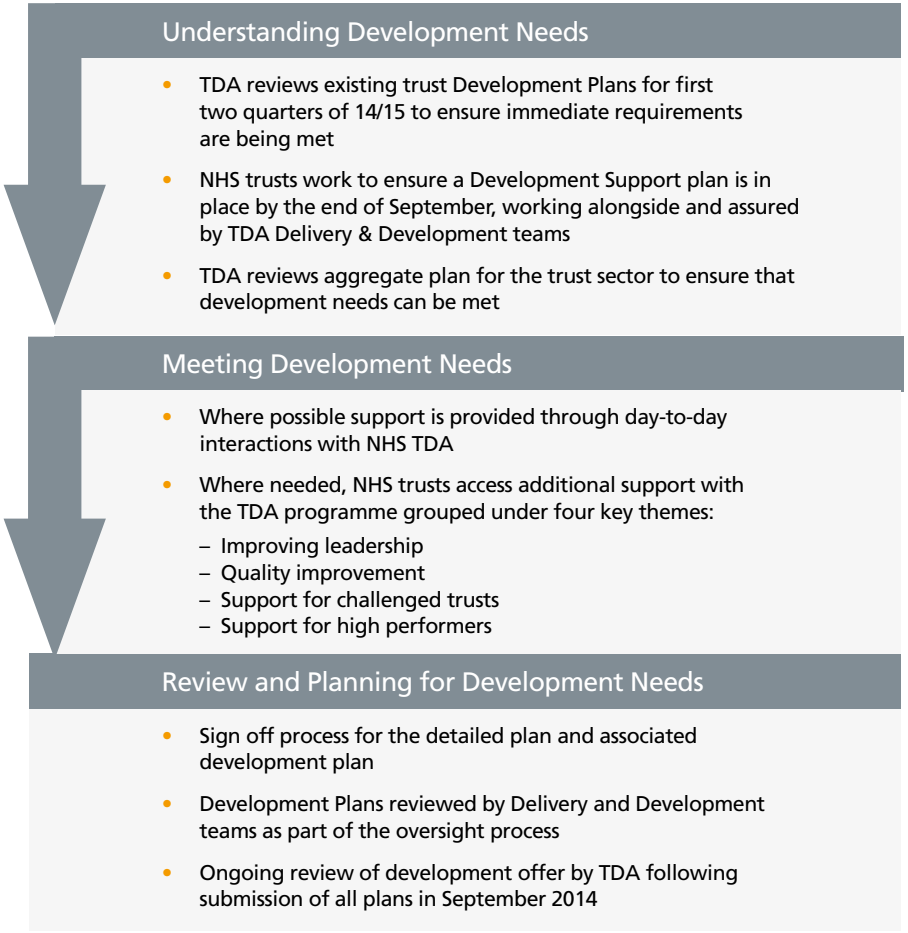
- A tailored programme of support from the NHS Leadership Academy to provide a board assessment and diagnostic process for a group of NHS trusts. This support was delivered to 8 NHS trusts during 2013/14.
- Programmes of support for improvement in a range of high priority areas, including emergency access, elective access and patient experience.
- Support for aspirant foundation trusts to progress through the FT assessment process, provided in partnership with the Foundation Trust Network.
- The pairing of trusts within the special measures framework with high performing organisations to support improvement.

3.3 We recognise, however, that more needs to be done, both to increase the emphasis on development in our core relationship with NHS trusts, and to expand the additional support that can be drawn upon. So for 2014/15 we will build on this initial work in order to establish a broader framework of support for NHS trusts. We will further develop this framework in light of the outcomes of the development planning process which concludes in September 2014.

3.4 It is important to acknowledge that individual NHS trusts are at different points on their journey to sustainability, with some trusts now moving at pace towards FT status whilst others face much more complex challenges. The NHS TDA's approach to development seeks to reflect the range of needs for these organisations.

3.5 Understanding the needs of each of our trusts and how they can best access the various development opportunities is central to our approach. The TDA's local portfolio teams will work with individual trusts focusing on three key steps: understanding development needs; ensuring needs are met; and regular review of development plans. This ongoing process of support is set out in Figure 4 below.

Figure 4: Overview of the TDA Approach to Development Support for NHS Trusts



Understanding development needs

3.6 In 2013/14, we started the process of ensuring that the assessment of development needs for NHS trusts was an on-going, joint process between NHS trusts and the NHS TDA, recognising that development needs will change over a period of time.

3.7 A strong development plan is a critical enabler for the creation a successful organisation. For the planning process in 2014/15 to 2018/19, we have asked that boards of NHS trusts provide a more detailed development plan to be submitted by September 2014. This is so that it can take account of the operational and strategic plans developed by the trust, linking development with core business needs.

3.8 The TDA will work with individual trusts to understand what their development needs are and how they can best be met. Local Delivery and Development teams will lead this process, as part of their core relationship with NHS trusts. Once all plans have been submitted and agreed, the TDA will review the overall development needs of the trust sector and enhance its development offer as required.

3.9 In the period prior to the submission of this year's detailed development plans we will continue to work with trusts building on the existing knowledge we have about their needs.

Meeting development needs

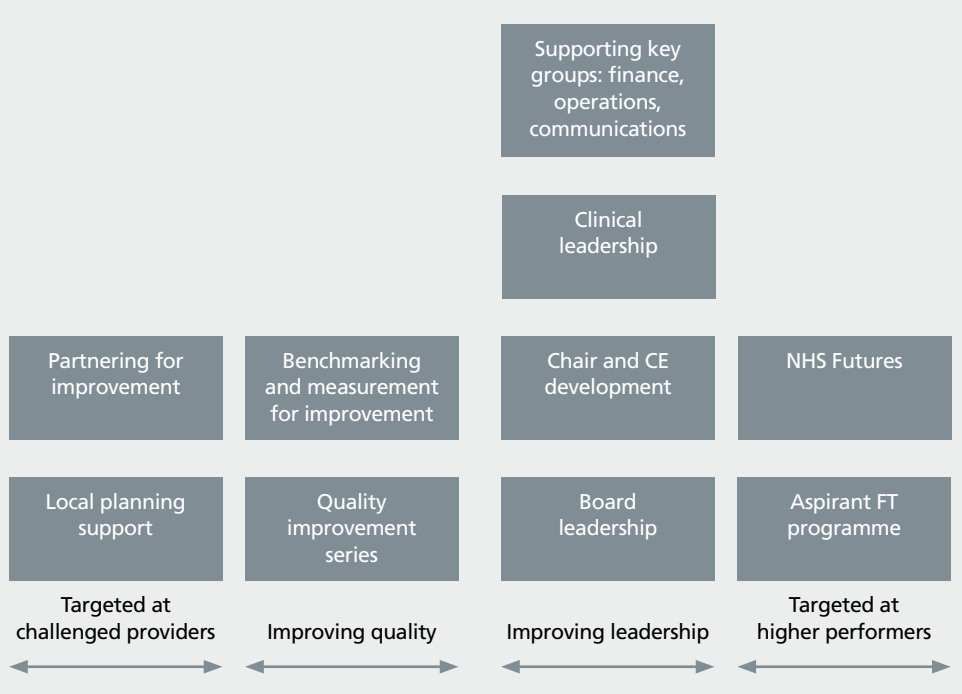
3.10 Some of the support required by NHS trusts can be provided directly by local teams within the NHS TDA; some will be met by drawing on the additional development programmes set out below; and in some cases bespoke further support may need to be commissioned.

3.11 Looking forward, the key elements of the national development offer for NHS trusts in 2014/15 are:

- Improving leadership
- Improving quality
- Support for challenged providers
- Support for high performers

3.12 Figure 5 sets out the key elements of each of these aspects of the development offer:

Figure 5: Scope of the 2014/15 TDA development offer



3.13 Below is an outline of the individual programmes sitting beneath each theme.

Theme one: Improving leadership

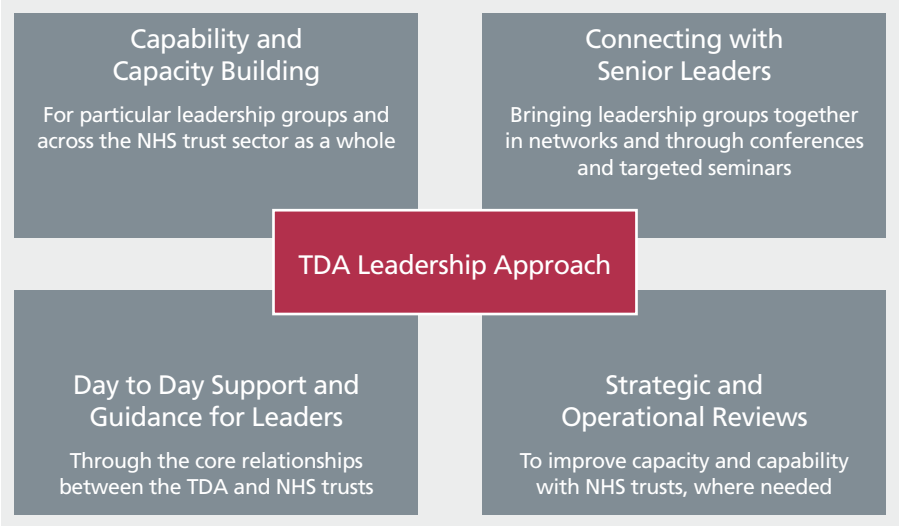
3.14 Strong and effective leadership within organisations from the "board to the ward" is essential to drive improvement, and the delivery of safe and sustainable services. Good leadership leads to a good organisational climate and good organisational climates lead via improved staff satisfaction and loyalty to sustainable high performing organisations.

3.15 Effective governance, culture and leadership are central to the new inspection regime of the Chief Inspector of Hospitals through the "Well-led" domain, as well as Monitor's assessment process for aspirant foundation trusts. Ensuring effective leadership is therefore critical to the success of all NHS trusts.

3.16 The NHS TDA recognises the need for effective support both for boards and for key leadership groups. Alongside the support already available from the NHS Leadership Academy, the TDA will be working during 2014/15 to strengthen its offer to leaders within NHS trusts.

3.17 Figure 6 below outlines the broad approach which will be applied to supporting leaders.

Figure 6: NHS TDA Approach to Improving Leadership Capacity



3.18 The NHS TDA will seek to apply this approach across its leadership activities, and will trial the approach in its work to build communications and engagement capacity during 2014/15. The sections below set out the different aspects of our approach to providing support for particular leadership groups within NHS trusts.

Support for NHS trust boards

3.19 Boards are critical to the success of NHS trusts and developing the capability and capacity of boards is therefore a key priority. Much support for boards can be provided through the core relationship between NHS trusts and the TDA, and many boards will already have development programmes in place. However, the TDA will make the following additional support available for NHS trust boards during the coming period:

- Working with the NHS Leadership Academy, the TDA will seek to continue the successful programme of intensive diagnostic processes for NHS trust boards,
- Working with the Foundation Trust Network, the TDA will pilot a re-focused programme for aspirant foundation trusts with a particular focus on improving board governance,
- Working with CQC and Monitor, the TDA will seek to develop a "well-led framework" for NHS providers, clarifying and aligning the requirements of NHS boards. The framework can then be used to commission specific reviews to test and improve governance.

Support for chairs and non-executives

3.20 The TDA recognises the critical and very challenging role which chairs and non-executives play in providing leadership for NHS trusts. The role of non-executives is under particular scrutiny following the Mid Staffordshire Inquiry and the Keogh review, and the need to provide appropriate support and development for this group of leaders is therefore pressing.

3.21 The NHS TDA will be facilitating regional networking events for NHS chairs to provide an opportunity to hear from speakers across a range of issues and also meet and network with their peer group. These networks will provide a foundation upon which specific arrangements for supporting and developing the chair community will be built. It is proposed that the first events will take place quarterly, starting in the spring of 2014. We will also look to develop networks for chairs across particular sectors of care (e.g. ambulance or community providers) and for chairs with common interests (e.g. newly appointed chairs).

3.22 In addition, chairs and non-executives have access to a range of support services to ensure they can be effective in their roles as soon as possible. These include an immediate induction programme provided by the HFMA in conjunction with the TDA and other partners. Annual events will be held, mentoring arranged and appraisal programme in place to support the development of individual NEDs.

Support for chief executives

3.23 The TDA will continue to bring together NHS trust chief executives regularly at regional and national events to network, share intelligence and provide peer support. In addition, the NHS TDA is exploring a series of one day events for chief executives in response to an identified need for focussed events on key topics. These would be co-sponsored by Monitor, and the Foundation Trust Network. Where appropriate, sessions will also be made available to chairs. The programme will consist of a number of sessions across the year using a hybrid of speakers and action learning sets. The first sessions are scheduled for early in 2014/15.

Support for clinical leaders

3.24 The challenges of being a clinical leader in the environment we face today have never been greater. The clinical directorate of the TDA will continue to engage with and support individual clinical leaders in NHS trusts in a range of ways, including:

- One-to-one support and coaching for individual medical and nursing directors
- Establishing networks and action learning sets with particular groups of directors linking with other organisations where helpful, such as the Faculty of Medical Leadership and Management (FMLM), the Nursing and Midwifery Council (NMC) and others
- Development support for aspiring clinical leaders, building on the success of the TDA's recent programme for aspiring nursing directors, delivered with the support of the NHS Leadership Academy
- Using our national reach to help facilitate specialist advice on key topics and/or peer review
- Thematic events and workshops to support sharing of good practice on particular issues such as those we have held on patient experience and safe staffing.

3.25 We will also continue to support organisations to deliver high quality services, including by providing professional assessment on recruitment panels and advice with preparing job specifications, and by supporting with the planning and delivery of service improvements such as safe staffing reviews and mortality governance.

Support for finance and business leaders

3.26 The TDA recognises that excellent financial management is key to the provision of sustainable services. The financial challenge is greater than ever before and finance directors and their teams need to support their clinical colleagues to use resources as intelligently as they can to achieve better care for patients.

3.27 To this end, the TDA has joined forces with the 5 other national heads of the NHS finance profession to initiate 'Future Focussed Finance', a vision for the whole of NHS finance to aspire to over the next 5 years. The priority areas for staff development subject to consultation during 2014 are 'Securing Excellence', 'Knowing the Business' and 'Fulfilling Our Potential' and these will be supported by a new Health Business Foundation.

Support for operational leaders

3.28 The TDA recognises the key role which chief operating officers and their teams play in the success of NHS trusts. As a group, operational leaders have not always received the same support and development as other leaders, despite the critical role that they play. The NHS TDA will therefore be seeking during 2014/15 to develop a package of support for operational leaders to help them to achieve success and to increase capacity in this essential area.

Support for communications and engagement leaders

3.29 Now more than ever it is crucially important that NHS trusts engage effectively with a range of stakeholders. Good relationships with patients, staff, the public and other stakeholders give organisations the opportunity to understand what is working well, what could be improved and to build trust in their services. Doing this effectively means action can be taken promptly to improve the standard of services or experience offered to patients where it falls short.

3.30 Central to this is ensuring excellent capability of communications teams in all NHS trusts. To support trusts to develop their communications capability the TDA has a development programme focussed on building trust, confidence and respect in the NHS locally and developing better relationships with all stakeholders.

3.31 The development work in this area will act as a pilot for the four-part approach to improving leadership capacity set out at Figure 6. It will include the opportunity for aspiring leaders to work towards an accredited qualification, secondment opportunities, mentoring arrangements and a comprehensive training programme. This all sits alongside the day-to-day support and advice offered to NHS trusts, as well as more tailored, in-depth support offered to overcome specific challenges.

Theme two: Improving quality

3.32 Alongside our work to provide support and development for boards and leaders in NHS trusts, we will continue to work with NHS trusts in key areas where there is a particular need or opportunity to drive improvements to services.

Quality improvement events

3.33 During 2013/14, the TDA undertook a successful programme of events focussed on improving quality in key areas. The events brought NHS trusts together to learn about and share best practice, to benchmark and compare performance, and to plan for improvement. Our 2013/14 programme focussed on improving emergency access, improving elective access, and improving patient experience.

3.34 Feedback from NHS trusts has indicated that these events have provided a helpful focus for their quality improvement efforts and given valuable access to best practice and comparative data. The TDA will therefore continue this programme during 2014/15 and will be working with NHS trusts to identify suitable themes for future events. To date, the following topics have been agreed for the 2014/15 programme:

- Safe staffing, in light of the National Quality Board's recent guidance on this issue
- Ambulance trust performance, in light of continuing challenges in this area
- Meeting the cancer waiting time standards, supporting delivery in this priority area.

Broader improvement support

3.35 In addition to these focused events, the NHS TDA clinical directorate will work with trusts on specific clinical issues. We continue to work with trusts to support improvements in patient experience and have developed a Patient Experience Headlines benchmarking tool. This brings together a range of key patient experience indicators (e.g. national surveys, friends and family test, complaints, CQC ratings) in a single 'at a glance' dashboard to provide trust with rounded view of their performance and the ability to benchmark against others.

3.36 Alongside that, we have developed a Patient Experience Development Framework to support trusts to carry out an organisational diagnostic against a set of criteria that defines those organisations who consistently improve patient experience. Both the Patient Experience Development Framework and the Patient Experience Headlines tool have been co-produced with trusts and they will be available to trusts via a dedicated patient experience page (password protected) on the TDA website.

3.37 The effective management of medicines is a critical part of any organisation's approach to maintaining and improving quality. To support and challenge trusts on this the TDA has developed a framework for medicines optimisation and pharmaceutical services which is based on nationally recognised standards and good practice guidance. The framework not only enables individual organisations to self-assess against areas of good practice, but also facilitates shared learning, co-production of support materials and collaborative improvement.

3.38 NHS trusts have made significant reductions in healthcare associated infections over the last few years but maintaining and building on these improvements remains a real challenge that we are committed to supporting NHS trusts to achieve. To this end, our heads of infection prevention and control in every region work closely with trusts to support and challenge them on delivery of improvements ranging from:

- Providing routine information and advice through day to day interactions and networks such as directors of infection prevention and control (DIPC) forums
- Hands on support through targeted infection and prevention control visits to trusts, working in close collaboration with key partners such as CCGs, NHS England and Public Health England, to support and challenge improvement
- Facilitating peer review of trust approaches to share learning
- Supporting with recruitment and job specifications to support capacity and capability
- Holding workshops for directors of infection prevention and control and other key professionals, often working with partners in the system, to help facilitate sharing of good practice.

Access to Intensive Support Teams

3.39 In order to support trusts with specific operational challenges the TDA, working with NHS Improving Quality, will provide access to a range of activities that support the delivery of improvement. This includes:

- Bespoke support through the Emergency Support Team (EST). The EST can work with health communities to support changes in practice to deliver best practice emergency pathways and sustainable services.
- Bespoke support through the Elective Intensive Support Team. The team can provide support in relation to elective pathways including cancer services to deliver change in quality of service provision and sustainability. The approach as outlined above.

Benchmarking and Analysis

3.40 The need for better access to benchmarking data was the most consistent development need identified by NHS trusts during the 2013/14 planning round. To help to address this, the NHS TDA has developed its information provision and performance framework which includes a number of high level dashboards. These dashboards include a range of topic areas such as clinical access performance, quality, ambulance, activity and finance. Workforce dashboards are also being developed in the light of the safe staffing guidance.

3.41 With the move to an Oversight model based on published data it will now be possible to share benchmarked performance against all of the indicators in Oversight which should significantly help organisations to identify where they are outliers and for the TDA to help develop exemplar sites. The aim for the coming year is to introduce a website that will allow easy access for NHS trusts to all of the analytical tools and supporting analysis developed by the TDA, such as the Patient Experience Headlines tool.

3.42 The approach to benchmarking will be based on a number of key principles:

- That no new data collections should be initiated
- That data should be easy to drill down into
- To allow for peer group comparisons
- To include operational as well as financial information wherever possible.

3.43 These principles have informed the development of the Reference Costs Benchmarking Tool, which is currently being piloted. Information collected in the reference cost submission varies according to the type of service so different approaches to benchmarking have been developed for acute, mental health and community services. NHS trusts are encouraged to feed-back to the TDA regarding the existing benchmarking tools. This feedback will be essential in refining these and other benchmarking tools.

Theme three: Support for challenged organisations

3.44 Some of the support provided by the NHS TDA will focus in particular on organisations with serious challenges, including those with internal difficulties and those with strategic challenges across their local health economy. During 2014/15 that support will include:

Partnership for Improvement

3.45 As part of the special measures process, the TDA has put in place arrangements during 2013/14 for some of the most challenged NHS trusts to be paired with high performing NHS organisations to receive improvement advice and support. This development offer has generally been successful in ensuring NHS trusts have access to best practice, advice, support and coaching as they undertake challenging processes of improvement. Support has been targeted at areas of particular need and engagement has been led by the most senior leaders of the high performing trusts.

3.46 The NHS TDA will continue to make this support available during 2014/15 for all NHS trusts in special measures, and will consider developing the partnership approach to support other NHS trusts where this is needed.

Support for planning in challenged health economies

3.47 The NHS TDA recognises that the requirements of this year's planning process are particularly demanding, notably the requirement for commissioners and providers to produce 5-year strategic plans. Working with NHS England and Monitor, the NHS TDA has therefore commissioned tailored support for 11 of the most challenged health economies. External advisors will be appointed to support the planning process in each of these areas, working alongside local organisations to facilitate the production of effective 5-year plans. The support will be put in place for the period of April to June 2014/15 and will benefit 21 NHS trusts across a number of health economies.

Theme four: Support for higher performers

3.48 While many NHS trusts face significant challenges, a number of our organisations are much further on their journey to sustainability and close to achieving foundation trust status. It is important that the NHS TDA provides support for these organisations to achieve their ambitions and improve further. The programme below will be one element of our support for higher performing NHS trusts during 2014/15.

Aspirant foundation trust programme

3.49 The NHS TDA has been working with the Foundation Trust Network (FTN) during 2013/14 to refresh the long-standing programme of support for aspirant foundation trusts. The TDA and FTN have agreed to pilot a revised approach to providing support for aspirants with a greater focus on tailored and individual support. The revised programme will include:

- Smaller intensive good practice workshops for aspirant FTs, in addition to the existing broader conference and briefing programme
- More one-to-few support for aspirants, in particular from authorised FTs,
- A greater focus on improving quality governance, a key area of focus for Monitor's assessment programme
- A greater focus on improving non-executive capacity to provide effective challenge, another key element of the assessment process

3.50 The revised programme will be piloted during the first part of 2014/15, to coincide with a number of aspirant trusts receiving the outcome of their Chief Inspector of Hospitals visits.

NHS Futures programme

3.51 Following on from the successful NHS Futures conference last November, the NHS TDA is working alongside NHS England and Monitor to identify high-performing health economies with the potential to achieve rapid transformational change. The proposed change is centred on implementation of the 6 characteristics of future care identified by NHS England. These are:

- Patients empowered in their own care
- Wider primary care, provided at scale
- A modern model of integrated care
- Access to the highest quality urgent and emergency care
- A step-change in the productivity of elective care
- Specialist services concentrated in centres of excellence

3.52 The NHS Futures work will seek to support a small number of health economies in implementing changes in these areas by providing expert advice and access to national and international best practice. The learning will then be spread across the rest of the sector to support improvement across the NHS.

REVIEWING DEVELOPMENT NEEDS

3.53 This section has set out our broad approach to development and some of our aspirations for providing specific development support during 2014/15. Building the continuing review of development needs into regular interactions between NHS trusts and the NHS TDA will be a core objective during 2014/15. The submission of detailed development plans during 2014/15 requires both proactive review and interaction between Delivery and Development teams with trusts.

3.54 Where a trusts needs cannot be met by the NHS TDA or through the programmes described above, bespoke approaches will be considered to meet the needs of those trusts.

approvals model

Context

4.1 The aspiration of the NHS TDA remains a simple one: to support NHS trusts to deliver high quality, sustainable services for the patients and communities they serve. The provision of services that are clinically and financially sustainable remains the basis for becoming a foundation trust or a suitable alternative solution. However, the environment for achieving sustainable solutions has become even more challenging as the Introduction to this document sets out.

4.2 The 5-year plans which NHS trusts are developing for submission in June 2014 will bring into sharp relief the challenges of achieving sustainability in the current environment. However, we also expect this element of the planning process to bring fresh impetus to the pursuit of sustainability by NHS trusts as local health economies agree new and more radical approaches to meeting the challenges ahead.

4.3 It remains vital that as NHS trusts move towards a sustainable form – whether that is through a successful foundation trust application or through a transaction – the TDA has assurance that there is a clear plan in place to maintain the delivery of sustainable, high quality services. This section of the *Accountability Framework* therefore sets out a refreshed approach to approving foundation trust applications and proposed organisational transactions.

4.4 To support trusts on their journey towards sustainability, the NHS TDA will retain its role in relation to capital investments and proposed disposals. Guiding principles and details of the approvals process for capital investments are set out below.

Changes to the foundation trust assessment process

4.5 With the introduction of the requirement for a full inspection by the Chief Inspector of Hospitals, the number of organisations moving through the FT assessment process slowed significantly during 2013 as the new inspection regime was implemented. However, with the inspection regime now up and running, both acute and non-acute organisations are beginning to move through the process once again. While the hiatus in the approvals process has been regrettable, it was necessary to ensure that the quality of care is truly embedded in the assessment process.

4.6 Over this period we have been working with Monitor and CQC to streamline the assessment process and make more effective the process for developing NHS trusts on their journey to FT status, building on the important lessons from the Mid Staffordshire Public Inquiry about the need for close co-operation between regulators and the need for a consistent focus on the quality of care provided.

4.7 Whilst the fundamental requirements for FT status as set out in Monitor's *Guide for Applicants* remain consistent – centred on high quality services; sound strategic and business planning and strong governance and leadership, we have worked to ensure that the assessment process can, in future, work in a more effective way.

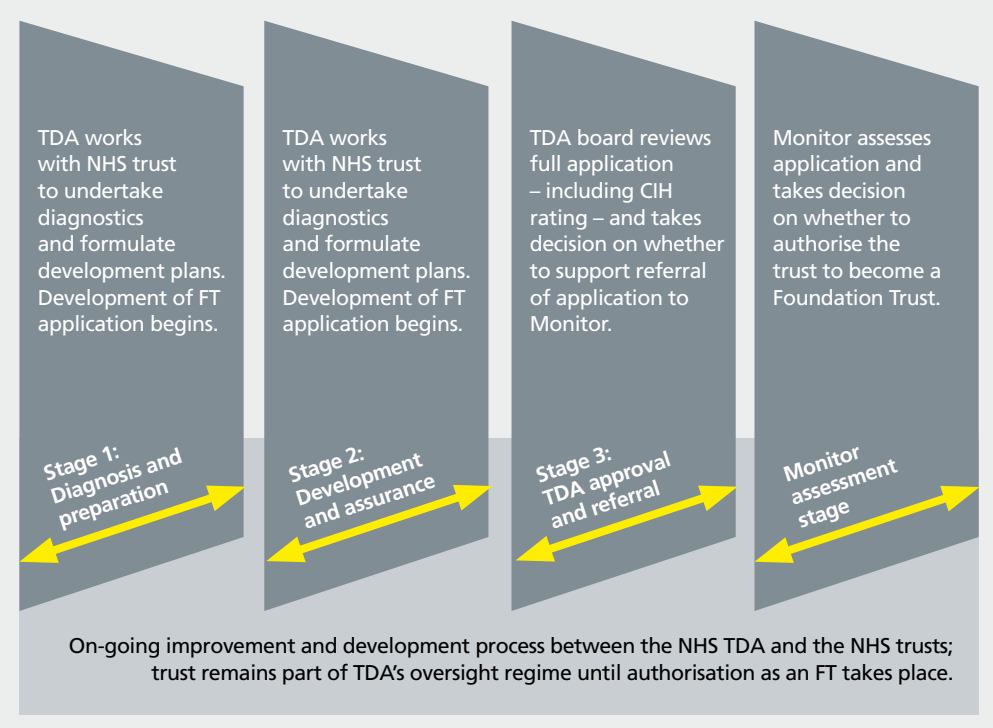
4.8 The approach set out below builds on the existing process, adding further assurances on the quality of services into the approvals process. It also recognises the critical role which partner organisations play in the approvals process and the importance of early and meaningful engagement with partners to ensure sustainability.

4.9 This updated approvals model confirms that:

- **NHS trusts will work with the NHS TDA to ensure they are ready for the assessment process** and are providing high quality services underpinned by a strong business plan. The NHS TDA will provide development and support for NHS trusts, alongside its routine oversight, to help them prepare for the assessment process;
- **A key part of the formal assessment process will be a comprehensive inspection of the trust by the Chief Inspector of Hospitals**. Aspirant trusts will be inspected alongside other organisations as part of the Chief Inspector of Hospital's routine programme. Once the CQC's new ratings system is fully rolled out, an overall rating of 'Good' or 'Outstanding' will be required to pass to the next stage of the assessment process. In the meantime, the Chief Inspector of Hospitals will indicate in the inspection report whether a trust's application should proceed;
- **Trusts that meet the CQC's requirements will quickly move forward in the application process, culminating in consideration by the NHS TDA board**. The board will assess the organisation's overall readiness for FT status, including its business plan, FT application and external quality assurance reports. If the NHS TDA board is satisfied that the trust is ready to proceed then it will offer its support, on behalf of the Secretary of State, for the organisation to move to Monitor for assessment. The NHS TDA will aim to reach a decision on applications as soon as possible after the CQC report is published and will aim to give that approval within six weeks of publication, even where that requires the NHS TDA to hold a special board meeting. Organisations already with Monitor for assessment will receive their CQC inspection during the Monitor phase and will not be required to go back to the NHS TDA for approval;
- **Monitor will then undertake its assessment process as set out in the *Guide for Applicants* to determine whether the organisation should be authorised as a foundation trust**. Monitor has agreed that they will normally aim to reach a decision on an application within four to six months of receiving a referral from the NHS TDA.

4.10 A summary of the revised approach to the approvals process is set out in Figure 7 below:

Figure 7: Summary of Revised Foundation Trust Approvals Process



4.11 The work that we have done wih Monitor and CQC has also considered some of the more detailed elements of the assessment in order to streamline and align them as effectively as possible. Changes we have agreed include:

- **Bringing forward Monitor's assessment of quality governance** so that it takes place at an earlier stage in the process. The existing Monitor team will undertake this assessment while the trust is still working with the NHS TDA to develop its application. This will provide Monitor with an earlier insight into aspirant trusts and should help to reduce the number of organisations which struggle to pass Monitor's final assessment due to quality governance concerns. This approach has already been piloted and will be phased in during 2014/15 in line with available capacity;
- **Developing a single well-led framework** to align the different assessments of culture, leadership and governance undertaken by the NHS TDA, Monitor and CQC. This will bring together the current approaches embodied in the *Quality Governance Framework*, the *Board Governance Assurance Framework* and the CQC's new inspection regime to create a single definition of success for NHS trusts. We will develop and test the new framework during 2014/15 but in the meantime assessment undertaken under the existing frameworks will remain valid;
- **Streamlining the different aspects of financial assessment, replacing Historic Due Diligence with an Independent Financial Review.** This will ensure that assessments occur at the most appropriate point in the process, reduce the need for repeat assessments and add as much value as possible. Similarly, the framework will be finalised and tested during 2014/15;
- **Embedding public and patient involvement more thoroughly into the process** by broadening the basis of the public engagement and consultation that trusts undertake. Trusts must demonstrate that they have sought feedback from the public regarding the quality of their services, and that this feedback is being used to make the necessary improvements.

4.12 The core standards required to achieve foundation trust status are not changing but the way in which they are assessed is being streamlined. The NHS TDA will adopt a flexible approach as these new tools are being implemented, so that trusts that have recently carried out assessments using existing tools will be able to continue with their applications, provided that the necessary criteria have been met.

Overview of the revised foundation trust assessment process

4.13 The model in Figure 8 summarises in more detail the NHS TDA process for the development and assurance of foundation trust applications. It provides NHS trusts and NHS TDA staff with a clear and transparent process that will be used to support NHS trusts to achieve the ambition of becoming foundation trusts.

4.14 The guidance should be read in conjunction with the accompanying TDA supporting guidance and *Applying for NHS Foundation Trust status: Guide for Applicants* which sets out in full the NHS foundation trust application process. In contrast this document sets out the specific steps the NHS TDA will take to gain assurance about the clinical and financial sustainability of applications.

4.15 The NHS TDA's role is to ensure, on behalf of the Secretary of State, that aspirant FTs are ready to proceed for assessment by Monitor. In line with the recommendations of the Francis Inquiry, the achievement of FT status will only be possible for NHS trusts that are delivering the key fundamentals of clinical quality, good patient experience and national and local standards and targets, within the available financial resources.

4.16 With the Chief Inspector of Hospitals being the arbiter of whether those fundamental standards are being delivered, the role of the NHS TDA in relation to quality has shifted from assessment to development. The approach to development set out in this *Accountability Framework* shows how the NHS TDA will work closely with trusts to support their preparations for inspection and approval. This will help to ensure that not only are services for patients safe, effective, caring, responsive and well-led but also clinically and financially sustainable.

4.17 The NHS TDA will follow a development, application and approval process that involves the following three stages:

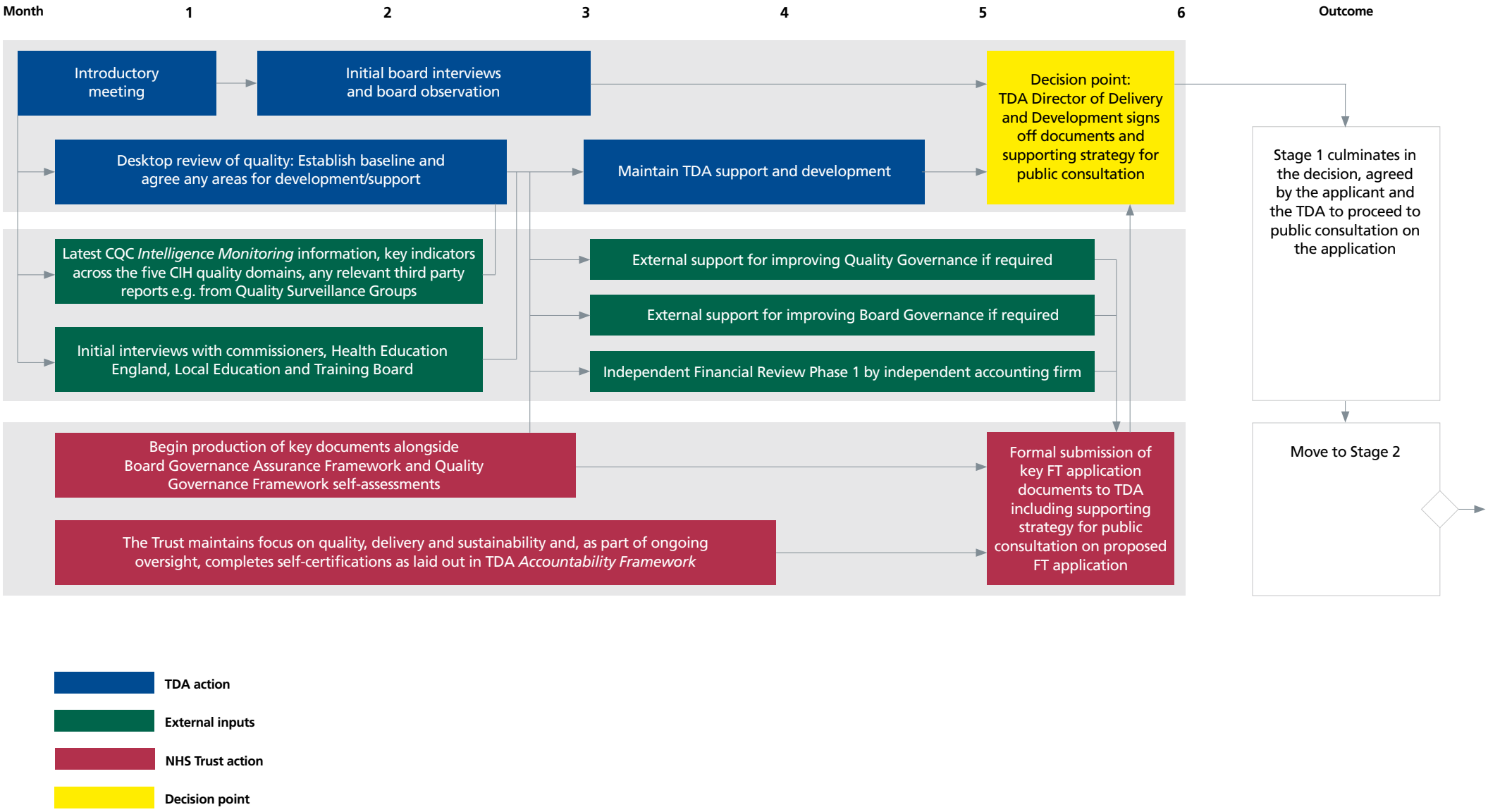
- **Stage 1: Diagnosis and preparation:** This stage involves the trust and the NHS TDA establishing a baseline of the quality, safety and sustainability of the aspirant foundation trust. Baseline performance will be established in relation to quality through a TDA-led desktop review; board and quality governance through trust self-assessments; and finance through phase 1 of the Independent Financial Review. These baseline reviews will inform action and development plans for trusts to support continuous improvement. The preparations for public consultation will need to be strengthened in line with the response to the Francis Inquiry, to ensure that trusts are explicitly asking about the quality of the care they provide. Stage 1 culminates in the decision, agreed by the applicant and the NHS TDA, to proceed to public consultation on the application;
- **Stage 2: Development and assurance:** This stage involves the submission of key documents to the NHS TDA and the testing and scrutiny of trust plans and personnel. It includes a focused period of improvement and support based on the action and development plans produced in Stage 1. Stage 2 currently includes a Monitor assessment of quality governance arrangements and an external assessment against the *Board Governance Assurance Framework*; though over time, these assessments will be made against the new framework for well-led providers. This stage also includes Phase 2 of the Independent Financial Review and, critically, initiating the process that will conclude with a comprehensive inspection by the Chief Inspector of Hospitals. Stage 2 culminates in the decision, following the NHS TDA readiness review, to proceed to consideration for approval by the NHS TDA board;
- **Stage 3: Approval and referral to Monitor:** This stage involves the consideration of the application, including the results of the inspection by the Chief Inspector of Hospitals, at a formal board to board meeting followed by the NHS TDA board. Stage 3 culminates in the decision by the NHS TDA board about whether the trust is ready to undergo a detailed assessment by Monitor.

4.18 NHS TDA Delivery and Development teams will oversee the work on an FT application and ensure that NHS trusts have the support in place to move through the different stages of the processes. The overall model is set out in Figure 8.

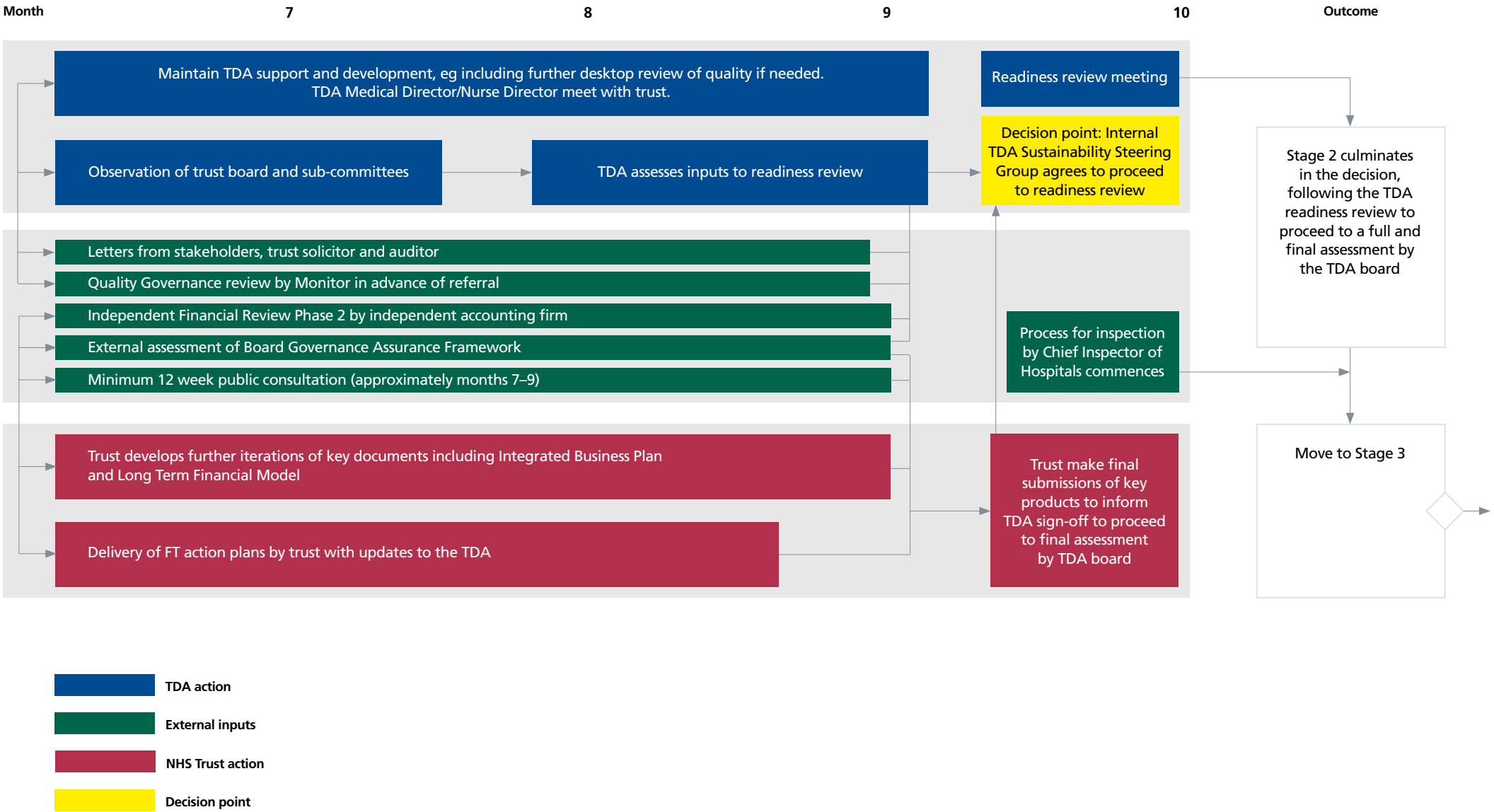
4.19 Further details and templates for the development, application and approval process for FT applications are set out in supporting guidance to accompany the *Accountability Framework*. The supporting guidance and tools will be posted on the NHS TDA website and updated as required to assist in the development of successful applications.

4.20 If NHS trusts encounter difficulties during the application process, an assessment will be made on a case-by-case basis about the elements of the assurance process that will need to be repeated.

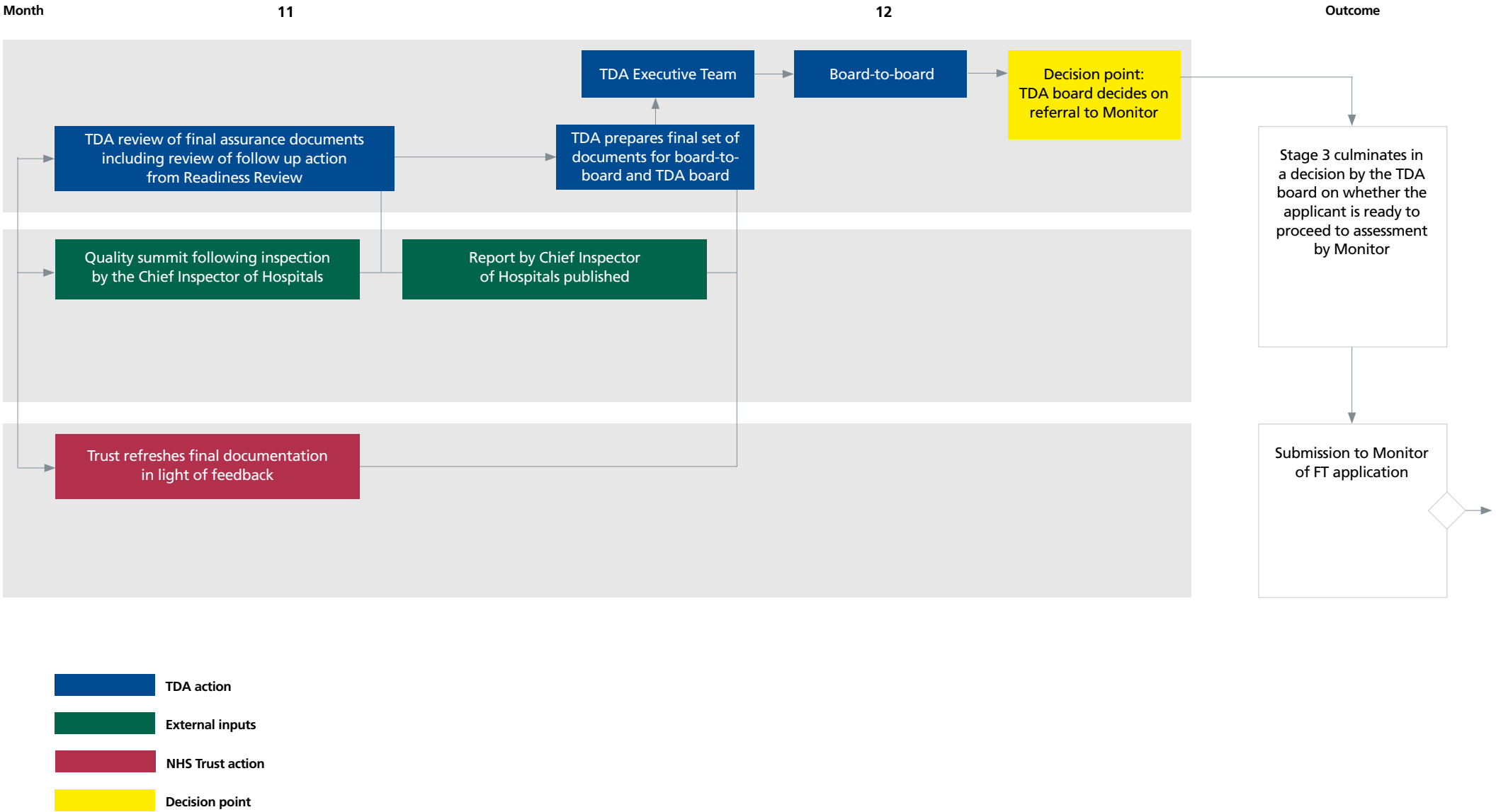
Figure 8: Stage 1 – Diagnosis and preparation (see Supporting Guidance for detail; time periods are illustrative)



Stage 2 – Development and assurance (see Supporting Guidance for detail; time periods are illustrative)



Stage 3 – Approval and referral to Monitor (see Supporting Guidance for detail; time periods are illustrative)



Taking forward sustainable solutions: the transactions approval process

4.21 The NHS TDA is responsible for ensuring that all NHS trusts achieve a sustainable organisational form. Where a trust cannot achieve sustainability as a foundation trust in its current form, a range of transactions will be considered to achieve sustainability.

4.22 This section summarises the standardised NHS TDA process for the development and assurance of NHS trust plans to achieve high quality, safe, sustainable services through a transaction.

4.23 A transaction may take different forms but always involves a transfer in the ownership of assets and liabilities and/or a business/service from one organisation to another. In the NHS many transactions have taken the form of mergers (e.g. between NHS trusts) or acquisitions (e.g. by an FT of an NHS trust).

4.24 A description of the different forms of transactions is included in the supporting guidance that accompanies this framework. Whilst all transactions are different, in every case where a transaction involves the acquisition of an NHS trust, the NHS TDA is the vendor in the transaction, with responsibility for overseeing and assuring all aspects of the process.

4.25 This *Accountability Framework* confirms the clear set of principles that will be used to assist local teams in following best practice and achieving good value for money in the transfer of an NHS asset/business to a new owner.

4.26 Further work is underway to ensure alignment of the TDA and Monitor assurance process in relation to transactions involving FTs and the results will be incorporated in the accompanying supporting guidance. This is in light of the proposals on which Monitor is currently consulting to increase their involvement at an early stage in transactions involving FTs.

4.27 The transaction process for NHS trusts is structured around the following four gateways, illustrated in Figure 9:

- **Gateway 1 – Entering the transactions pipeline:** This gateway is when the NHS TDA starts the transaction process, because the trust is not able to achievable foundation trust status in its current form. The Gateway 1 review will include consideration of the alternatives to pursuing a transaction within the context of the five year plan for the trust. Trusts unable to demonstrate a viable FT solution to the NHS TDA will enter the 'transactions pipeline'.
- **Gateway 2 – Agreeing the form of procurement:** This gateway is when the NHS TDA takes a decision about the appropriate form of procurement. An option appraisal will be carried out to assess the range of alternative procurement approaches, the transaction types will be evaluated and the strategic marketing approach of the NHS TDA will be considered in order to secure best value from the transaction. This may include issues of timing and commissioner strategy associated with significant service changes that are required.
- **Gateway 3 – The choice of preferred solution:** This gateway is when the decision is made to proceed with a preferred solution following the procurement process. The first step is to gain approval from the TDA board for the preferred solution arising from the procurement. This would be followed by the detailed development of a business case, the clinical and quality strategy, competition assessments, a Long Term Financial Model, letter of commissioner and clinical support, signed Heads of Terms including agreed funding commitments and an outline implementation plan. Once sufficient assurances are in place, the TDA board will be asked to approve the completion of Gateway 3.
- **Gateway 4 – Decision to implement the preferred solution:** After all the due diligence, legal, commercial and external reviews (including Monitor, and the Competition and Markets Authority if necessary) have been concluded, this gateway is the final decision-making step. It includes finalised contract terms or a Transaction Agreement setting out the final arrangements for implementing the transaction. This is equivalent to a 'Full Business Case' described in the DH Transactions Manual and culminates in the NHS TDA's recommendation to the Secretary of State to make the legal changes necessary to finalise the transaction.

4.28 NHS TDA Delivery and Development teams will oversee the transactions process for NHS trusts and ensure that trusts have access to the support needed to move through the different elements of the process. The overall approach is set out in Figure 9.

4.29 As needed during the transaction process, Health Gateway reviews will be commissioned by the NHS TDA, tailored to the specific timetable for each transaction, to gain assurance about the robustness of the project management processes.

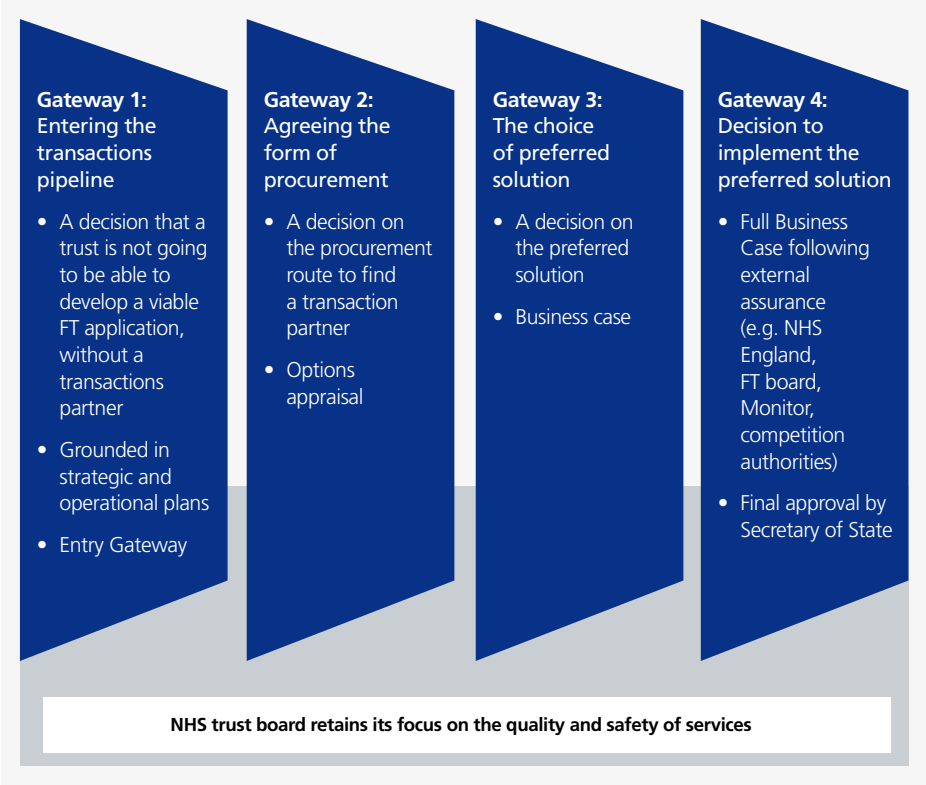
4.30 Further details of the procurement, decision-making and approval process for transactions are set out in the supporting guidance to accompany the *Accountability Framework* which will be posted on the NHS TDA website. The lessons from previous and existing transactions will continue to be used by the NHS TDA to inform and develop its approach as vendor to future transactions.

4.31 The NHS TDA board is clear that a transaction must only be pursued if it can be shown to improve the quality of healthcare available to patients and value for money for the taxpayer. These benefits are likely to be both in terms of improving current standards of care to patients and financial benefits.

4.32 Before embarking on a transaction approach, it is therefore essential that local stakeholders (especially NHS commissioning bodies) and the NHS TDA board have assurance that the transaction is the most beneficial way to improve the quality, delivery and sustainability of services for the local population.

4.33 While a transaction process is underway for the future, it is vital that the NHS trust board retains its focus on present-day delivery. This means driving forward improvements in the quality and safety of services, managing within the resources available and continuing to seek sustainable solutions for services. Whatever the transaction solution in the future, the trust board, staff and stakeholders need to continue to make every effort to resolve the underlying problems that have led to the transaction proposal. This focus on improvement now will also help to ensure the success of the transaction in the future.

Figure 9: Overview of the Transactions Process – Key Decision Points



Sustainable Capital Investments

Capital Investment: Guiding Principles

4.34 The NHS TDA requires NHS trusts to adhere to the Department of Health (DH) *Capital Investment Manual* in the production of capital investment business cases. In line with the DH Capital Investment Manual, the TDA requires that all business cases are based upon the five-case model for business case production Each investment proposal must therefore cover the following aspects:

- strategic;
- economic;
- financial;
- commercial;
- management.

4.35 The NHS TDA will require assurance that a capital investment business case has been through an appropriate level of scrutiny and governance within the NHS trusts proposing the investment, before the case is submitted to the NHS TDA.

4.36 Detailed guidance for NHS trusts regarding the NHS capital regime, capital business case approvals and funding application process has been produced and issued to organisations. The detailed operating guidance covers:

- background and details of the NHS capital regime including technical financial guidance;
- delegated limits for NHS trusts for capital investment business case approvals. NHS trusts have the authority to approve capital business cases within agreed thresholds before NHS TDA approval is required;
- a summary of the expected key stage documentation and associated information requirements that NHS trusts must comply with when submitting capital business cases to the NHS TDA for approval. All NHS trusts will be required to submit a business case and a business case checklist in a prescribed format;
- capital planning requirements.

4.37 Recommendations from the directors of delivery and development will be made for capital business case investment proposals put forward by NHS trusts within their portfolio to the NHS TDA approving officer or group in line with the NHS TDA approvals process.

Capital Investment Approvals

4.38 The NHS TDA has the responsibility for approving all significant capital investments proposed by NHS trusts up to a limit that has been delegated to the NHS TDA by the Department of Health – a key element of helping to ensure NHS trusts are sustainable in the medium-to long term. Capital investment and disposal proposals over a value of £50m will require NHS TDA, Department of Health and HM Treasury approval for all stages of the business case.

4.39 When assessing investment proposals the TDA will consider whether they are consistent with the trust's clinical strategy, and ensure that they clearly demonstrate a high level of engagement with the clinical staff within the organisation and the wider health economy where applicable. We will look closely at the quality, safety, productivity, affordability, value for money and workforce implications associated with any investment proposal, as well as ensuring that any applications help ensure the sustainability of the wider local health economy. Importantly, we will also closely examine whether the NHS trust has the resource and capacity to deliver the investment programme it is proposing within a realistic timescale.

4.40 Capital Investment Loans will be available to NHS trusts to support capital investment. Applications for capital investment loans will need NHS TDA review and approval before they are passed on to the Independent Trust Financing Facility for final approval. Details of the NHS TDA's process for NHS trusts to access capital investment loans is set out in separate NHS TDA financing guidance.

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: **Trust Board**

Date of Meeting:	5 June 2014
Title of Report:	People and Culture Development Committee Report
Presented by:	Mr Peter O'Hagan Chair of the People and Culture Development Committee
Author of Report: Name: Date: Email:	Sandra Storey, Trust Secretary / Head of Corporate & Legal Affairs 20 May 2014 Sandraj.storey@northstaffs.nhs.uk
Purpose / Intent of Report:	• For information / assurance
Executive Summary:	This report provides a summary of the meeting of the People and Culture Development Committee that took place on the 23 May 2014. The report highlights key points discussed and agreed outcomes.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• Workforce Strategy • Governance Strategy • Customer Focus • Clinical
Relationship with Annual Objectives:	Cuts across all objectives
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	None in this report
Relationship with Assurance Framework [Risk, Control and Assurance]	Provides assurance to the Board that the committee is working in according with its Terms of Reference
Recommendations:	• To receive for information and assurance purposes.

High level summary of the People and Culture Development Committee meeting held on the 23 May 2014 to raise at the Trust Board meeting on 5 June 2014

1. Workforce Service Line Performance – March 2014

The committee received presentations from each of the service line leads on their performance against key workforce indicators.

This month saw the introduction of presenting service line performance in a new way to allow for further scrutiny and identification of any emerging themes or trends. Members welcomed the high level statistical and visual display of data (statistical process control) which helped members to identify more easily any variances across each of the service lines. It was noted that these reports are evolving and would be developed further to include, for example, mapping to incidents in order to anticipate trends more easily. It was agreed that it would be helpful to append this to the summary report to the report to the Trust Board so that they are sighted on how this information is presented.

Members discussed in detail areas such as sickness absence across the service lines and emerging themes in terms of sickness reason and actions being taken to improve the wellbeing of staff. Jenny Harvey, Staff Side Representative noted that the sickness absence was consistent with most other Trusts and suggested that there could be more time for staff to talk about their concerns as well as building in more resilience in areas such as the management of change process. It was agreed that the committee would focus on this further at a future development session for the committee.

2. Service User Update – Step On

Mr Wilson attended the meeting to provide a progress update on the Step On Service. This service had been launched in February 2014 as part of the Phase 2 of the 'Improve Project' which follows the Individual Placement and Support (IPS) model. The team were evaluated by the Centre for Mental Health in September 2014 and achieved exemplary fidelity to the IPS model. Step On is now an identified Centre of Excellence for the IPS approach.

The Step On supported employment service provided by the Trust works with adults with mental health issues looking to get into paid employment. It provides an individualised rapid job search service and in accordance with the IPS approach clients are supported to find work according to their specific preferences. One of the benefits of this service is that the two employment specialists in the team take time to build relationships with local employers and individuals and can often find a suitable match for employers.

It was noted that since the launch 28 people have been supported into employment. A waiting list is now developing due to demand with a need to therefore review and look at options on how best to take this forward.

It was agreed that this initiative should be picked up as part of the clinical pathway work that is currently ongoing. Mrs Wrench and Mr Wilson will meet further outside of the meeting to take this forward.

3. Listening into Action

Mr Draycott presented to the committee 'Listening into Action' (LIA). The concept of working is that NHS staff know what to do to deliver great care for patients. LiA is about unlocking this potential so they can get on and do it. Frontline staff and those who help them are supported and enabled to work differently, in a way that switches them on, links to outcomes they care about, makes them feel valued, and gives them 'permission to act'.

The committee discussed this in detail, in terms of the benefits and how this fits into the wider staff engagement and communications strategy. It was agreed that the timing was right for this and that this would link particularly with the work around Aston Team Leaders, Health Care Support Worker programme, etc. Mr Draycott will present this to the Board at its meeting on the 5 June 2014 and will feed back to next month's committee meeting.

4. Dragon's Den Update

In December 2013 the committee held a Dragon's Den style pitch to allow committee members an opportunity to present their varying business ideas to a panel of four willing to invest money in exchange for innovation solutions.

Following the success of this development session, the committee agreed to run a similar process for 2014 but at this time to engage budding entrepreneurs from the whole organisation to pitch their ideas. There will be an application process where the top 10 (shortlisted by the committee) will be asked to pitch to a panel. The proposed timetable was presented to the committee with the detail being developed further over the coming months.

5. Operations Directorate – Structure update

Mr Rogers made a presentation to the committee on what is being proposed and subsequently consulted on for the new structure for the divisions. In terms of why change, it was noted that this is being proposed because staff have stated that there is a need to revise the structure with fewer layers of reporting to help reduce beuracracy. It is proposed that the structure aligns more to how services are commissioned and the structure will be centred around service / care groups. The new post of Associate Director of Transformation will work across service lines and manage key work streams to align delivery across the organisation. It is proposed that this will be led by a clinician and lead manager. The proposal for the new structure will be presented to the Trust Board at its meeting on the 5 June with a view if broadly supported, that the management of change process will commence shortly thereafter.

6. Groups reporting into the committee

It was noted that there had not been any feedback from the Equality and Diversity group for some time. It was agreed that this would be discussed further with the Director of Nursing and Quality outside of the meeting and reported back to the committee in due course.

7. Workforce and OD Risks

The committee received the workforce and OD risks for Month 1 and discussed the source of each risk, its risk rating and progress on action plans to mitigate those risks. There were no particular issues that arose from this review. Members of the committee will also

consider any other risks that need to be added to the risk register and will bring this back to the committee as well as reporting these to the Trust's Risk Review Group.

8. **Next Meeting of the committee:**

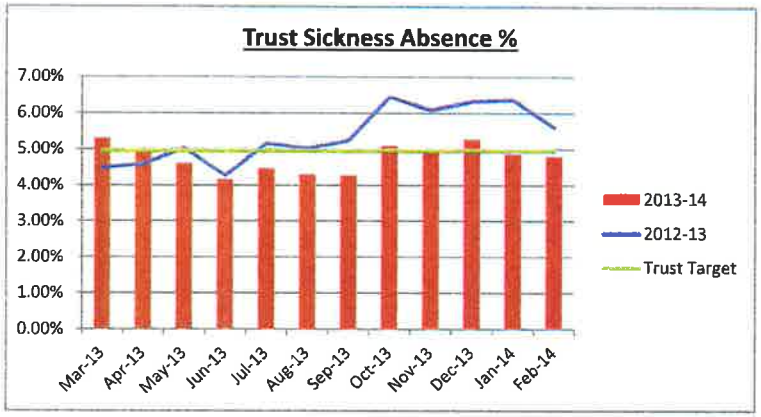
   16 June 2014 9.00 am Trust HQ.

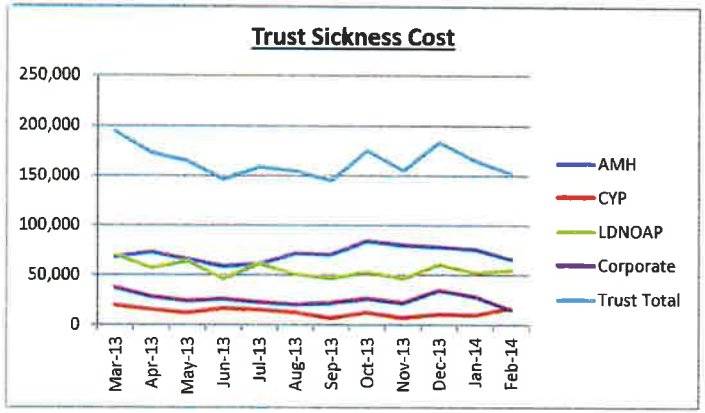
On behalf of the Chair

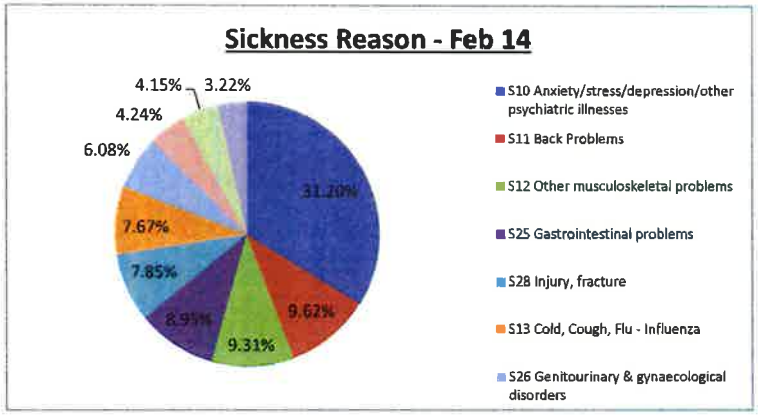
Sandra Storey
Trust Secretary . Head of Corporate and Legal Affairs

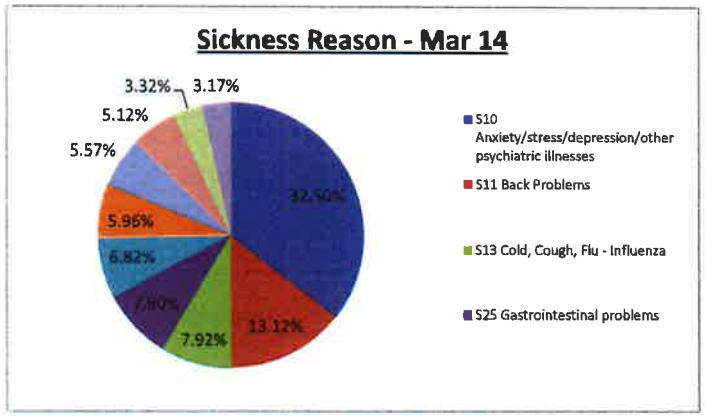
20 May 2014

TRUST WORKFORCE METRICS - MARCH 2014









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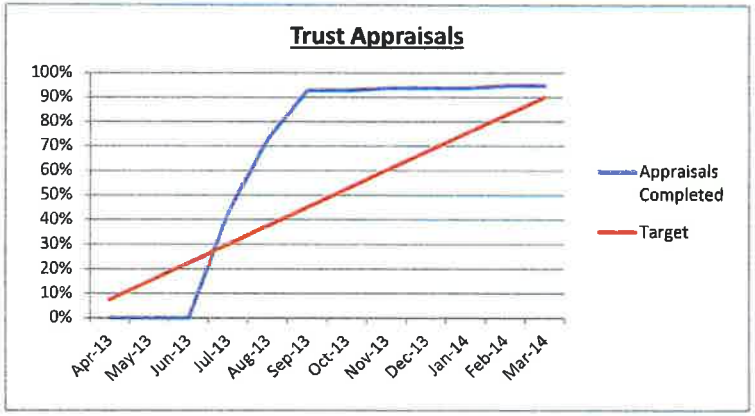

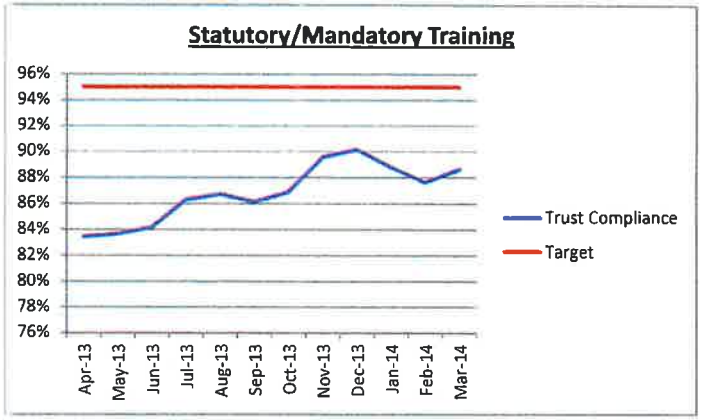

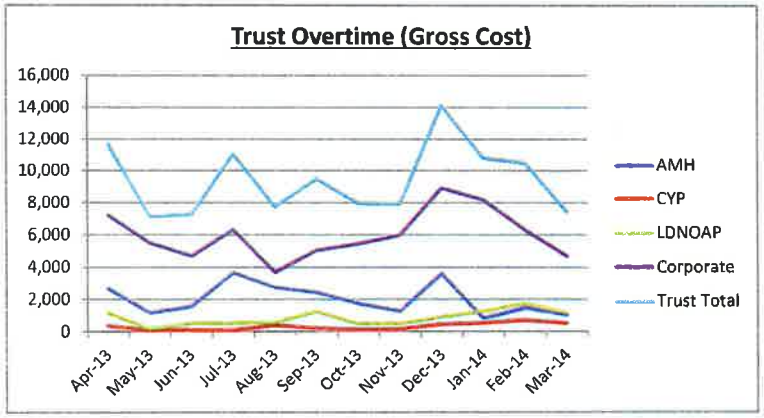

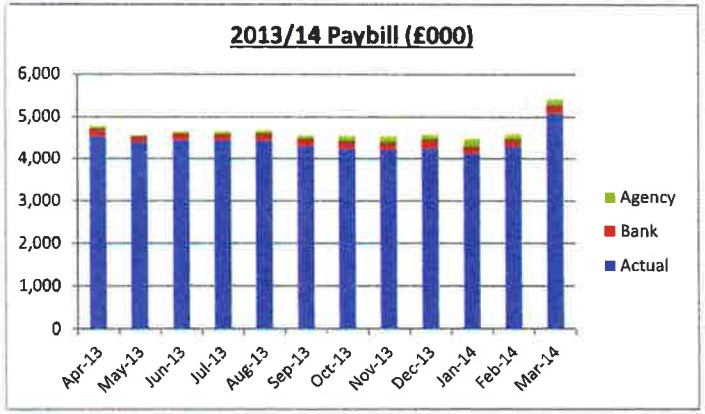

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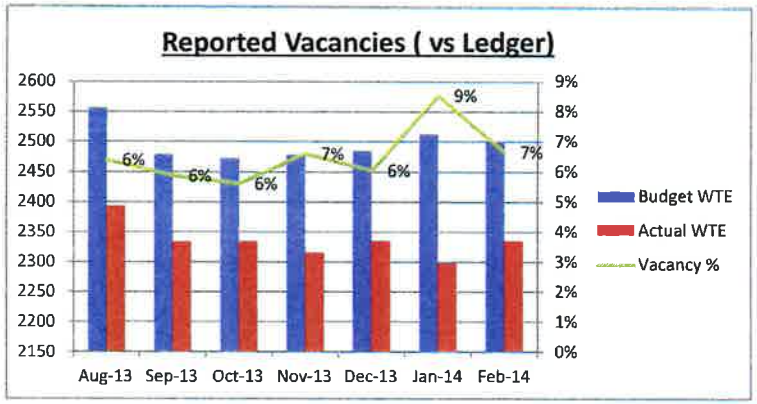

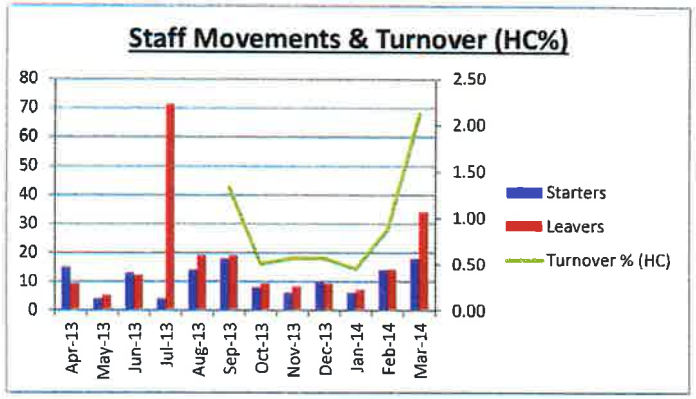

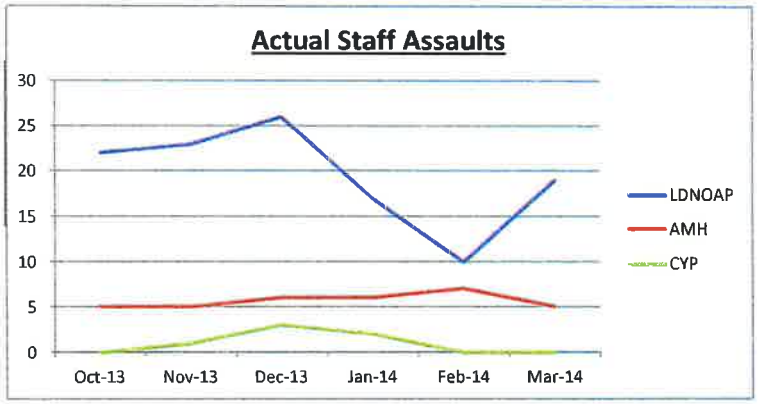

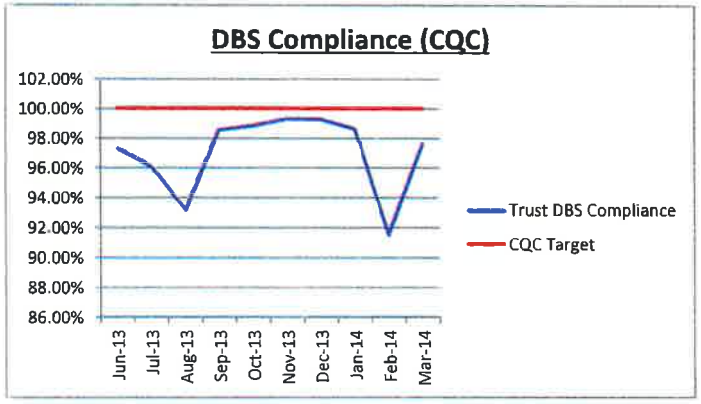

North Staffordshire Combined Healthcare NHS
NHS Trust

REPORT TO: Trust Board

Date of Meeting:	5th June 2014
Title of Report:	Improving Staff Engagement – Listening into Action process
Presented by:	Paul Draycott
Author of Report: Name: Date: Email:	Paul Draycott – Acting Executive Director of Leadership & Workforce May 2014 Paul.Draycott@Northstaffs.nhs.uk
Purpose / Intent of Report:	~~• For Decision~~ ~~• Performance monitoring~~ • For Information
Executive Summary:	Staff engagement has been identified by the Board as one of the six strategic objectives for 2014/15. To assist in the achievement of this it is the aim to deliver a culture of real engagement of all staff by senior managers, especially the Executive team members to understand what is happening and what needs changing, what we need to do more and less of and to move decision making closer to the people we service. In order to achieve this aim we are planning to introduce a process formally called "Listening into Action" to the Trust. This paper outlines the process and plan for implementation over the coming months.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	• **Customer Focus Strategy** ✓ • **Clinical Strategy** ✓ • ~~**IM and T Strategy**~~ • **Governance Strategy** ✓ • **Innovation Strategy** ✓ • **Workforce Strategy** ✓ • ~~**Financial Strategy**~~ • ~~**Estates Strategy**~~
Relationship with Annual Objectives:	Objective 6 – Improve the culture of staff engagement.
Risk / Legal Implications:	
Resource Implications:	Resourced through identified budget - £80k.
Equality and Diversity Implications:	
Relationship with Assurance Framework [Risk, Control and Assurance]	
Recommendations:	That the Committee is asked to support the implementation of Listening into Action.

Improving Staff Engagement – Listening into Action process

1 Purpose

To provide a briefing to the Board on the introduction of an evidence based process to support staff engagement using the "Listening into Action" methodology.

2 Introduction

Staff engagement has been identified by the Board as one of the six strategic objectives for 2014/15. It was agreed at the May 2014 Board meeting that an objective "Improve culture of staff engagement evidenced by improvements in family and friends score to above average for mental health trusts and improved team survey results for 75% of teams" should be a priority.

One of the major planks in our strategy to achieve this objective is to deliver a culture of real engagement of all staff by senior managers (especially the executive team members) to understand what is happening, what needs changing, what we need to do more and less of and to move decision making closer to the people we service. In order to achieve this aim we are planning to introduce a process formally called "Listening into Action" to the Trust. Whilst further work is required to develop a comprehensive communication and engagement strategy (this is a priority to achieve in 2014) this approach is seen as a timely and important opportunity to systematically support the delivery a culture of staff engagement.

Following a discussion at the People and Culture Development Committee this paper outlines the process and plan for implementation over the coming months.

3 What we will do

Listening into Action is a well evidenced approach that the Trust will be following to enable a step change in the way we engage. The following diagram outlines the general approach

Committing to a new way of working

- Agreeing the outcomes we want to see across the Trust
- Setting up our LiA Sponsor Group who will help you lead and deliver the change we are after

- Appointing an LiA Lead to work on day-to-day coordination, 'joined at the hip' with the Chief Executive
- Getting 100+ front-line leaders and influencers on board with the journey from the outset
- Launching a 'fundamental shift' campaign that recognises the size of the change that has to happen
- 'Pulse Checking' staff to get a 'snapshot view' of how engaged and how valued they feel right now
- Understanding how well our leadership team feel they lead and manage large-scale change currently

Engaging our staff around what matters

- Preparation and hosting of five, high profile, Chief Executive-led LiA Staff Conversations with a mix of people from across all levels and roles at each
- Making it appealing for people to want to come to these sessions and engage
- Harnessing their ideas and quickly consolidating these into a view of 'what matters' and 'what gets in the way'
- Agreeing corporate-wide quick wins and themed 'enabling our people' schemes in response
- Identifying the 'First 10' teams/wards/departments/pathways to pioneer adoption of LiA and preparing them ready for action

Mobilising and engaging teams to drive change

- Supporting and coaching the 'First 10' pioneering teams to adopt the LiA '7 steps' to engage all the right people around the changes they want to see
- Facilitating cross-learning between teams
- Enlisting managers to help 'unblock the way'
- Helping the teams to measure progress and outcomes, holding up their stories and results as inspiration to others to 'fuel' wider spread
- Building pride and giving recognition for their success
- Attracting the 'Next 20' teams to get on board.

Embedding the process as a way of working

- Getting to grips with the organisational implications of embedding this as a new way of working
- Adjusting systems and processes to 'enable' rather than 'disable' widespread adoption
- Continuing the spread to new teams in a way that starts to get a life of its own
- Holding a 'Pass It On' event to share stories and celebrate successes so far

4 Benefits of the process

The following is a brief summary of what the approach will achieve. Listening into Action

- is simple, with a clear aim to transform the way the trust works, 'putting staff at the centre of change'
- is based on evidence about the link between engagement and outcomes - engaged staff deliver better care
- connects with staff right at the beginning around 'what matters' and then immediately moves into action in key clinical and enabling areas
- quickly mobilises the right people - across the usual boundaries - around the challenges they have a role in addressing
- builds pride in the results they achieve together
- involves a trust-wide campaign to raise awareness, profile stories from early work, share progress, and encourage spread
- involves management focussing on supporting, encouraging and unblocking the way
- plans for sustainability from the beginning – which we know is vital

We will be measuring of this in part through improvements in staff survey results on recommendation as a place to work and senior managers involving staff indecisions as well as the overall score.

In respect to other major organisational development we are commencing in 2014/15, the previous experience of Aston and Professor Michael West suggests that there is good synergy between the Team Leader Development Programme and the Listening into Action approach if both are delivered effectively.

5 Timeframe for delivery

The timeframe that this process will be introduced will be very broadly as follows:

- June – Launch and Team induction
- July – Staff Pulse Survey and planning
- September – 5 staff conversations led by the Chief Executive
- October to December – feedback and action, identification of teams
- January – Review and next steps

These will be determined in more detail when the team has been established and the lead appointed. Throughout this process there will be a huge emphasis on communication.

6 Peer support

Another benefit of using this approach is that we will be in Cohort 6 of Trusts which will enable peer support and learning. Cohort 6 is

- Mid Yorkshire Hospitals NHS Trust

- The Rotherham NHS Foundation Trust
- North Staffordshire Combined Healthcare NHS Trust
- Northern Devon Healthcare NHS Trust
- Manchester Mental Health and Social Care Trust
- Sheffield Teaching Hospitals NHS FT

7 Conclusion

The paper outlines the process, benefits and some of the measures that will be used to help on this journey to deliver what we have identified as a key objective for 2014/15. Ultimately this is about a change in the culture of engagement led and modelled by senior leaders across the Trust. It provides us with an evidence based process to enable us to move on the journey we have identified as a Board that we need to take, one that fundamentally starts to listen, empower and enable staff.

8 Recommendations

The Board is asked to support the implementation of Listening into Action.