

## Board of Directors (Public)

### Item 3.3

**Subject:** Chief Executive's Briefing  
**Date of meeting:** 26<sup>th</sup> July 2016  
**Prepared by:** Executive Team  
**Presented by:** Jane Tomkinson, Chief Executive

BAF Ref	Impact on BAF
1-5	None

### 1. Introduction

This briefing paper is an update of the CEO's regular report to the Board of Directors.

### 2. Strategic Partnerships Update

Name of local Trust	Opportunity/Discussions	Progress
Liverpool Community Health & South Sefton	To run community respiratory, heart failure and ECG services.	A proposal has been put forward between LHCH, the Royal and Aintree to run services and we are awaiting feedback on this.
Warrington and Halton Hospitals NHSFT	Continued joint working on common pathways. Support for local consultants development.	Two joint appointments made on June 8 <sup>th</sup> . One PCI (replacement) and one in devices & HF (new). Two further Warrington based appointments made.

### 3. ACHD Business Case

#### North West CHD Partnership Update

NHS England has announced the outcome of the review of congenital heart disease services and Liverpool has been selected to provide the Tier One service for patients in the North West. A meeting has been arranged on 29<sup>th</sup> July by our local commissioners to discuss how the process will now move forward.

Regular updates will be provided to board members on progress with the implementation plan and any key risks and issues that arise as part of this process.

### 4. Healthy Liverpool Programme and Vanguard

#### Single CVD Pathway Vanguard

This work has now been extended to cover the wider North Mersey footprint which includes Southport and Ormskirk hospital and the 3 additional CCGs have signed up to the work. The 5 clinical groups have agreed their priorities and have been asked to develop an implementation plan for delivery detailing those changes that can be delivered in isolation and at pace in 2016/17, those that will require agreement and sign off from Trusts due to there being

potential income loss or additional cost implications, and those that are longer term aims such as the vision for one Acute Cardiac Centre (ACC) in Liverpool which will require a business case and funding to proceed. LHCH has good representation and is providing leadership across these 5 workstreams.

A set of financial principles have been developed with a view to pooling and ring-fencing protected cardiology spend at an agreed level to enable outcomes based commissioning and the delivery of services at the places where greatest value and benefit to patients can be achieved. The aim is for any pre consultation to take place in November this year with implementation from 2017.

### **Sustainability & Transformational Plan (STP)**

The Cheshire and Merseyside Plan was submitted at the end of June. The overall aim is to enable the health system to regain financial balance and secure improved health outcomes by 20/21.

The high level plan is underpinned by 3 Local Delivery Systems (LDS) which will be responsible for implementing the plan across the organisations within their footprints. The 3 LDS areas are:

- North Mersey
- The Alliance (Mid Mersey)
- Unified Cheshire

Three priorities have been identified as the focus to achieve sustainability in the short, medium and long term namely:

1. Demand management and prevention
2. Reducing variation and improving quality through hospital reconfiguration
3. Reducing cost through back and middle office collaboration

The plan also has 6 cross cutting themes, one of which is cardiology. LHCH will be responsible for leading on this work stream across the patch to improve outcomes and reduce variability. The next step is for the C&M plan leads to meet with NHS Improvement on 20<sup>th</sup> July to discuss the submission and receive feedback. Work is in progress to agree the overall and LDS level governance and reporting structure. Detailed implementation plans will then be developed.

### **Wirral Hospitals (Arrowe Park)**

Following submission of the STP and the identification of LHCH's role as cardiology pathway lead, the trust was invited to meet with the Chief Executive and Chief Operational Officer from Wirral to look at how we could work more closely with them to help them to improve their patient pathway, improve efficiency and reduce unwarranted variation in the treatment of cardiology patients. The next step is for clinicians from Wirral and LHCH to meet to look at the areas of concern and agree the future clinical strategy, standards and delivery model to provide the best possible patient pathway. This is an opportunity for LHCH to develop and implement its role as cardiology network lead in an area outside the Healthy Liverpool Programme catchment. If successful this could then be replicated across the rest of the C&M footprint.

### **Cardiology Workshop and Strategy Day with Clinical Leads**

Dr Pat Oakley delivered two sessions for the Trust; the first with Consultant Cardiologists to reach consensus on the future of LHCH's cardiology services following the strategic options appraisal work and the second with Operational Board and clinical leads in attendance to consider the Trust's strategic future. The key draft outcome from both sessions was the proposal of the Accountable Care Organisation (ACO) proposition and potential work streams. Next steps are for the Executive team to scrutinise the draft proposals for consideration and discussion at the September Board of Directors meeting.

## **5. Divisional Reviews**

The six monthly divisional reviews took place on 6 July with each division reporting on a number of items but the central focus was on activity, income and CIP. All divisions had started the 2016/17 financial year well in terms of income and activity but further and urgent work on CIP, were none of the teams had hit their targets, was required. All divisions are 'working up' further CIP schemes given a number of corporate schemes were not generally backed up by robust savings figures and improvement is expected in Quarter 2. Divisions are 'well sighted' on the implications of delivering on all three areas of activity, income and CIP in 2016/17.

## **6. Regulatory Update**

### **6.1 CQC Update**

Awaiting CQC Inspection report

### **6.2 NHS Improvement (NHSI) Update**

NHSI has published a consultation paper on its proposed approach to introducing a Single Oversight Framework for both NHS trusts and foundation trusts. This will replace the current Risk Assessment Framework and set out the approach to regulatory oversight in 5 key areas; in summary –

- Quality of care (CQC assessment and delivery of 7 day hospital services);
- Finance and use of resources (financial efficiency and delivery of control total);
- Operational Performance (delivering NHS constitution and other standards);
- Strategic Change (how well providers are delivering the strategic changes set out in the 5YFV with a key focus on contribution to STP delivery);
- Leadership and Improvement capability (good governance and leadership; and the organisation's ability to learn and improve).

The consultation paper has been circulated to all members and the deadline for responses is 4<sup>th</sup> August 2016.

### **6.3 Finance**

The Trust's 2016/17 operating plan incorporated a planned deficit of £4.3m. However, the Trust has recently agreed an improved financial plan with our regulators which will enable us access £2.2m of Sustainability & Transformation Funding (STF). Our revised financial plan is now a deficit of £927k after assuming the receipt of this £2.2m additional funding. NHSI has recently set out the conditions that are attached to receipt of the STF (see attached) and any risks linked to delivery of the revised plan will be reported though the Chief Finance Officer report.

## **7. Workforce Update**

### **7.1 Junior Doctors Industrial Action and Implementation of the 2016 Contract**

Following the rejection of the new junior doctors' contract by the members of the British Medical Association, the Secretary of State has decided to introduce the new contract in August 2016, with doctors transitioning onto the new terms on a phased basis from October 2016. A timeline setting out this implementation plan will be published shortly and we are anticipating that this will start to affect LHCH based doctors with effect from October.

Dr John Holemans, Consultant Radiologist has been appointed to the position of Guardian of Safe Working for the Trust and he is now leading the engagement process with Junior Doctors, supported by HR, to consult with them on the new arrangements and the proposed changes to rotas.

## **7.2 Freedom to Speak Up Guardian**

Dr Henrietta Hughes will take up post as the new National Guardian for the NHS in October 2016. She is currently the Medical Director of NHS England's North Central and East London region and a practicing GP.

Locally, the Trust has put in place a network of 12 FTSU Champions who will receive support and training to help staff to speak up freely and safely. Their work is coordinated by Lucy Lavan, FTSU Guardian, who also links with the office of the National Guardian. An update was provided to the People Committee in July 2016.

## **8. Top Operational Risks**

In accord with the Risk Management Policy, risks scoring 15 or more are presented to the Board.

### **Risks with an Increasing Score:**

None to report this month.

### **Risk with a Static Score:**

The risk of delivery of the Trusts cost improvement plan remains elevated. The Trusts cost improvement group are leading the management of current schemes and the identification of new ones. See Chief Finance Officers report for further detail.

At the time of writing, the Trust is slightly underperforming in the delivery of the 18 weeks aggregate target. This position is not unusual for this time in the month. We remain optimistic about delivery of the target by month end, but it is expected to be very close. See Chief Operating Officers performance report for further detail.

### **Risks with Decreasing Score:**

None to report this month.

### **New (or Re-emerging) Risks:**

None to report this month.

A summary of the risk, cause and consequence is showing in Appendix 1.

## **8. Recommendation**

The Board of Directors is asked to note the report.

<b>Corporate Risk Register July 2016</b>					
<b>Risks scoring 15 or above</b>					
<b>Risks with Increasing Score</b>	What is at Risk?				
	Causes?				
	Consequences?				
<b>Risks with a Static Score</b>	What is at Risk?	2016/17 cost improvement programme (C: S, CS - 12)	16	Current quarter 18 weeks target (C: S - 20)	16
	Causes?	Slippage and schemes yet to be identified		Inadequate capacity, growth in nonelective demand, Consultant unavailability in Surgery and industrial action by Junior Doctors	
	Consequences?	EBITDA, Financial Sustainability Risk Rating, financial plan		Delayed patient treatment, reduced patient satisfaction, and regulatory breach	
<b>Risks with Decreasing Score*</b>	What is at Risk?				
	Causes?				
	Consequences?				
* These risks will <b>not</b> be reflected on future presentations of the Corporate Risk Register if residual risk is < 10					
<b>New (or re-emerging) Risks</b>	What is at Risk?				
	Causes?				
	Consequences?				