

**Trust Board Meeting**

**ITEM: 3**

**DATE:** 23 May 2012

**TITLE:** Chief Executive's Report

**SPONSOR:**

**REPORT FROM:**

*Dr Yi Mien Koh, Chief Executive*

**PURPOSE OF REPORT:** To set out the key issues, major risks and activities in the trust.

**EXECUTIVE SUMMARY:**

This report summarises items to be brought to the Board's attention.

**PROPOSED ACTION:** For discussion

**APPENDICES:**

**DECLARATION**

In completing this report, I confirm that the implications associated with the proposed action shown above have been considered – any exceptions are reported in the Supporting Information:

Implications for the NHS Constitution, CQC registration  
 Financial, regulatory and legal implications of proposed action  
 Risk management, Annual Plan/IBP  
 Moving Ahead – how does this report support any of the Trust's 5 Strategic Goals

**Supporting Information**



**WHITTINGTON HEALTH**  
**CHIEF EXECUTIVE'S REPORT**

**Board meeting 23 May 2012**

**QUALITY**

1. Haringey Children Services will celebrate its first anniversary of joining Whittington Health in June. It has been a successful year for the service which welcomed a professor of community paediatrics to the consultant team. Nonetheless, new birth visits continue to be challenging due to difficulty in recruiting to health visitor posts, despite an ongoing active recruitment campaign. We expect to hit the targets in 2013/14 as our own trainees in health visiting graduate and join the trust. The Division of Women, Children and Families will produce an annual progress report for us to share with key stakeholders including NHS London.
2. Greg Battle, Maria Da Silva and I met with Haringey and Islington Clinical Commissioning Group (CCGs) chairs about their concerns with the performance of community services. Actions are being taken as a result of the feedback, including meeting minimum waiting time standards for community services. Under the 2012 Health Act, CCGs will be responsible for commissioning all health services other than primary and specialised care. Whittington Health is working closely with both our local CCGs to design new integrated care models that will support the financial sustainability of all parties.
3. The annual appraisals for directors have been completed and the process will now start to cascade throughout the organisation. Last year's appraisal uptake was only 42%, which indicates that a majority of staff are missing out on a significant personal development opportunity, to receive feedback and to agree objectives for the new year. A target completion rate of 75% has been set for 2012/13, increasing to 90% in 2013/14.

**FINANCE**

4. The Income & Expenditure position for month 1 is a deficit of £404k, which is £285k worse than planned. The majority of this overspend is associated with higher than expected pay costs within the Integrated Care and Acute Medicine and Surgery and Cancer Divisions. Contributory factors included higher activity levels during April because of the delayed closure of Cavell Ward, which has now closed combined with above average specialising costs on Cloudsley ward. Other overspends include medical outlier patients within Coyle ward and some slippage against CIP plans. While patient safety will always take precedence it is vital that the CIP is delivered this year in order that the Trust can continue on its pathway to becoming an independent Foundation Trust.

5. Our contract with NCL consists of a two year deal with transitional support of £3m in 2012/13 and £5m in 2013/14. The trust has agreed with commissioners a target recurrent exit value at the end of 2013/14 of £212m, down from last year's outturn of £221m. This arrangement provides income stability to the trust as we embark on clinical transformations to increase out of hospital care provision. A joint Transformation Board has been created in partnership with CCGs to oversee the delivery of transformational plans.
6. Having fully delivered last year's Cost Improvement Programme (CIP) of £19.6m (7.1% of turnover), the focus this month is to identify CIP schemes worth £10.5m (4.01%) for 2014/15. This information is required by Monitor for the Long Term Financial Plan. The CIPs for 2012/13 and 2013/14, of £13.1m (4.74%) and £15.3m (5.65%) respectively, have already been identified and robust management will be required again this year to ensure delivery.
- 7.

## **STRATEGY**

8. The 2012/13 corporate objectives for Whittington Health are set out in Item 10.

## **JOURNEY TO FOUNDATION TRUST**

9. The Trust is now in the due diligence phase of its FT application. Internally activity has centred around board governance arrangements, financial reporting and quality governance arrangements with the Trust Board having self-certified its performance against the Board Governance Assurance Framework (BGAF) and the Monitor Quality Governance Framework (MQGF). As per appendix 1 there now follows a series of independent assessments of these self-certifications and the start of our Historic Due Diligence phase 1 (HDD1) review. HDD1 will focus on financial management and governance within the organisation. These reviews have and will generate action plans for improvement and have executive leads allocated to drive implementation. Updates will be presented at future Board meetings.
10. The monthly update of the Tri Partite Formal Agreement (TFA) will be tabled at the Board meeting for discussion and approval.

**Dr Yi Mien Koh**

**08 May 2012**

## Independent Reviews of Trust Governance – May-July 2012

## Appendix 1

Assessment	Dates	Appointed Contractor	Purpose
Board Governance Assurance Framework (BGAF)	On site w/c 14 and 21 May  Observing 23 May board meeting and conducting board to board at the end  Completed report by mid-June	Ernst & Young	Board observation: to assess Trust Board effectiveness; for example, how it holds the executive to account, whether Board challenge is appropriately balanced with support and the level of strategic discussion. One to ones: To assess Board members' understanding of the IBP, LTFM, major risks, etc., and test specific aspects of the self-assessment. Evidence review – of evidence Trust Board used to self certify against the BGAF best practice requirements
Historic Due Diligence 1 (HDD)	On site review 14-28 May  Meetings with: Chair, CEO, DoF, Chair of A&R, DNPE	Deloitte	First phase of FT external due diligence assessment. Focus on Financial Reporting Procedures – processes and systems of the Trust to confirm that procedures are in place. Assessment of how the Trust manages and assesses the financial and performance position and prospects of the Trust.
Monitor Quality Governance Framework (MQGF)	Board self-certification – 23 May  On site review 28 May – 8 June	RSM Tenon	Review of the Trust's evidence and self-certification in relation to its management and assessment of quality and safety against the best practice indicators in the Monitor Quality Governance Framework One to Ones with the medical Director, Director of Nursing and Chair of the Quality Committee
NHS London	Board observation – Proposed for 23 May (however, we are negotiating this back to September)	SHA	As part of their performance management of the Trust's FT trajectory, the SHA are required to form an opinion based on the BGAF, MQGF and HDD reviews, including their own observation to support the Trust's FT application to the Secretary of State