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Chief Executive Officer
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Dear Jan,

Annual Plan and Performance Review Meeting – SHA Feedback

Thank you to your Executive colleagues for attending the SHA Annual Plan Review meeting on 24 May 2012. I am sorry that you were unable to attend.

The meeting was extremely useful for us in gaining an update on a range of issues linked to the Trust, assurance of progress in a number of areas and to clarify the re-submission of your Foundation Trust application to the DH Technical Committee in August 2012.

Paul Jenkins presented a brief summary of the successes and challenge in 2011/12 and the areas identified for Board focus in the year ahead. We felt that this accurately reflected the Trust's performance and provided assurance of a good level of self awareness as the view presented aligned with that of the SHA. Of particular note over the past year were: the achievement of CNST Level 2; the Trust's demonstrated an ability to embed the learning from Never Events; sustained delivery of the A&E standard particularly through winter; delivery of almost all operating standards and contractual targets (only failing to meet the two week cancer standard for the year); the achievement of the financial surplus target supported by strong CIP performance; and, constructive and productive commissioner relations. The view of the Trust's stakeholders has been sought by the SHA as part of the FT assurance process and this is broadly positive.

The 18 weeks standard was met overall for the year but you explained that a number of specialties: Urology; Trauma and Orthopaedics; and, ENT are below the required level and remain challenging in 2012/13. The ongoing issues relating to system-wide Delayed Transfers of Care (DTOCs) were touched upon and the Team could articulate the actions being taken with the support of the community provider and social services to discharge plan more effectively and reduce the amount of 'bed blocking' within the acute setting.

The SHA would like to formally recognise sustained delivery of the fundamentals in 2011/12. There is increasing confidence and assurance at the SHA in terms of the quality of service provision. The sustained track record of delivery in 2011/12 against quality standards and indicators, with Trust Board action plans bearing fruit, has been instrumental in providing ongoing assurance.

Improvements in the latest Patient Experience Surveys following previously poor performance; strengthened and proactive Clinical Leadership; the Trust's open and proactive response to a number of Never Events; and, a willingness to share Never Event learning across the region has been very welcome. CQC feedback on the Trust's proactive approach and rapid response to requests for information has also been positive. This level of delivery needs to be maintained and your team highlighted that there is no room for complacency.

In terms of service performance we acknowledged evidence of much stronger Board planning processes. These had supported delivery of the A&E standard through winter and across 2011/12. Managing surges in capacity without incurring patient breaches, putting on additional lists and gaining the support of the PCT for the Trust's course of action was instrumental to this success. The change in operational leadership is also recognised to have directly supported this improvement and the Trust now clearly understands the direct link between consistent service performance, positive (green or amber/green) governance risk ratings, commissioner and SHA support and a credible FT application.

Efforts to reduce the number of hospital cancellations had also had a positive knock-on effect upon patient experience, staff morale, efficiency and patient outcomes.

Financial performance in 2011/12 was strong even with the Trust delivering a £3.7m planned surplus and a challenging CIP of £13.4m. Your income was £8m above plan which reflected increased activity and supported your overall position. The 2012/13 CIP target of 4.4% is within the achievable range.

In our discussion on the Trust's strategy the team was clear that the year ahead will be used to consolidate the delivery of key service developments. The Trust's strategic direction will be clinically and service led rather than estate led. Following an external review of estate the Trust has identified that parts of the estate can be closed which will reduce the Trust's exposure to backlog maintenance risk which had been a cause for concern at the SHA Board to Board meeting. Clinical adjacencies are driving many decisions and the Trust reported that this would support a move towards a Watford Health Campus around which the clinical vision is emerging. This vision would be outlined by the end of July with a Clinical Strategy Group being established. We were keen to understand how this would impact upon the Trust's financial model but you provided assurance that though the phasing currently modelled might change, delivery of the medium term financial plan would remain viable You also provided assurance that the consultant body understood the vision and would 'own' it citing weekly meetings with Divisional Directors and monthly Executive Team meetings with the consultant body to support this shared understanding and ownership.

We briefly discussed the proposal for a Watford Health Campus and you informed us that a preferred bidder would be appointed by the end of September 2012 . The Trust is keen to be involved in early discussions with all parties and, where possible, influence the future direction of this development. You indicated that funding for the NHS contribution to the road and rail infrastructure improvements around the Watford site had been approved.

We tested the 'temperature' of the Trade Unions' response to proposed changes and you referenced productive and mature monthly meetings with good levels of engagement. This moved discussion on to the Consolidated Pathology Services bid and you indicated that regular and open discussions were taking place with affected staff and the Trade Unions which had limited potential issues at this stage though the discussions were difficult and are a significant concern. Staff are being kept informed of the changes that will be necessary and currently understand this change.

Service Line Reporting is now established at the Trust and is supporting improved management reporting information. The benchmarking this provides is expected to increase the profitability of the

Trust's services over time. Clinical contribution and understanding of the data is increasing and the Trust believes that the overall quality of the SLR data is improving.

The Trust reported that that the hospital is currently 'over-heated' with activity stretching bed capacity with increasing regularity. In response the Trust is seeking to introduce seven day working. You recognise that the pace of this change is limited by the ability of the community and social care providers to align models of care with this change. St Alban's hospital has been identified as a facility that could support transition to new integrated models of care but this will be considered in more detail over the coming months.

You provided a number of examples of a more integrated system approach in a number of areas. A 'navigator role' has been introduced ensuring that patients are being treated in the most appropriate care setting. This involves the Trust, social services, community services and out of hours provision working together to improve discharges – accessing a central social care database with a community services representative and social worker based on the hospital site. A further example was provided by the new 'falls post' to deliver the falls management strategy which is part-based in the community. This puts the right staff with the right skill mix in place outside of the hospital and is expected to reduce length of stay and improve outcomes. The Trust is also visiting care homes to improve awareness of this approach across the system. The Trust has also identified with the community services provider that there is often the capacity but not the requisite skill to provide some elements of patient care at home. Free training in how to administer an IV is being provided by the Trust to community staff to up skill and reduce dependency upon hospital based care.

We spent some time discussing Maternity Services where the Trust has invested in theatres, staff and the ward environment recently. The Trust is concerned at the steady increase in the number of births at the hospital over recent years and this trend continues to be upward. The Trust flagged the risk of deliveries going above the 6,000 mark in the near future as this would require a step change in staffing and space to maintain the acceptable midwife to birth ratio which would increase cost and capacity issues would worsen. Investment in two new consultants and a full time supervisor of midwives is expected to support safe care provision at the current level of demand but would need to be reviewed with the commissioner if demand continues to grow at the current rate.

In terms of Finance for the forthcoming year we noted that the Trust had agreed and signed the SLA much earlier than in previous years which we took as an indication of a more positive commissioner relationship. The final contract with NHS Hertfordshire is £0.5m higher than that initially budgeted and the Trust has a higher expectation of income. You have had positive discussions about transitional support for 2012/13 and 2013/14. There is further discussion to be had with the PCT around PBR tariff and activity for the year ahead.

Of a target of £11.6m CIPs for 2012/13, the Trust has identified £4.6m of CIPs (green rated) and £2.6m are currently amber rated but are expected to go green in Q2. Early agreement of this year's SLA has supported better representation of activity across the year and CIP phasing with clear milestones for 2012/13. It was positive to hear that the Trust has moved 75% of vacancy management to recurrent CIP.

We next discussed your Workforce plans. This element of the submitted annual plan was seen as comprehensive and positive with workforce priorities clearly articulated. Appraisal rates are very good though in the plan and within the meeting you recognised that the next step is to improve the quality of the process linking personal objectives and development to strategic direction and organisational development.

The target to improve staff survey results by 5% this year had been met and you planned to build on this success year on year. Senior managers had presented the survey results to staff as part of the Trust's engagement programme in divisional settings. You explained that the pressures in A&E had had an impact upon staff morale and staff experience in that department and that seven day

working and the job planning changes this would require would be a further challenge to address in the months ahead. The Trust reiterated a previous discussion on being open, honest and making staff aware of the reasons behind proposed changes and the positive impact this would have upon patient experience and outcomes. This fair and transparent approach was being accepted by staff and twelve of eighteen clinicians had volunteered to undertake weekend working.

The Trust expected a reduction in staff numbers of 10-12% much of this linked to the introduction of E-Rostering; reductions in bank and agency usage; and natural attrition though some transitional cost will be incurred.

The Trust clearly understands the link between the success of the enabling 'people strategy' and the Health and Wellbeing of the workforce. We asked if the Trust has achieved the aSHaWd accreditation for Health and Wellbeing and you committed to provide us with the timings for achieving this following the meeting.

In relation to sustainability you admitted that the Trust had not fully understood the value of having a Sustainable Development Management Plan (SDMP) last year and that this has led to a slow start and slippage against the sustainability agenda. The appointment of a Head of Estates has allowed the Sustainability Lead (who was providing cover) to focus upon the role full time. You informed us that the Trust Board has approved the SDMP for the year ahead.

Work on the combined heat and power plant has begun and this is expected to fully deliver the Trust's 10% reduction in carbon footprint target – this should not be the extent of the Trust's ambition in this area for the year. A Sustainability Board has been established with good cross organisational representation but this in its infancy. Waste management was described as an area of current focus. You indicated that you are also working through the Hertfordshire Supply Management Confederation on sustainable procurement. The Trust notes that the age of much of the estate requires that money be spent on it to deliver compliance with the targets in the SDMP. The linkage between sustainability and CIP delivery had been recognised by the Trust but this was limited to one example on insulation to save on energy costs. We suggested that a more strategic approach, which incorporated combined heat and power, procurement, waste management and travel would provide better results. We suggested that the Trust has discussions with procurement partners and agents in relation to sustainable procurement processes and is aware of the need for organisations to demonstrate sustainability as part of future tenders (e.g. selection based upon demonstration of a 10% emission reduction across the term of the contract).

Some Trusts, as part of the annual plan process have been able to link this agenda to Health and Wellbeing, staffing and workforce indicators and CIP delivery more effectively. Your commitment to progress this agenda within the meeting was strong but it was less clear how this would be taken forward by the Board. The Sustainability Lead from the DH – Neil Wood – encouraged the Trust to identify the areas of greatest expenditure and set hard targets for reductions in these areas. He offered to be a 'critical friend' and provide feedback on the SDMP as it is refined. It would be helpful to receive an overview of what will be taken forward and how that will be overseen in relation to the broader delivery of sustainability not just estate-released carbon reductions.

Summary

This has been a good year for the Trust. The SHA has confidence in the team and its ability to agree and deliver effective plans. The Executive Team were not complacent and the sustained service and quality performance in 2012/13 is positive and will support a credible FT application. This is a busy hospital and increased activity across the three sites is creating pressures that could start to impact upon both quality and service performance if some of the actions being taken do not deliver the mitigation expected. This increased activity and lack of capacity could be at odds with the Trust's plans to rationalise estate and the Board will need to be able to articulate the rationale and a clear narrative on the joined up nature of the plans.

The Trust referred within its annual plan to a number of initiatives that support the NHS Midlands and East stated ambitions. I have included a link to the website where stakeholders can find more information on our five cluster-wide objectiveshttp://www.midlandsandeast.nhs.uk/OurAmbitions.aspx
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Actions agreed:

- Update the SHA on the timing to achieve Occupational Health (AsHWd) accreditation by 31 August.

- WHHT will inform Annie Cooper - Health and Wellbeing (HWB) lead at the SHA - of the date by which the Trust will achieve HWB Accreditation. Annie can support the Trust in linking HWB, Staffing and Workforce indicators.

- We would like to see the Board's SMART goals/objectives linked to the sustainability agenda for the year ahead. Neil Wood (DH Sustainability Lead) plans to join a future Provider Management Regime meeting (October/November) to discuss these targets, and the progress made against them, in more detail. Please send these to neil.wood@dh.gsi.gov.uk by the end of August 2012 for initial feedback and a follow up discussion at an autumn PMR meeting.

We will follow up on these actions at our scheduled monthly Provider Management Regime meetings.

Please can you ensure that you share this feedback letter with the Trust Board.

Yours sincerely

Graeme Jones
Head of Provider Development