ATTACHMENT 1

NHS
East of England

Tel: 01223 597770
E-mail: Stephen.dunn@eoe.nhs.uk
Website: www.eoe.nhs.uk

Our ref: SD/IHT

Date: 14 July 2011

East of England Strategic Health Authority
Victoria House
Capital Park
Fulbourn
Cambridge
CB21 5XB

Tel: 01223 597 500
Fax: 01223 597 555

Jan Filochowski
Chief Executive
West Hertfordshire Hospitals NHS Trust
Watford General Hospital - Trust Offices
Vicarage Road
Watford
WD18 OHB

Dear Jan,

ANNUAL PLAN MEETING – 13 JUNE 2011

Thank you to you and your team for attending the Annual Plan meeting on Monday 13 June 2011 to discuss your Plan for 2011/12, the challenges for the year ahead and to review the previous year. This letter provides a summary of the discussions at the meeting.

We began the meeting with an overview presentation by the Trust Chief Executive of the last twelve months. We commend the Trust on improvements in service performance, particularly in relation to HSMR, HCAI, and VTE and also recognise that it was a challenging year for you in terms of emergency admissions and winter pressures. You clearly articulated the knock-on effect this had on bed capacity with the cancellation of routine elective admissions, both of which had an adverse effect on your 18 Weeks Performance. The challenge for the coming year is to deliver your service performance on a consistent basis and reduce variability in your GRR as evidenced by the trend analysis during 2008/09, 2009/10 and 2010/11 in your presentation.

The Trust's Annual Plan (2011/12) submission was clear and well written and contained good cross references with your strategic direction, objectives and SWOT/PESTLE analysis. It contained some SMART objectives and was one of the stronger plans submitted and we commended you for that.

We believe that you could be more ambitious in terms of specific measurable objectives; for example, under Section 5.2 QIPP KPI's, you have identified Theatre Utilisation as an area for improvement. We would urge you to distinguish between theatre list and theatre session utilisation. Session utilisation which includes start and finish times, number of cases per list and "knife to skin" times is far more accurate and comprehensive. You could consider benchmarking against upper quartile or upper decile performance of

peer Trusts for these indicators and we would encourage you to adopt the NHS Institute for Innovation and Improvement Productive Operating Theatre Programme.

We spent some time discussing concerns in relation to the Trust's ongoing performance issues related to Delayed Transfers of Care (DTOC). You clearly articulated how DTOCs are compromising the Trust's ability to discharge patients in a timely manner and are impacting adversely on productivity and efficiency. You described that 10% of your bed base at any one time is "neutralised" by complex and difficult to place discharges. This clearly limits the opportunity to reduce length of stay and rationalise the bed base. You informed us that you were sharing learning about DTOCs with Hertfordshire Community Trust (HCT). We were encouraged by the commitment demonstrated by you, the Trust and the wider health economy to work collaboratively to improve system-wide alignment to support early resolution.

You reported an improved position with 18 Weeks RTT performance at specialty level for April and May 2011 and assured us that this performance will be sustained for the remainder of 2011/12. We will monitor this through the regular PMR meetings. You undertook to forward us your Action Plan for 18 Weeks RTT compliance at specialty level by 29 July 2011.

You shared with us your disappointment at the outcomes of the 2010 National In-patient Survey but recognised that these results were reflective of workload pressures and staff behaviours at Watford General Hospital at that time. You reported that progress has been made since the survey was undertaken.

Under the leadership of your Director of Nursing you have developed work streams to support an improved experience for patients including four specific areas of focus: noise at night, patient information, face to face communication and discharge processes. We were encouraged by your plans to share the learning from your work on transforming staff and patient experience in the Outpatient Services Department across the Trust. We also commended you for your Enhanced Recovery Programme for surgical patients which you noted had improved patient experience and reduced length of stay.

We discussed your progress with Delivering Single Sex Accommodation (DSSA) and noted that you had undertaken a detailed review of your processes with PCT and SHA input and support. We recognise that mixed sex bays have recently reduced but would like you to share with us your action plan to achieve full compliance by 15 July. This will allow the SHA to actively monitor the impact of the actions outlined (i.e. Day Surgery and Endoscopy Suites).

Discussion moved to issues of clinical quality and patient safety. You informed us that performance in this area had improved due to a combination of focused action and increased awareness across the workforce. We noted that your contribution and involvement in the QIPP Safe Care Work stream had also made a positive impact on clinical quality and patient safety indicators. Improvements in Trust performance with Pressure Sore Management and Tissue Viability (no avoidable grade 3 pressure ulcers in April or May 2011) together with VTE compliance and reductions in HSMR and HCAI would be reflected in the Quality Account for the Trust in 2010/11. HSMR, whilst remaining within tolerance levels, has risen slightly when looking at the rolling

12 month position for 2010/11 – Q1 93.9; Q2 98.3 and Q3 101.5. You provided a helpful example of how you have applied robust clinical governance to set a limit on the number of deliveries your maternity unit can accommodate for the calendar year 2011 to address patient safety concerns linked to staffing levels.

The SHA has been concerned and disappointed with the number and thematic nature of Never Events and SIs at the Trust over the past year and the Clinical Quality and Patient Safety Team will be monitoring this closely. As a Trust, you had previously been a high reporter of SI's and never events but there has been a noticeable reduction. We challenged you over the reason for this and discussed Serious Incidents and Never Events in some detail. We were encouraged to see that you had implemented robust reporting arrangements across the Trust and were also undertaking regular audits of the use of the WHO Surgical Checklist in all theatres.

We commended you for the development and introduction of a quality Dashboard which has enabled the Executive Team to take a proactive approach in reporting and monitoring trends with patient safety issues.

We discussed your plans for improving patient experience and specifically for in-patient admissions. You informed us that this is a priority objective for the Trust in 2011/12. Building on your "Going for Gold" programme which has been successful in transforming staff and patient experience in the out-patient services department, you are planning to extend this programme of work to the Admissions Assessment Unit (AAU) and other in-patient areas. This work will focus on specific process issues including discharge information as well as staff attitude and behaviours.

Both your Director of Nursing and Medical Director referred to specific issues with managing trauma patients pre-Christmas coupled with managing Swine Flu H1N1 patients which resulted in ITU Level 3 patients being managed on HDU and HDU level 2 patients being managed on in-patient wards. This clearly impacted on your ITU availability, critical care workforce and on elective admissions. Going forward you recognise the need to protect your elective capacity and referred to the potential use of bed capacity at St Albans for elective patients. You committed to provide us with details of your Winter Plan and resilience planning processes for 2011/12. We requested that you submit Trust plans to separate elective and emergency pathways.

We commended you for your strong track record in financial management at the Trust with the achievement of a £7.5 million surplus against a £8.6 million plan in 2010/11 together with achieving a £18.3 million CIP against a £19.8 million plan (92.6%). We also welcomed confirmation that the Trust has a financial risk rating of 3. This is a considerable achievement and we would like to take the opportunity to congratulate the whole organisation for this strong delivery.

We discussed progress to-date in 2011/12 with your CIP and noted that £1.8 million had already been RAG rated as Green (against a target of £15.5 million). We challenged you over the lack of detail in the CIP's required for 2011/12 in order to sustain your FRR of 3. You informed us of the systems you had put in place in order to hold respective Divisions to account for delivery including fortnightly review meetings. You assured us that you have robust

systems in place to assess the quality impact of each aspect of your proposed cost improvement programme.

We challenged you on the apparent lack of investment in backlog maintenance and highlighted the potential quality and financial risks associated with such a decision. We noted that the Trust has a high backlog maintenance and risk adjusted backlog (£61 million and £17 million respectively). The total backlog increased by £6 million from 2008/09 to 2009/10.

You described that this was not a surprise to you due to the high level of CIP's you have delivered in order to service your debt; nonetheless, you queried the figure outstanding but assured us that you had covered off areas that are safety critical.

We noted that your income and activity as a Trust per square metre is poor with the lowest occupied to available bed ratio in the country. You committed to providing us a costed and site rationalisation plan by Friday 29 July 2011. You also undertook to liaise with Stuart Denham, SHA Head of Estates, in order to confirm the outstanding backlog maintenance figure.

We discussed the current status of the Trust's FT application. The delay in a decision being taken by the DH in relation to historic debt re-profiling is frustrating but we re-iterated that the Trust can only mount a credible Foundation Trust application if the current shortfall in performance, both in quality and service terms, is addressed. We recognise that there has been some improvement in both of these areas recently but sustaining these and building on them is key to longer term Foundation Trust success.

One of the identified key risks within your plan is not achieving the required FRR due to failure to deliver a planned surplus and poor liquidity levels (in the absence of the historic debt being re-structured). For your FT application, we would encourage you to identify two or three discrete service developments within your IBP. You confirmed you had identified four work streams that you are working up for inclusion within the FT submissions.

We discussed your plans for Workforce Development and commended you for the clear objectives outlined in your Workforce Development Strategy. We were disappointed to note, however, that although the high level results from the National Staff Survey for 2010 were included, the top four and bottom four ranking scores were not included. You committed to providing these details together with a comparison against last year's survey results. We noted that overall your response rate had increased from 42% in 2009 to 46% in 2010.

In terms of overall staff engagement, the trust score for 2010 was 3.53 against a national 2010 average for acute trusts of 3.62. The trust score had stayed the same as 2009. You committed to providing us with an over-arching Action Plan for how you have implemented and taken forward the outcome from the National Staff Survey for 2010. You indicated to us that the systems and processes you have put in place – for example the Board to Ward and Ward to Board initiative – were mutually consistent and supportive of the approach you are taking with the National In-patient survey.

We were pleased to note that you are leading a review of "back office" functions on a heath economy wide basis as part of the QIPP programme. It would be helpful to receive an indication of the anticipated level of savings accruing from this development.

We were also encouraged to hear of the positive relations you enjoy with your Joint Staff Committee (JSC). You informed us that there was a high level of Trust with the JSC which enables you to engage in meaningful debate about changes in service configuration and their likely impact on workforce – both in skills required and actual numbers. You provided a helpful illustration with the work you are undertaking with other acute trusts on the Transforming Pathology Services Project.

We remain concerned about your spend on bank, agency and locum staff. The figures quoted in the Annual Plan demonstrate that spend is not adequately controlled. Against a plan of £347,000 for Medical & Dental Staff you incurred costs of £4,020 million. For the AfC Clinical Staff groups, your Annual Plan states that the Trust incurred costs of £11,971 million against a planned spend of £38,000. The 2010/11 agency spend was equal to 11.1% of the total pay budget. You plan to reduce this to 9.5% in 2011/12 and 2.8% in 2012/13. We sought assurance that these planned reductions are realistic.

You referred us to your recruitment strategies, specifically the lack of suitably qualified middle grade medical staff and less training doctors and the need to recruit into substantive posts in these areas. You believe that this will provide an opportunity to strengthen nursing staff roles with the establishment of Consultant Nurses and Associate Practitioners to undertake roles previously undertaken by junior medical staff.

We discussed the need for the Board to take a lead in broadening the approach to sustainability beyond carbon reduction issues. It was not evident from your Annual Plan that the Trust has considered climate change adaptation and carried out risk assessments under the Climate Change Act 2008. We were particularly concerned to note that the Trust is now one of only eight NHS organisations (out of forty two) with no Board approved Sustainable Development Management Plan (SDMP). You informed us that the SDMP had been discussed at one of your Board Development sessions and you agreed to provide an agreed date when this would be signed off by the Trust Board.

Of note for the Trust - and not mentioned in your Annual Plan - is the amount of waste which the Trust creates and subsequently disposes. At 19kg/m2 this is the 3rd highest in the country. We would urge you to review your systems and processes.

We noted that your Director of Operations is responsible for the Trust's sustainability plans and agreed that he would work directly with the SHA sustainability lead Anne Marie-Diaper to drive further progress. Anne Marie can be contacted on Anne-Marie.Diaper@dh.gsi.gov.uk

You recognise that improving the health and wellbeing of staff has a positive impact on organisational productivity and efficiency and that there needs to be a clearly defined Health and Well Being (H&WB) strategy with roles and responsibilities clarified. The next version of your IBP should include detail on

specific H&WB and Staying Health at Work initiatives. The Trust's Director of Workforce, Mark Vaughan, will schedule a meeting with the SHA lead Annie Cooper annie.cooper@eoe.nhs.uk to drive further progress.

I would like to take this opportunity of acknowledging the success of the Trust in the recent Health People Management Association (HPMA) awards for Excellence in Organisational Development with your work on transforming staff and patient experience in the Outpatient Services Department together with your award as the overall HPMA Awards winner.

Summary

In summary, and to capture the agreed actions from the meeting:

- your annual plan for 2010/11 is clear and well written with clear linkages between strategic objectives, SWOT/PESTLE analysis and the IBP.
- the Trust has demonstrated impressive financial performance in 2010/11 delivering a Monitor Financial Risk Rating of 3, a surplus of £7.5m and CIP performance of £18.5m (8%).
- we acknowledge your commitment to improve clinical quality and patient safety which has resulted in better HSMR, HCAI, and VTE performance during 2010/11 and we welcome your zero tolerance approach to pressure ulcers.
- the Medical Director and Chief Nurse must remain vigilant that the CIP challenge for the coming year does not compromise the quality of care.
- the Trust is improving patient experience though increasing the rate of improvement should now receive greater Board focus.
- there have been positive signs of an improving relationship with NHS Hertfordshire - closer working demonstrated on QIPP, contract negotiations and DTOCs – and this should be maintained if the Foundation Trust application is to receive the required level of commissioner support.
- we would urge you to learn from the disappointments of the last year and move into the next quarter and winter better prepared as a result of your experiences of the past year.

Actions agreed - for completion by 29 July 2011

The Trust will submit:

- detailed winter plans, outlining resilience planning processes and plans to separate elective and emergency pathways.
- an action plan to achieve 18 Weeks RTT compliance at specialty level
- an action plan for full compliance with DSSA.
- an action plan detailing the Trusts response to the outcomes of the national Staff Survey for 2010.
- confirmation of the outstanding backlog maintenance figure together with a costed Trust wide site rationalisation plan to be agreed with the SHA. This will include how the outstanding backlog maintenance will be addressed. Please liaise with Stuart Denham stuart.denham@eoe.nhs.uk
- the anticipated level of savings accruing from the review of "back office" functions as part of the Trust's QIPP programme.
- the date of the Trust Board meeting where the SDMP will be reviewed.

The SHA wants the Trust's Foundation Trust application to succeed and our experience of the FT assessment process indicates that open communication, a willingness to accept constructive, developmental feedback, and mutual trust and respect allows the SHA to advocate effectively for aspirant Trusts. We look forward to continued engagement as you work through the challenges facing the Trust in the months ahead and we will continue to support you in meeting these challenges which in turn will deliver Foundation Trust status.

Please share this feedback letter with the Trust Board.

Yours sincerely

Dr Stephen Dunn
Director of Provider Development and Strategy