Council of Governors – 14 June 2018
Chief Executive’s Overview

Recommendation

For information  ✔
For discussion  ☒
For assurance  ☐
For approval  ☐
A regulatory requirement  ☐

Current approval route of report

This report was drafted for the Board of Directors.

Purpose of report

The attached report provide an overview from the Chief Executive for the Council of Governors for information and discussion.

Key points for discussion

There are no specific points to raise.

Trust Ambitions and Board Assurance Framework
(https://www.yorkhospitals.nhs.uk/about_us/our_values/)

The Board Assurance Framework is structured around the four ambitions of the Trust. How does the report relate to the following ambitions:

- **Quality and safety** - Our patients must trust us to deliver safe and effective healthcare.
- **Finance and performance** - Our sustainable future depends on providing the highest standards of care within our resources.
- **People and Capability** - The quality of our services is wholly dependent on our teams of staff.
- **Facilities and environment** - We must continually strive to ensure that our environment is fit for our future.
To be a valued and trusted partner within our care system delivering safe effective care to the population we serve.
1. Chief Executive retirement

As Governors will now be aware, I took on the role of Chief Executive on 1 June following Patrick Crowley’s retirement. As has been stated publicly, the organisation owes Patrick a debt of gratitude for his many years of service and for his contribution to the NHS. I want to take the opportunity to acknowledge the help and support that Patrick has given me as his deputy, and I recognise that his will be big shoes to fill. My intention and duty is to provide stability over the coming months and I am grateful for the support of the Board in taking on this role.

2. Finance and performance

The 2017/18 financial year was, without a doubt, the most financially challenging in our history, and we cannot ignore that fact that we ended the year adrift of our original planned deficit of £9m, and therefore missed out on our fair share of sustainability funding. I am however pleased to report that we have delivered in full our efficiency programme, achieving a total of £23.3m, which is £0.5m over our original target.

One of the key pressures on our finances was staffing spend. Agency use remained high, and a number of decisions were made in-year to strengthen staffing numbers in key areas in order to improve the safety of these services.

At the end of August we had a deficit of £20m, and our projections for the remainder of the year were pointing towards a £40m deficit if significant remedial action was not taken. As a result we began working with NHS Improvement on our financial position and on the development and implementation of our Financial Recovery Plan. This resulted in a year-end improvement of £17m against our August projections, and our ability to hold the line and arrest our financial deterioration to this extent has been received positively by NHS Improvement.

Now we are in the new financial year, the outlook has not materially changed. We have agreed a financial plan with NHS Improvement that gives the Trust a deficit target for 2018/19 of £14.3m.

If we can successfully manage to this control total then we will be eligible for Provider Sustainability Funding of £12.5m, therefore giving the Trust an overall year end deficit of £1.8m.

On our £0.5b turnover we should assume that this is essentially a balance budget for the year. NHSI are stretching the Trust to deliver an improved position from that reported at the end of 2017/18 but, given the national economic position for the NHS, they have arguably agreed a realistic plan for the Trust.

Of the £12.5m Provider Sustainability Funding for the Trust 70% of this is conditional on delivering the financial control total and 30% is conditional on delivering the emergency
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Authors: Mike Proctor, Chief Executive

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care standard improvement trajectory. Each of these target requirements are assessed at the end of the quarter.

Whilst we have significantly improved our position, it is essential that we hold on to it through what will no doubt be another extremely challenging year for us.

3. Scarborough and Ryedale Community Services

This month, the community services contract for Scarborough and Ryedale transferred to the new provider of these services, Humber Teaching NHS Foundation Trust. This includes the provision of inpatient beds at Malton Hospital.

We have also completed our withdrawal of outpatient clinics at Whitby Hospital, with the exception of midwifery, audiology, and some radiology provision. Whitby-based patients who wish to access our services can be seen in Scarborough.

4. Estates and facilities services update

The York Teaching Hospital Facilities Management Limited Liability Partnership (LLP) has now been formally registered and will become operational from 1 October 2018.

York Teaching Hospital Facilities Management will remain wholly owned by the NHS and any staff moving to the new organisation will be able to keep their current NHS Agenda for Change terms and conditions.

In early May, information packs were posted to all staff who will be transferring from the Trust to York Teaching Hospital Facilities Management and briefing sessions are now firmly underway.

The company will remain wholly owned by the NHS, and we will ensure that any staff moving to the new organisation will be able to keep their current NHS terms and conditions.

We are committed to protecting our estates and facilities services and to safeguarding jobs for the future, keeping these services within the NHS by creating a company under the control of the Trust, rather than outsourcing to a separate private provider.

Brian Golding, Director of Estates and Facilities, will provide a further update.

5. Nursing and Midwifery Education

The Chief Nurse and I attended a dinner hosted by the University of York to hear their plans around nursing and midwifery education. Their plans are ambitious and focus on developing the nursing leaders and researchers of the future. Whilst we applaud this, we did express concern that as a provider there remains a pressing need for them to be

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providing us with sufficient qualified nurses to enable us to continue to keep our services running safely. The Vice Chancellor and other academic colleagues recognise this and responded positively to our suggestions.

6. Physician Associates

We are making really pleasing progress in recruiting Physician Associates to the Trust. This is an entirely new role, and is the only new workforce to be added to the NHS in decades, representing a significant opportunity to be a major contributor to safe services as we move forward.

Directorates are thinking strategically about the way their workforce will develop and how we maintain safe services over the next few years (as opposed to what we need for the next few months), with a view to this new role being able to offset some of the gaps in our medical workforce which are currently largely met through the use of agency or locum staff.

We attended a careers fair at Hull University which was hugely popular, followed by an open day at York Hospital. These two events have led to significant interest in the roles, and we have had over 40 applicants for the 10-14 posts we are hoping to recruit to.

The first graduates will complete their courses in October of this year, and we are aiming to recruit over the summer to enable them to begin as soon as possible after graduation. We are offering two-year rotational posts where the Physician Associates can work across their choice of specialties before they sub-specialise.

7. STP Update

There a number of recent updates to share with Governors regarding the Humber Coast and Vale Sustainability and Transformation Partnership.

Senior representatives from the Humber Coast and Vale Partnership met with regional directors from NHS England and NHS Improvement to discuss progress to date and next steps. The Partnership will continue to work closely with NHSE and NHSI to strengthen the Partnership and to develop collective plans, including the capital investment plan and overall winter plan.

The six local areas within the STP footprint are working together to produce system-wide plans focusing on more closely integrating health and social care commissioning and provision. The expectation for future NHS planning rounds will be that local areas produce plans on a place-based system-wide basis rather than on an organisational basis.

In addition to local place-based programmes, the Partnership continues to focus its work across the wider Humber Coast and Vale geography on key strategic resourcing areas, which are workforce, finance, digital technology and capital and estates.
The STP also continues to focus its collaborative efforts on six key clinical priority areas. These are mental health, cancer, elective care, urgent and emergency care, maternity services, and primary care.

Further information about the Partnership and its ongoing work can be found on the website: [www.humbercoastandvale.org.uk](http://www.humbercoastandvale.org.uk)