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<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 7.0</b>
<b>Title</b>	Integrated Board Report
<b>Sponsoring Director</b>	Dr R Tolcher, Chief Executive
<b>Author(s)</b>	Mrs Rachel McDonald, Head of Performance & Analysis
<b>Report Purpose</b>	To provide the Board with an update on performance relating to: operational performance; quality; and finance and efficiency.
<b>Key Issues for Board Focus:</b>	
<p>The Trust is required to report its operational performance against the Monitor Risk Assessment Framework on a quarterly basis, and to routinely submit performance data to NHS England and Harrogate and Rural District CCG. The Board of Directors are asked to:</p> <ul style="list-style-type: none"> <li>- Note that performance against the A&amp;E 4 hour standard improved and was above the required 95% level in June for both Harrogate Emergency Department and the Trust overall.</li> <li>- Note that whilst the Trust has delivered the Quarter 1 financial control total and will receive the first part of the Sustainability and Transformation funding, the operational budgetary position is over £600k behind the plan to date. This significantly puts at risk achievement of future quarters' financial plan.</li> <li>- Note that there has been eight hospital acquired cases of Clostridium Difficile reported year to date. Following root cause analyses two were deemed to be due to a lapse in care.</li> <li>- Note the agency bill for June as 2.2% of Trust pay expenditure.</li> <li>- Note the increase in the number of falls causing harm increased in June.</li> <li>- Note that delivery of 18 weeks and all cancer standards were achieved for Quarter 1.</li> <li>- Note the inclusion of new metrics looking at new birth visits and 2.5 year reviews in the Darlington, County Durham and Middlesbrough Healthy Child Programme.</li> <li>- Note that previous national CQUIN indicators relating to Acute Kidney Injury and Sepsis have been removed as they do not feature in the Trust's CQUIN scheme for 2016/17.</li> </ul>	
<b>Related Trust Objectives</b>	
To deliver high quality care	Yes – the report triangulates key performance metrics covering quality, finance and efficiency and operational performance, presenting trends over time to enable identification of improvements and deteriorations in the delivery of high quality care.

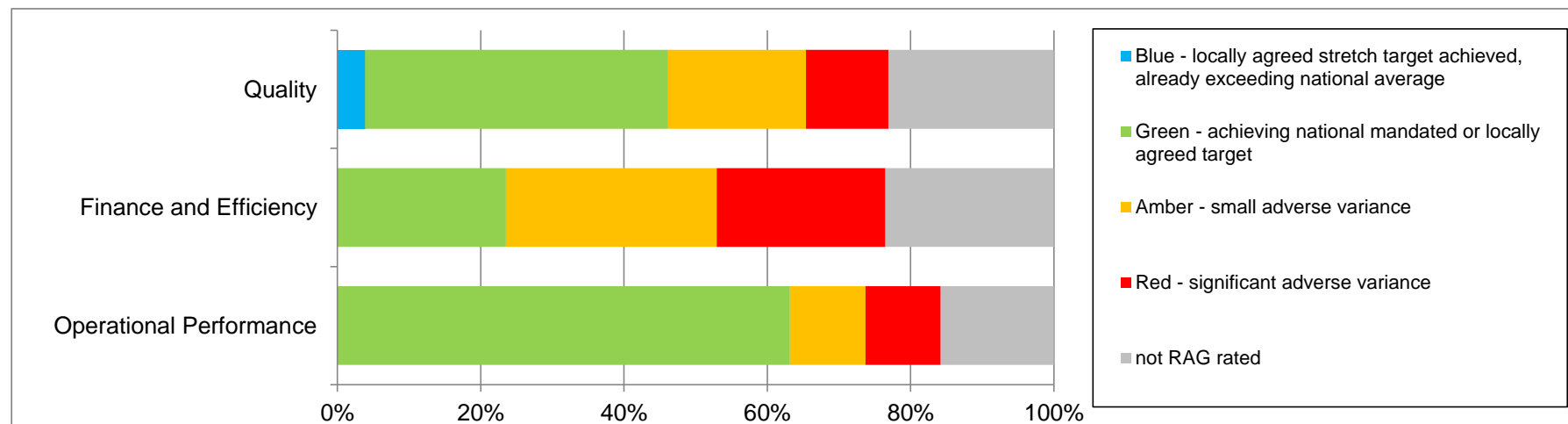
To work with partners to deliver integrated care	Yes – key performance metrics allow the Board to receive assurance in terms of the delivery of high quality care, often underpinned by collaboration and partnership working, particularly when developing new care models.
To ensure clinical and financial sustainability	Yes – the report provides the Board with assurance on progress of work across the region to ensure clinical and financial sustainability.
<b>Risk and Assurance</b>	Risks associated with the content of the report are reflected in the Board Assurance Framework via: BAF# 1: risk of a lack of medical, nursing and clinical staff; BAF# 2: risk of a high level of frailty in local population; BAF# 9: risk of failure to deliver the operational plan; and BAF# 12: external funding constraints.
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to receive and note the content of the report.	

## Integrated board report - August 2016

### Key points this month

1. Performance against the Safety Thermometer improved significantly in August to 97.3% harm free, compared to 93.4% in July.
2. As at the end of August the finance position is that we are £780k behind our operational plan year to date. This risks achievement of Quarter 2 S&T funding.
3. There were 4 cases of hospital acquired C.difficile reported in August bringing the year to date total to 13. Of these, 9 have now had root cause analysis (RCA) completed and agreed with HARD CCG. Of these, 3 have been determined to be due to a lapse in care and 6 not due to a lapse in care. The Trust's C. difficile trajectory for the full year 2016/17 is a maximum of 12 cases due to lapses in care.
4. HDFT's Trust level performance on the A&E 4-hour standard was at 94.9% in August, a decrease on last month and below the required 95% standard.
5. Theatre utilisation reduced to 84.3% in August and the number of cancelled sessions increased to 14.7%.
6. Delivery of 18 weeks and all cancer waiting times standards were achieved in August. However one specialty (orthopaedics) was below the required 92% level for 18 week pathways.
7. Delayed transfers of care remained high in August but have decreased slightly on last month.

### Summary of indicators



**Quality - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<p><b>Safety thermometer - harm free care</b></p>	<p>Measures the percentage of patients receiving harm free care (defined as the absence of pressure ulcers, harm from a fall, urine infection in patients with a catheter and new VTE) in the Safety Thermometer audits conducted once a month. The data includes hospital and community teams. A high score is good. Whilst there is no nationally defined target for this measure, a score of 95% or above is considered best practice.</p>		<p>The harm free percentage for July was 97.3%, a significant increase on the previous month and above the latest national average of 94.3%.</p>	
<p><b>Pressure ulcers - hospital acquired</b></p>	<p>The chart shows the cumulative number of category 3 or category 4 hospital acquired pressure ulcers in 2016/17. The data includes hospital teams only.</p> <p>This chart has been amended this month to also include category 2 hospital acquired pressure ulcers, as well as category 3 / category 4. The data includes hospital teams only.</p>		<p>There were no hospital acquired category 3 or category 4 pressure ulcer reported in August. The year to date total remains at 16. Of the 16 cases, 3 were deemed to be avoidable, 6 unavoidable and 7 cases are still under root cause analysis (RCA).</p> <p>The Trust has set a local trajectory for 2016/17 of zero avoidable hospital acquired category 3 or category 4 pressure ulcers.</p> <p>The number of hospital acquired category 2-4 pressure ulcers reported in 2016/17 to date is 74. This compares to 69 in the same period last year.</p> <p>A maximum trajectory for 2016/17 of 155 cases of category 2-4 hospital acquired pressure ulcers has been agreed via the Quality Committee.</p>	
<p><b>Pressure ulcers - community acquired</b></p>	<p>The chart shows the cumulative number of category 3 or category 4 community acquired pressure ulcers in 2016/17. This metric includes all pressure ulcers identified by community teams including pressure ulcers already present at the first point of contact.</p>		<p>There were 6 community acquired category 3 or category 4 pressure ulcers reported in August, bringing the year to date total to 36. Of the 36 cases, 8 were deemed to be avoidable, 5 unavoidable and 23 cases are still under root cause analysis (RCA).</p> <p>A maximum trajectory for the number of category 2-4 community acquired pressure ulcers was agreed at the Quality Committee and will be based on a 20% reduction against the number of cases reported in 2015/16.</p>	

**Quality - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
Falls	The number of inpatient falls expressed as a rate per 1,000 bed days. The data includes falls causing harm and those not causing harm. A low rate is good.		<p>The rate of inpatient falls was 5.8 per 1,000 bed days in August, an increase on previous months but remaining below the HDFT 2015/16 average rate.</p> <p>The falls sensors are now in place on Byland, Jervaulx, Farndale and Trinity wards and there is a plan to roll out to the other ward areas by November.</p>	
Falls causing harm	The number of inpatient falls causing significant harm, expressed as a rate per 1,000 bed days. The data includes falls causing moderate harm, severe harm or death. A low rate is good.		<p>The rate of inpatient falls causing moderate harm, severe harm or death was 0.2 per 1,000 bed days in August, an increase on the previous month and above the average HDFT rate for 2015/16.</p> <p>There have been 5 inpatient falls causing moderate or severe harm in 2016/17 to date, all of which resulted in a fracture. This compares to 7 moderate or severe harm falls in the same period last year.</p>	
Infection control	The chart shows the cumulative number of hospital acquired C. difficile cases during 2016/17. HDFT's C. difficile trajectory for 2016/17 is 12 cases, no change on last year's trajectory. Cases where a lapse in care has been deemed to have occurred would count towards the Monitor risk assessment framework. Hospital acquired MRSA cases will be reported on an exception basis. HDFT has a trajectory of 0 MRSA cases for 2016/17. The last reported case of hospital acquired MRSA at HDFT was in Oct-12.		<p>There was 4 case of hospital acquired C. difficile reported in August, bringing the year to date total to 13 cases. All 13 cases have now have root cause analysis (RCA) completed by HDFT and 9 of the RCAs have been discussed and agreed with HARD CCG. Of the 9 cases discussed and agreed, 3 have been determined to be due to a lapse in care and 6 were determined to not be due to a lapse in care. The remaining 4 RCAs are due to discussed with HARD CCG on 30th September. No cases of hospital acquired MRSA have been reported in 2016/17 to date.</p>	
Avoidable admissions	The chart shows the number of avoidable emergency admissions to HDFT as per the national definition. The admissions included are those where the primary diagnosis of the patient does not normally require admission. Conditions include pneumonia and urinary tract infections in adults and respiratory conditions in children.		<p>There were 266 avoidable admissions in July, an increase on last month but remaining just below the HDFT average.</p> <p>An admission avoidance/urgent care project group has been established and the Trust is working with HARD CCG to develop care models and pathways that support patients to stay in their own home and reduce the risk of hospital admissions. This is also the focus of the New Care Models work and one of the metrics being used to evaluate this pilot.</p>	

**Quality - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<b>Reducing readmissions in older people</b>	The chart shows the proportion of older people aged 65+ who were still at home 91 days after discharge from hospital into rehabilitation or reablement services. A high figure is good. <i>This indicator is in development.</i>		<p>For patients discharged in May, 79% were still in their own home at the end of August, an increase on the previous month.</p> <p>Following a deterioration in performance on this metric earlier this year, a case note audit of a sample of patients is being carried out to understand any themes and actions required and the results will be reported to the board by Long Term and Unscheduled Care Directorate in the Autumn.</p>	
<b>Mortality - HSMR</b>	The Hospital Standardised Mortality Ratio (HSMR) looks at the mortality rates for 56 common diagnosis groups that account for around 80% of in-hospital deaths and standardises against various criteria including age, sex and comorbidities. The measure also makes an adjustment for palliative care. A low figure is good.		<p>HDFT's HSMR decreased to 103.11 in June and remains within expected levels. At specialty level, 3 specialties (Stroke medicine, Geriatric medicine and Gastroenterology) have a standardised mortality rate above expected levels. Numbers are low and a recent case note review in Stroke medicine did not find any cause for concern at specialty level.</p> <p>At site level, Ripon Hospital standardised mortality is now within expected levels.</p>	
<b>Mortality - SHMI</b>	The Summary Hospital Mortality Index (SHMI) looks at the mortality rates for all diagnoses and standardises against various criteria including age, sex and comorbidities. The measure does not make an adjustment for palliative care. A low figure is good.		<p>HDFT's SHMI increased to 94.37, compared to 92.60 last month. However this remains below the national average and within expected levels.</p> <p>At specialty level, 2 specialties (Geriatric Medicine and Gastroenterology) have a standardised mortality rate above expected levels. At site level, Ripon Hospital standardised mortality is now within expected levels.</p>	
<b>Complaints</b>	The number of complaints received by the Trust, shown by month of receipt of complaint. The criteria define the severity/grading of the complaint with green and yellow signifying less serious issues, amber signifying potentially significant issues and red for complaints related to serious adverse incidents. The data includes complaints relating to both hospital and community services.		<p>25 complaints were received in August compared to 21 last month, with none classified as amber or red. This is above the 2015/16 average per month of 18.</p>	




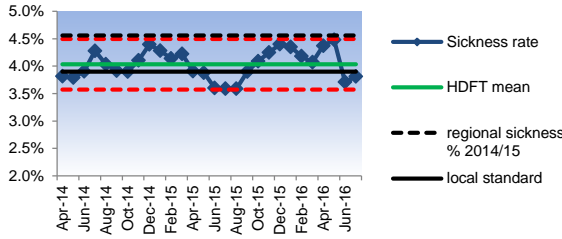

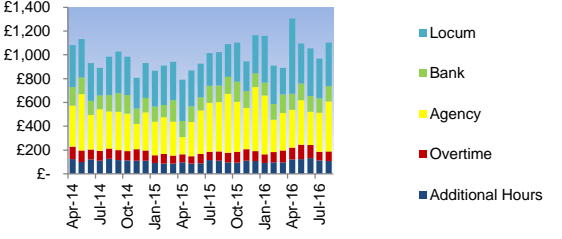

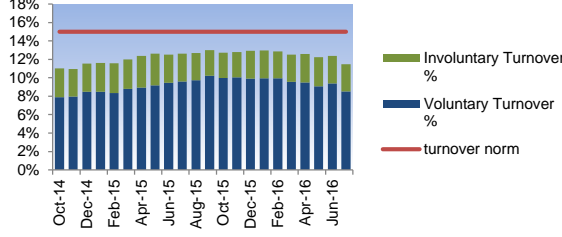

**Quality - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<b>Incidents - all</b>	<p>The chart shows the number of incidents reported within the Trust each month. It includes all categories of incidents, including those that were categorised as "no harm". The data includes hospital and community services.</p> <p>A large number of reported incidents but with a low proportion classified as causing significant harm is indicative of a good incident reporting culture</p>		<p>There were 460 incidents reported in August. The number of incidents reported each month remains fairly static but the proportion classified as moderate harm, severe harm or death has reduced over the last 3 years.</p> <p>The latest published national data (for the 6 month period to end September 2015) showed that Acute Trusts reported an average ratio of 31 no harm/low harm incidents for each incident classified as moderate harm, severe harm or death (a high ratio is better). HDFT's local reporting ratio for the same period was 21.</p>	
<b>Incidents - SIRIs and never events</b>	<p>The chart shows the number of Serious Incidents Requiring Investigation (SIRIs) and Never Events reported within the Trust each month. The data includes hospital and community services.</p> <p>We have changed this indicator to now include both comprehensive and concise SIRIs and have amended the presentation to show a cumulative position.</p>		<p>There were no never events and no comprehensive SIRIs reported in August. There have been 57 concise SIRIs and 2 comprehensive SIRIs reported in the year to date. In 2015/16, HDFT reported an average of 9.6 SIRIs per month.</p>	
<b>Friends &amp; Family Test (FFT) - Staff - % recommend as a place to work</b>	<p>The Staff Friends and Family Test (FFT) was introduced in 2014/15 and gives staff the opportunity to give feedback on the organisation they work in.</p> <p>The chart shows the percentage of staff that would recommend the Trust as a place to work. A high percentage is good. The Trust's aim is to feature in the top 20% of Trusts nationally which would typically mean that 71% of staff would recommend the Trust as a place to work.</p>		<p>National data for Q1 has been published since last month's report. In Quarter 1, 72% of HDFT staff recommended the Trust as a place to work - this compares to a national average of 64% and places the Trust in the top 20% of Trusts nationally. HDFT's response rate was 12%, compared to the national average of 13%.</p> <p>The Staff, Friends and Family Test is now surveying the whole Trust rather than by Directorate. This will allow us to benchmark our response rate. During 2015/16, the whole Trust was only surveyed during Q3.</p>	
<b>Friends &amp; Family Test (FFT) - Staff - % recommend as a place to receive care</b>	<p>The Staff Friends and Family Test (FFT) was introduced in 2014/15 and gives staff the opportunity to give feedback on the organisation they work in.</p> <p>The chart shows the percentage of staff that would recommend the Trust as a place to receive care. A high percentage is good. The Trust's aim is to feature in the top 20% of Trusts nationally which would typically mean that 88% of staff would recommend the Trust as a place to work.</p>		<p>National data for Q1 has been published since last month's report. In Quarter 1, 85% of HDFT staff recommended the Trust as a place to receive care - this is above the national average of 80% and places the Trust in the middle 50% of Trusts nationally. HDFT's response rate was 12%, compared to the national average of 13%.</p> <p>The Staff, Friends and Family Test is now surveying the whole Trust rather than by Directorate. This will allow us to benchmark our response rate. During 2015/16, the whole Trust was only surveyed during Q3.</p>	

**Quality - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality																		
<b>Friends &amp; Family Test (FFT) - Patients</b>	The Patient Friends and Family Test (FFT) gives patients and service users the opportunity to give feedback. They are asked whether they would recommend the service to friends and family if they required similar care or treatment. This indicator covers a number of hospital and community services including inpatients, day cases, outpatients, maternity services, the emergency department, some therapy services, district nursing, community podiatry and GP OOH. A high percentage is good.		<p>95.1% of patients surveyed in August would recommend our services, above the latest published national average of 92.6%.</p> <p>The technical problems with the automated phone call service were fixed in early August and phone calls reinstated to all services that were previously using them.</p>																			
<b>Safer staffing levels</b>	Trusts are required to publish information about staffing levels for registered nurses/midwives (RN) and care support workers (CSW) for each inpatient ward. The chart shows the overall fill rate at HDFT for RN and CSW for day and night shifts. The fill rate is calculated by comparing planned staffing with actual levels achieved. A ward level breakdown of this data is published on the Trust website.		<p>Overall staffing compared to planned was at 104% in August. CSW staffing remains high compared to plan - this is reflective of the increased need for 1-1 care for some inpatients.</p> <p>A significant focus is being placed on recruitment of RN staff including open events and targeted recruitment campaigns including the use of social media. The Trust is also participating the Global Health Exchange Programme which will enable the Trust to recruit RNs from India who will work in the Trust for 3 years developing their nurse education and skills. The RNs will then return to India to utilise their skills and further develop the Indian health economy.</p>																			
<b>Staff appraisal rates</b>	<p>The chart shows the staff appraisal rate over the most recent rolling 12 months. The Trusts aims to have 90% of staff appraised. A high percentage is good.</p> <p>The figures from May 2016 onwards exclude employees currently on maternity leave, career break or suspension and staff who TUPE transferred into the organisation from Darlington, Durham and Middlesbrough from 1st April 2016.</p>		<p>The appraisal rate for the 12 months up to end July is 71.83%, although this data does not include the staff transferred across under the TUPE regulations.</p> <p>The data cleansing is ongoing for the Durham, Darlington and Middlesbrough teams who transferred on 1 April 2016; the information for these areas will continue to be reported separately until the data cleansing process has completed.</p>																			
<b>Mandatory training rates</b>	The table shows the most recent training rates for all mandatory elements for substantive staff. The table excludes staff who TUPE transferred into the organisation on 1st April 2016. A high percentage is good.	<table border="1"> <thead> <tr> <th>Competence Name</th> <th>% Completed</th> </tr> </thead> <tbody> <tr> <td>Equality, Diversity and Human Rights - Level 1</td> <td>94</td> </tr> <tr> <td>Fire Safety Awareness</td> <td>90</td> </tr> <tr> <td>Infection Prevention &amp; Control 1</td> <td>98</td> </tr> <tr> <td>Infection Prevention &amp; Control 2</td> <td>82</td> </tr> <tr> <td>Information Governance: Introduction</td> <td>87</td> </tr> <tr> <td>Information Governance: The Beginners Guide</td> <td>83</td> </tr> <tr> <td>Prevent Basic Awareness (December 2015)</td> <td>99</td> </tr> <tr> <td>Safeguarding Children &amp; Young People Level 1 - Introduction</td> <td>94</td> </tr> </tbody> </table>	Competence Name	% Completed	Equality, Diversity and Human Rights - Level 1	94	Fire Safety Awareness	90	Infection Prevention & Control 1	98	Infection Prevention & Control 2	82	Information Governance: Introduction	87	Information Governance: The Beginners Guide	83	Prevent Basic Awareness (December 2015)	99	Safeguarding Children & Young People Level 1 - Introduction	94	<p>The data shown is for the end of August and excludes the staff who were TUPE transferred into the organisation on 1st April 2016. The overall training rate for mandatory elements for substantive staff in this group is 91%.</p> <p>The new follow up procedure is now in place for Directorates to use and we hope to see a positive impact on compliance going forward.</p>	
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Equality, Diversity and Human Rights - Level 1	94																					
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**Quality - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality																		
<b>Mandatory training rates</b>	The table shows the most recent training rates for all mandatory elements for substantive staff. The table only includes staff who TUPE transferred into the organisation on 1st April 2016. A high percentage is good.	<table border="1"> <thead> <tr> <th>Competence Name</th> <th>% Completed</th> </tr> </thead> <tbody> <tr> <td>Equality, Diversity and Human Rights - Level 1</td> <td style="background-color: red;">34</td> </tr> <tr> <td>Fire Safety Awareness</td> <td style="background-color: red;">38</td> </tr> <tr> <td>Infection Prevention &amp; Control 1</td> <td style="background-color: blue;">97</td> </tr> <tr> <td>Infection Prevention &amp; Control 2</td> <td style="background-color: red;">46</td> </tr> <tr> <td>Information Governance: Introduction</td> <td style="background-color: yellow;">51</td> </tr> <tr> <td>Information Governance: The Beginners Guide</td> <td>n/a</td> </tr> <tr> <td>Prevent Basic Awareness (December 2015)</td> <td style="background-color: red;">27</td> </tr> <tr> <td>Safeguarding Children &amp; Young People Level 1 - Introduction</td> <td style="background-color: blue;">95</td> </tr> </tbody> </table>	Competence Name	% Completed	Equality, Diversity and Human Rights - Level 1	34	Fire Safety Awareness	38	Infection Prevention & Control 1	97	Infection Prevention & Control 2	46	Information Governance: Introduction	51	Information Governance: The Beginners Guide	n/a	Prevent Basic Awareness (December 2015)	27	Safeguarding Children & Young People Level 1 - Introduction	95	The data shown is for the end of August and shows the statistics for the TUPE staff that transferred into the organisation on the 1st April 2016 from Middlesbrough, Durham and Darlington. The overall training rate for mandatory elements for substantive staff in this group is 49%. This is an increase of 9% on last month. The TUPE staff compliance figures will be reported separately until January 2017 at which point we plan to amalgamate the figures into one table of data. This allows the newly transferred staff time to establish systems and processes to access their mandatory training, complete data validation and increase their overall compliance to the level we have achieved across the Trust prior to their transfer.	
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<b>Sickness rates</b>	Staff sickness rate - includes short and long term sickness. The Trust has set a threshold of 3.9%. A low percentage is good.		The sickness rate for July is 3.81%, this remains below the Trust threshold of 3.90%. Gastrointestinal problems were the leading cause for sickness absence during July. Children's and County Wide Community Care continues to have the highest rate for sickness within the directorates, recording 4.68% for July. The HR team remains focused on attendance management across the Trust particularly in relation to long term sickness cases. The Trust continues to perform favourably against other Acute Trusts in the region.																			
<b>Temporary staffing expenditure - medical/nursing /other</b>	The chart shows staff expenditure per month, split into contracted staff, overtime and additional hours and temporary staff. Lower figures are preferable. <i>The traffic light criteria applied to this indicator is currently under review.</i>		The proportion of spend on temporary staff during August was 7.3%, compared to 7.6% during 2015/16.																			
<b>Staff turnover rate</b>	The chart shows the staff turnover rate excluding trainee doctors, bank staff and staff on fixed term contracts. The turnover figures include both voluntary and involuntary turnover. Voluntary turnover is when an employee chooses to leave the Trust and involuntary turnover is when the employee unwillingly leaves the Trust. Data from the Times Top 100 Employers indicated a turnover rate norm of 15%, i.e. the level at which organisations should be concerned.		Turnover rates dropped to the lowest level recorded in the last 12 months. Voluntary turnover comprised 8.53% of this figure. The Trust is continuing to seek data from returned exit questionnaires.																			

**Quality - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<b>Maternity - Caesarean section rate</b>	<p>The caesarean section rate is determined by a number of factors including ability to provide 1-1 care in labour, previous birth experience and confidence and ability of the staff providing care in labour.</p> <p>The rate of caesarean section can fluctuate significantly from month to month - as a result we have amended the presentation of this indicator this month to show a 12 month rolling average position.</p>	<p>Legend: C-section rate (blue line with diamonds), HDFT mean (green line)</p>	<p>HDFT's C-section rate for the 12 months ending August 2016 was 27.7% of deliveries, a decrease on last month but remaining higher than average.</p> <p>The major contributing factor to the recent upward trend appears to be a significant increase in elective caesarean sections in May and June 2016, with the emergency caesarean section rate remaining static and within expected parameters.</p>	
<b>Maternity - Rate of third and fourth degree tears</b>	<p>Third and fourth degree tears are a source of short term and long term morbidity. A previous third degree tear can increase the likelihood of a woman choosing a caesarean section in a subsequent pregnancy.</p> <p>Recent intelligence suggested that HDFT were an outlier for third degree tears with operative vaginal delivery. Quality improvement work is being undertaken to understand and improve this position and its inclusion on this dashboard will allow the Trust Board to have sight of the results of this.</p>	<p>Legend: 3rd/4th degree tears - rate (blue line with diamonds), HDFT mean (green line)</p>	<p>The rate of 3rd/4th degree tears was 2.6% of deliveries in the 12 month period ending August 2016, remaining well below previous months.</p> <p>The rolling 12 months rate is at its lowest point since the dashboard was created. This may reflect the significant amount of quality improvement work aimed at reducing the incidence of third degree tears.</p>	
<b>Maternity - Unexpected term admissions to SCBU</b>	<p>This indicator is a reflection of the intrapartum care provided. For example, an increase in the number of term admissions to special care might reflect issues with understanding of fetal heart rate monitoring in labour.</p> <p>We have amended the presentation of this indicator this month to show a 12 month rolling average position.</p>	<p>Legend: No. admissions (blue line with diamonds), HDFT mean (green line)</p>	<p>The chart shows the number of babies born at greater than 37 weeks gestation who were admitted to the Special Care Baby Unit (SCBU). The maternity team carry out a full review of all term admissions to SCBU.</p> <p>There were 4 term admissions to SCBU in August. The average number per month over the last 12 months is 5.</p>	

**Finance and Efficiency - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<b>Readmissions</b>	% of patients readmitted to hospital as an emergency within 30 days of discharge (PbR exclusions applied). To ensure that we are not discharging patients inappropriately early and to assess our overall surgical success rates, we monitor the numbers of patients readmitted. A low number is good performance. This data is reported a month behind so that any recent readmissions are captured in the data.		The number of readmissions decreased in July, when expressed as a percentage of all emergency admissions. The rate is now below the average rate for 2015/16.	✓
<b>Readmissions - standardised</b>	This indicator looks at the standardised readmission rate within 30 days. The data is standardised against various criteria including age, sex, diagnosis, comorbidities etc. The standardisation enables a more like for like comparison with other organisations. The national average is set at 100. A low rate is good - rates below 100 indicate a lower than expected readmission rate and rates above 100 indicate higher than expected readmission rate.		HDFT's standardised readmission rate for the 12 month period ending May 2016 was 103.4 - above the national average but within expected levels.	✓
<b>Length of stay - elective</b>	Average length of stay in days for elective (waiting list) patients. The data excludes day case patients. A shorter length of stay is preferable. When a patient is admitted to hospital, it is in the best interests of that patient to remain in hospital for as short a time as clinically appropriate – patients who recover quickly will need to stay in hospital for a shorter time. As well as being best practice clinically, it is also more cost effective if a patient has a shorter length of stay.		The average elective length of stay for August was 3.3 days, an increase on the previous month. A focus on sustainably reducing this through the Planned Care Transformation programme is underway, which includes reducing the number of patients admitted the day before surgery.	✓
<b>Length of stay - non-elective</b>	Average length of stay in days for non-elective (emergency) patients. A shorter length of stay is preferable. When a patient is admitted to hospital, it is in the best interests of that patient to remain in hospital for as short a time as clinically appropriate – patients who recover quickly will need to stay in hospital for a shorter time. As well as being best practice clinically, it is also more cost effective if a patient has a shorter length of stay.		The average non-elective length of stay for August was 4.9 days, an increase on the previous month but remaining below the HDFT average. There may be correlation between this increase and the observed increase in delayed transfers of care seen in the last few months.	✓


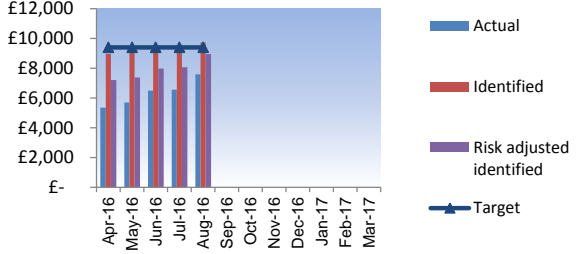

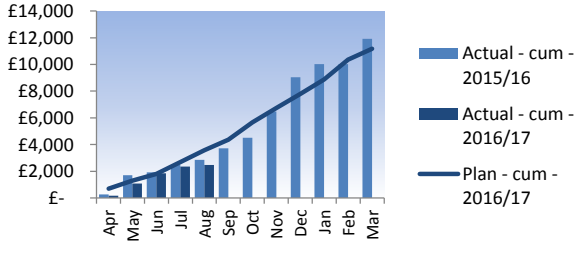

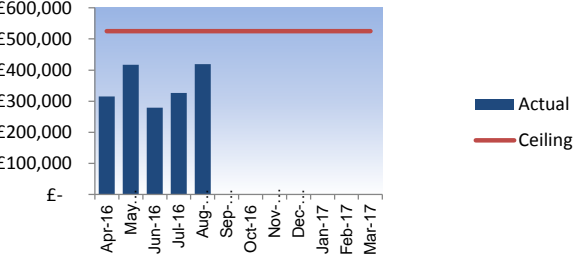

Finance and Efficiency - August 2016

Indicator	Description	Trend chart	Interpretation	Data quality
<b>Non-elective bed days</b>	The charts shows the number of non-elective (emergency) bed days at HDFT for patients aged 18+, per 100,000 population. The chart only includes the local HARD CCG area. A lower figure is preferable.		<p>As can be seen, the number of non-elective bed days for patients aged 18+ has remained fairly static over the last two years.</p> <p>The 2016/17 trajectory is based on allowing for demographic growth and reducing by the non-elective reductions identified in the Value Proposition. For next month, an additional trajectory will be calculated taking into account the impact of targeted reductions in length of stay through the transformation programmes.</p>	
<b>Theatre utilisation</b>	The percentage of time utilised during elective theatre sessions (i.e. those planned in advance for waiting list patients). The utilisation calculation excludes cancelled sessions - operating lists that are planned not to go ahead due to annual leave, study leave or maintenance etc. An extra line has been added to the chart to allow monitoring of this. A higher utilisation rate is good as it demonstrates effective use of resources. A utilisation rate of around 85% is often viewed as optimal.		<p>Theatre utilisation decreased to 84.3% in August and the number of cancelled sessions increased to 14.7%.</p> <p>The agency cap is still impacting on theatre staffing and hence on utilisation.</p>	
<b>Delayed transfers of care</b>	The proportion of patients in acute hospital beds who are medically fit for discharge but are still in hospital. A low rate is preferable. A snapshot position is taken at midnight on the last Thursday of each month. The maximum threshold shown on the chart (3.5%) has been agreed with the CCG.		<p>Delayed transfers of care decreased to 4.9% when the snapshot was taken in August, but remain above the maximum threshold of 3.5% set out in the contract.</p> <p>The Discharge Steering Group are reviewing the processes for continuing healthcare assessments and assessments of social care needs so that both can be carried out outside of hospital.</p>	
<b>Outpatient DNA rate</b>	Percentage of new outpatient attendances where the patient does not attend their appointment, without notifying the trust in advance. A low percentage is good. Patient DNAs will usually result in an unused clinic slot.		<p>HDFT's DNA rate was 4.5% in June, an increase on the previous month. However HDFT's DNA rate is consistently significantly below that of both the benchmarked group of Trusts and the national average.</p>	

**Finance and Efficiency - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<b>Outpatient new to follow up ratio</b>	The number of follow-up appointments per new appointment. A lower ratio is preferable. A high ratio could indicate that unnecessary follow ups are taking place.	<p>Legend: Ratio (blue line with diamonds), HDFT mean (green line), national average (black line), benchmark group average (orange line).</p>	<p>HDFT's new to follow up ratio increased in June - it is below the national average but above the benchmark group average.</p> <p>The Trust is working closely with the CCG on the Elective Rapid Testing Programme as part of the work of the Joint Clinical Board. The three specialties running the rapid testing programme all have reducing face to face follow ups as part of their ambition.</p>	✓
<b>Day case rate</b>	The proportion of elective (waiting list) procedures carried out as a day case procedure, i.e. the patient did not stay overnight. A higher day case rate is preferable.	<p>Legend: Day case rate (blue line with diamonds), HDFT mean (green line).</p>	<p>The day case rate increased to just below 90% in August. This is the highest rate reported for some time. However this increase may be in part reflective of a reduction in elective inpatients during August.</p>	✓
<b>Surplus / deficit and variance to plan</b>	Monthly Surplus/Deficit (£'000s). In some months, a deficit is planned for. This indicator reports positive or adverse variance against the planned position for the month.	<p>Legend: Plan (cum) (red bars), Actual (cum) (blue line with diamonds).</p>	<p>The Trust reported an underlying deficit of £614k for the year to August, £781k behind plan. Given the current position, the Trust has not assumed receipt of Quarter 2 Sustainability and Transformation Funding. Quarter 1 funding has been confirmed by NHS Improvement, therefore the Trust overall position is a surplus of £536k, £1,548k behind plan. Recovery plans are being developed by the directorates to quickly improve this position.</p>	✓
<b>Cash balance</b>	Monthly cash balance (£'000s)	<p>Legend: Plan (cum) (red bars), Actual (cum) (blue line with diamonds).</p>	<p>The Trust was £19,941k behind plan for cash in August with a balance of £4,040k. The Trust is submitting a revised profile to NHS Improvement following agreement of contracts with HaRD CCG.</p>	✓

**Finance and Efficiency - August 2016**


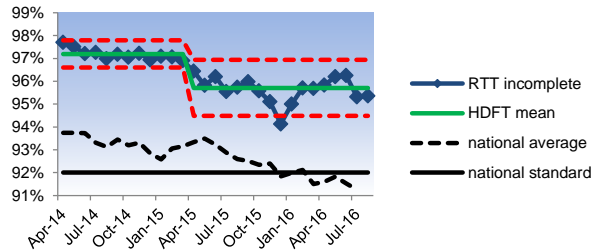

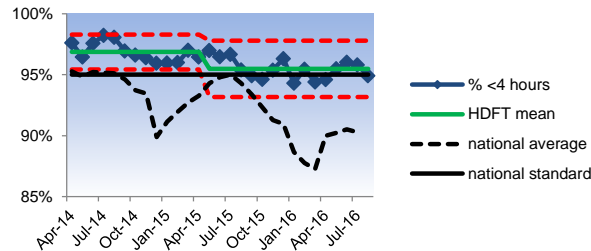

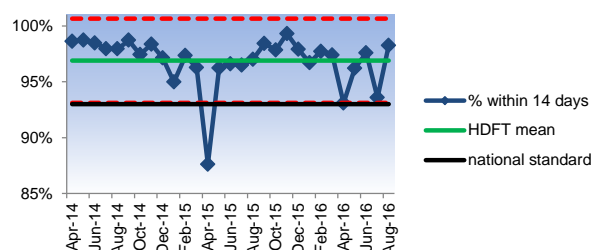

Indicator	Description	Trend chart	Interpretation	Data quality																		
<b>NHS Improvement Financial Sustainability risk rating</b>	The NHS Improvement Financial Sustainability risk rating includes four components, as illustrated in the table to the right. An overall rating is calculated ranging from 4 (no concerns) to 1 (significant concerns). This indicator monitors our position against plan.	<table border="1"> <thead> <tr> <th>Element</th> <th>Plan</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Capital Service Capacity rating</td> <td>4</td> <td>3</td> </tr> <tr> <td>Liquidity rating</td> <td>4</td> <td>4</td> </tr> <tr> <td>I&amp;E Margin rating</td> <td>4</td> <td>3</td> </tr> <tr> <td>I&amp;E Margin Variance rating</td> <td>3</td> <td>2</td> </tr> <tr> <td><b>Financial Sustainability Risk Rating</b></td> <td><b>4</b></td> <td><b>3</b></td> </tr> </tbody> </table>	Element	Plan	Actual	Capital Service Capacity rating	4	3	Liquidity rating	4	4	I&E Margin rating	4	3	I&E Margin Variance rating	3	2	<b>Financial Sustainability Risk Rating</b>	<b>4</b>	<b>3</b>	The Trust will report a risk rating of 3 for August.	
Element	Plan	Actual																				
Capital Service Capacity rating	4	3																				
Liquidity rating	4	4																				
I&E Margin rating	4	3																				
I&E Margin Variance rating	3	2																				
<b>Financial Sustainability Risk Rating</b>	<b>4</b>	<b>3</b>																				
<b>CIP achievement</b>	Cost Improvement Programme (CIP) performance outlines full year achievement on a monthly basis. The target is set at the internal efficiency requirement (£'000s). This indicator monitors our year to date position against plan.		81% of CIP schemes have been actioned to date. Plans are in place for 103% of the efficiency requirement, the risk adjusted total reduces to 95% .  The SMT this month is dedicated to developing targeted recovery plans to restore the risk adjusted CIP plan to 100%.																			
<b>Capital spend</b>	Cumulative Capital Expenditure by month (£'000s)		Capital Expenditure was £1,119k behind plan at the end of August.																			
<b>Agency spend in relation to pay spend</b>	Expenditure in relation to Agency staff on a monthly basis as a percentage of total pay bill. The Trust aims to have less than 3% of the total pay bill on agency staff.		The agency bill for August was 2.6% of Trust pay expenditure. Expenditure remains below the agency ceiling set by NHS Improvement but is above the benchmark the Trust has set in month.																			



**Finance and Efficiency - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality																											
<p><b>Research - Invoiced research activity</b></p>	<p>Aspects of research studies are paid for by the study sponsor or funder.</p>	<table border="1"> <caption>Estimated data from the trend chart</caption> <thead> <tr> <th>Quarter</th> <th>Invoiced amount (cum) (£)</th> <th>Target (cum) (£)</th> </tr> </thead> <tbody> <tr> <td>Q1 2015/16</td> <td>~50,000</td> <td>~70,000</td> </tr> <tr> <td>Q2 2015/16</td> <td>~100,000</td> <td>~120,000</td> </tr> <tr> <td>Q3 2015/16</td> <td>~180,000</td> <td>~180,000</td> </tr> <tr> <td>Q4 2015/16</td> <td>~240,000</td> <td>~240,000</td> </tr> <tr> <td>Q1 2016/17</td> <td>~70,000</td> <td>~100,000</td> </tr> <tr> <td>Q2 2016/17</td> <td>~120,000</td> <td>~150,000</td> </tr> <tr> <td>Q3 2016/17</td> <td>~180,000</td> <td>~200,000</td> </tr> <tr> <td>Q4 2016/17</td> <td>~240,000</td> <td>~260,000</td> </tr> </tbody> </table>	Quarter	Invoiced amount (cum) (£)	Target (cum) (£)	Q1 2015/16	~50,000	~70,000	Q2 2015/16	~100,000	~120,000	Q3 2015/16	~180,000	~180,000	Q4 2015/16	~240,000	~240,000	Q1 2016/17	~70,000	~100,000	Q2 2016/17	~120,000	~150,000	Q3 2016/17	~180,000	~200,000	Q4 2016/17	~240,000	~260,000	<p><i>There is no update of this data this month.</i></p> <p>As set out in the Research &amp; Development strategy, the Trust intends to maintain its current income from commercial research activity and NIHR income to support research staff to 2019. Each study is unique. Last year the Trust invoiced for a total of £223k.</p>	
Quarter	Invoiced amount (cum) (£)	Target (cum) (£)																													
Q1 2015/16	~50,000	~70,000																													
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**Operational Performance - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality																																				
<b>NHS Improvement governance rating</b>	NHS Improvement use a variety of information to assess a Trust's governance risk rating, including CQC information, access and outcomes metrics, third party reports and quality governance metrics. The table to the left shows how the Trust is performing against the national performance standards in the "access and outcomes metrics" section of the Risk Assessment Framework.	<table border="1"> <thead> <tr> <th>Indicator</th> <th>Q2 to date score</th> <th>Indicator</th> <th>Q2 to date score</th> </tr> </thead> <tbody> <tr> <td>18 weeks - incomplete</td> <td>0.0</td> <td>Cancer - 14 days</td> <td>0.0</td> </tr> <tr> <td>A&amp;E - 4 hour standard</td> <td>0.0</td> <td>Cancer - 14 days - breast symptoms</td> <td>0.0</td> </tr> <tr> <td>Cancer - 62 days to treatment</td> <td>0.0</td> <td>C-Difficile</td> <td>0.0</td> </tr> <tr> <td>Cancer - 62 days to treatment - screening</td> <td>0.0</td> <td>MRSA</td> <td>0.0</td> </tr> <tr> <td>Cancer - 31 day subsequent treatment - surgery</td> <td>0.0</td> <td>Compliance with requirements regarding access to healthcare for patients with learning disabilities</td> <td>0.0</td> </tr> <tr> <td>Cancer - 31 day subsequent treatment - drugs</td> <td>0.0</td> <td>Community services data completeness - RTT information</td> <td>0.0</td> </tr> <tr> <td>Cancer - 31 day subsequent treatment - radiotherapy</td> <td>N/A</td> <td>Community services data completeness - Referral information</td> <td>0.0</td> </tr> <tr> <td>Cancer - 31 day first treatment</td> <td>0.0</td> <td>Community services data completeness - Treatment activity information</td> <td>0.0</td> </tr> </tbody> </table>	Indicator	Q2 to date score	Indicator	Q2 to date score	18 weeks - incomplete	0.0	Cancer - 14 days	0.0	A&E - 4 hour standard	0.0	Cancer - 14 days - breast symptoms	0.0	Cancer - 62 days to treatment	0.0	C-Difficile	0.0	Cancer - 62 days to treatment - screening	0.0	MRSA	0.0	Cancer - 31 day subsequent treatment - surgery	0.0	Compliance with requirements regarding access to healthcare for patients with learning disabilities	0.0	Cancer - 31 day subsequent treatment - drugs	0.0	Community services data completeness - RTT information	0.0	Cancer - 31 day subsequent treatment - radiotherapy	N/A	Community services data completeness - Referral information	0.0	Cancer - 31 day first treatment	0.0	Community services data completeness - Treatment activity information	0.0	<p>HDFT's governance rating for Quarter 2 to date is Green. The Trust's performance against the A&amp;E 4 hour standard was below 95% for August, but above the standard in Quarter 2 to date.</p> <p>13 cases of hospital acquired C.difficile have been reported in the year to date. Of these, 9 have now had root cause analysis (RCA) completed and agreed with HARD CCG - 3 have been determined to be due to a lapse in care. The Trust's C. difficile trajectory for the full year 2016/17 is a maximum of 12 cases due to lapses in care.</p>	
Indicator	Q2 to date score	Indicator	Q2 to date score																																					
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<b>RTT Incomplete pathways performance</b>	Percentage of incomplete pathways waiting less than 18 weeks. The national standard is that 92% of incomplete pathways should be waiting less than 18 weeks. A high percentage is good.		<p>95.7% of patients were waiting 18 weeks or less at the end of August, above the required national standard of 92% and an increase on last month.</p> <p>At specialty level, Trauma &amp; Orthopaedics was again below the 92% standard. Concern remains about sustaining performance for this specialty, particularly in light of the new agency cap from 1st April and the impact it has on theatre staffing.</p>																																					
<b>A&amp;E 4 hour standard</b>	Percentage of patients spending less than 4 hours in Accident & Emergency (A&E). The operational standard is 95%. The data includes all A&E Departments, including Minor Injury Units (MIUs). A high percentage is good. Historical data for HDFT included both Ripon and Selby MIUs. In agreement with local CCGs, York NHSFT are reporting the activity for Selby MIU from 1st May 2015.		<p>HDFT's Trust level performance for August 2016 was 94.9%, a decrease on last month and below the required 95% standard. This includes data for the Emergency Department at Harrogate and Ripon MIU.</p> <p>Performance for Harrogate ED was below the standard at 93.7%.</p>																																					
<b>Cancer - 14 days maximum wait from urgent GP referral for all urgent suspect cancer referrals</b>	Percentage of urgent GP referrals for suspected cancer seen within 14 days. The operational standard is 93%. A high percentage is good.		<p>Provisional performance for August is 98.3%, above the 93% operational standard and an improvement on performance in recent months.</p>																																					

**Operational Performance - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
Cancer - 14 days maximum wait from GP referral for symptomatic breast patients	Percentage of GP referrals for breast symptomatic patients seen within 14 days. The operational standard is 93%. A high percentage is good.		Delivery at expected levels.	✓
Cancer - 31 days maximum wait from diagnosis to treatment for all cancers	Percentage of cancer patients starting first treatment within 31 days of diagnosis. The operational standard is 96%. A high percentage is good.		Delivery at expected levels.	✓
Cancer - 31 day wait for second or subsequent treatment: Surgery	Percentage of cancer patients starting subsequent surgical treatment within 31 days. The operational standard is 94%. A high percentage is good.		Delivery at expected levels.	✓
Cancer - 31 day wait for second or subsequent treatment: Anti-Cancer drug	Percentage of cancer patients starting subsequent drug treatment within 31 days. The operational standard is 98%. A high percentage is good.		Delivery at expected levels.	✓

**Operational Performance - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<b>Cancer - 62 day wait for first treatment from urgent GP referral to treatment</b>	Percentage of cancer patients starting first treatment within 62 days of urgent GP referral. The operational standard is 85%. A high percentage is good.		Trust total delivery at expected levels.  Of the 11 cancer sites treated at HDFT, 4 had performance below 85% in August - colorectal (1 breach), gynaecology (0.5 breach), haematology (3.5 breaches), and lung (1 breach). 4 patients waited over 104 days for treatment in August. The main reasons for the delays in these pathways were clinical complexity (2 pathways) and patient initiated delay (2 pathways).	✓
<b>Cancer - 62 day wait for first treatment from consultant screening service referral</b>	Percentage of cancer patients starting first treatment within 62 days of referral from a consultant screening service. The operational standard is 90%. A high percentage is good.		Delivery at expected levels.	✓
<b>Cancer - 62 day wait for first treatment from consultant upgrade</b>	Percentage of cancer patients starting first treatment within 62 days of consultant upgrade. The operational standard is 85%. A high percentage is good.		Delivery at expected levels.	✓
<b>GP OOH - NQR 9</b>	NQR 9 (National Quality Requirement 9) looks at the % of GP OOH telephone clinical assessments for urgent cases that are carried out within 20 minutes of call prioritisation. A high percentage is good.		Performance remains below the required 95% for this metric and was at 70% in August.	⚠








**Operational Performance - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<b>GP OOH - NQR 12</b>	NQR 12 (National Quality Requirement 12) looks at the % of GP OOH face to face consultations (home visits) started for urgent cases within 2 hours. The data presented excludes Selby and York as these do not form part of the HFT OOH service from April 2015. A high percentage is good.		Performance remains below the required 95% for this metric but has improved to 85% in August.	
<b>Children's Services - 10-14 day new birth visit</b>	The percentage of babies who had a new birth visit by the Health Visiting team within 14 days of birth. A high percentage is good. Data shown is for the 0-5 Health Visiting Service in North Yorkshire and the Healthy Child Programme in Darlington, Co. Durham and Middlesbrough. A high percentage is good. The contract does not specify a required level.		In August, 85% of babies in Darlington, 90% of babies in Co. Durham, 91% of babies in Middlesbrough and 83% of babies in North Yorkshire were recorded on Systmone as having had a new birth visit within 14 days of birth.	
<b>Children's Services - 2.5 year review</b>	The percentage of children who had a 2.5 year review. A high percentage is good. Data shown is for the 0-5 Health Visiting Service in North Yorkshire and the Healthy Child Programme in Darlington, Co. Durham and Middlesbrough. A high percentage is good. The contract does not specify a required level.		In August, 96% of children in Darlington, 87% of children in Co. Durham, 88% of children in Middlesbrough and 77% of children in North Yorkshire were recorded on Systmone as having had a 2.5 year review.	
<b>Community equipment - deliveries within 7 days</b>	The number of standard items delivered within 7 days by the community equipment service. A high percentage is good.		Performance remains above expected levels.	

**Operational Performance - August 2016**

Indicator	Description	Trend chart	Interpretation	Data quality
<p><b>CQUIN - dementia screening</b></p>	<p>The proportion of emergency admissions aged 75 or over who are screened for dementia within 72 hours of admission (Step 1). Of those screened positive, the proportion who went on to have an assessment and onward referral as required (Step 2 and 3). The operational standard is 90% for all 3 steps. A high percentage is good.</p>		<p>As can be seen from the chart, performance on Step 1 saw a significant improvement in July following a focus on this via Operational Delivery Group.</p>	
<p><b>Recruitment to NIHR adopted research studies</b></p>	<p>The Trust has a recruitment target of 2,800 for 2016/17 for studies on the NIHR portfolio. This equates to 234 per month. Over recruitment is encouraged.</p>		<p>The year to date position on recruitment to research studies is 22% below plan.</p> <p>There are a number of issues that have impacted on this - including availability of suitable studies, changes in types of studies and also capacity within the research team. An increase in the availability of studies suitable for our population and additional capacity within the research team means that we are confident that we will be back on target by the end of the financial year.</p>	
<p><b>Directorate research activity</b></p>	<p>The number of studies within each of the directorates - included in the graph is Trustwide where the study spans directorates. The Trust has no specific target set for research activity within each directorate. It is envisaged that each clinical directorate would have a balanced portfolio.</p>		<p>The directorate research teams are subject to studies that are available to open. The 'type of study', Commercial, Interventional, Observational, Large scale, Patient Identification Centre (PIC) or N/A influence the activity based funding received by HDFT. Each category is weighted dependant on input of staff involvement. N/A studies are those studies which are not on the NIHR portfolio. They include commercial, interventional, observational, large scale, PIC, local and student projects. They do not influence the recruitment target.</p>	

## Data Quality - Exception Report

Report section	Indicator	Data quality rating	Further information
Quality	Mandatory training rates - Darlington, Durham & Middlesbrough staff	Amber 	This indicator includes training data for TUPE staff that transferred into the organisation on 1st April 2016 from Middlesbrough, Durham and Darlington. There are some concerns about the quality and completeness of this information.
Operational Performance	GP Out of Hours - National Quality Requirement 9	Amber 	Following patient pathway changes in late 2015, reports from the Adastra system no longer calculate the correct start time for these patients and as a result, the performance reported for NQR9 was incorrect. Significant work from has been carried out by information staff at HDFT and we are now able to report performance again for this metric again, based on calculations from raw data extracts from the Adastra system. The new calculations have been shared with HARD CCG.
Operational Performance	GP Out of Hours - National Quality Requirement 12	Amber 	
Quality	Reducing readmissions in older people	Amber 	This indicator is under development. We have recently amended the calculation of this indicator so that it correctly handles patients who had multiple admissions and multiple contacts with community services.
Finance and efficiency	Theatre utilisation	Amber 	The utilisation calculation excludes cancelled sessions - operating lists that are planned not to go ahead due to annual leave, study leave or maintenance etc. An extra line has been added to the chart to allow monitoring of cancelled sessions.
Operational Performance	Children's Services - 10-14 day new birth visit	Amber 	Caution should be exercised as further work is required to understand the completeness and quality of this data.
Operational Performance	Children's Services - 2.5 year review	Amber 	Caution should be exercised as further work is required to understand the completeness and quality of this data.




Indicator traffic light criteria

Section	Indicator	Further detail	Traffic light criteria	Rationale/source of traffic light criteria
Quality	Safety thermometer - harm free care	% harm free	Blue if latest month >=97%, Green if >=95% but <97%, red if latest month <95%	National best practice guidance suggests that 95% is the standard that Trusts should achieve. In addition, HDFT have set a local stretch target of 97%.
Quality	Pressure ulcers - hospital acquired	No. category 3 and category 4 avoidable hospital acquired pressure ulcers	tbc	tbc
Quality	Pressure ulcers - community acquired	No. category 3 and category 4 community acquired pressure ulcers	tbc	tbc
Quality	Falls	IP falls per 1,000 bed days	Blue if YTD position is a reduction of >=50% of HDFT average for 2015/16, Green if YTD position is a reduction of between 20% and 50% of HDFT average for 2015/16, Amber if YTD position is a reduction of up to 20% of HDFT average for 2015/16, Red if YTD position is on or above HDFT average for 2015/16.	Locally agreed improvement trajectory based on comparison with HDFT performance last year.
Quality	Falls causing harm	IP falls causing moderate harm, severe harm or death, per 1,000 bed days	Green if below trajectory YTD, Amber if above trajectory YTD, Red if above trajectory at end year or more than 10% above trajectory in year.	NHS England, NHS Improvement and contractual requirement
Quality	Infection control	No. hospital acquired C.diff cases	tbc	tbc
Quality	Avoidable admissions	The number of avoidable emergency admissions to HDFT as per the national definition.	tbc	tbc
Quality	Reducing readmissions in older people	The proportion of older people 65+ who were still at home 91 days after discharge from hospital into rehabilitation or reablement services.	tbc	tbc
Quality	Mortality - HSMR	Hospital Standardised Mortality Ratio (HSMR)	Blue = better than expected (95% confidence interval), Green = as expected, Amber = worse than expected (95% confidence interval), Red = worse than expected (99% confidence interval).	Comparison with national average performance.
Quality	Mortality - SHMI	Summary Hospital Mortality Index (SHMI)	Blue if no. complaints in latest month is below LCL, Green if below HDFT average for 2015/16, Amber if above HDFT average for 2015/16, Red if above UCL. In addition, Red if a new red rated complaint received in latest month.	Locally agreed improvement trajectory based on comparison with HDFT performance last year.
Quality	Complaints	No. complaints, split by criteria	Blue if latest month ratio places HDFT in the top 10% of acute trusts nationally, Green if in top 25%, Amber if within the middle 50%, Red if in bottom 25%	Comparison of HDFT performance against most recently published national average ratio of low to high incidents.
Quality	Incidents - all	Incidents split by grade (hosp and community)	Green if less than 8 SIRIs reported per month in the year to date and no never events reported in the current month; Amber if 8 or 9 SIRIs and reported per month in the year to date and no never events reported in the current month; Red if 1 or more never event reported in the current month and/or 10 or more SIRIs reported per month in the year to date.	
Quality	Incidents - SIRIs (comprehensive and concise) and never events	The cumulative number of SIRIs (comprehensive and concise) and the number of never events reported in the year to date. The indicator includes hospital and community data.	Blue if latest month score places HDFT in the top 10% of acute trusts nationally and/or the % staff recommending the Trust is above 95%, Green if in top 25% of acute trusts nationally, Amber if within the middle 50%, Red if in bottom 25%.	Comparison with performance of other acute trusts.
Quality	Friends & Family Test (FFT) - Staff	% staff who would recommend HDFT as a place to work	Green if latest month >= latest published national average, Red if < latest published national average.	Comparison with national average performance.
Quality	Friends & Family Test (FFT) - Staff	% staff who would recommend HDFT as a place to receive care	Green if latest month overall staffing >=100%, amber if between 95% and 100%, red if below 95%.	The Trusts aims for 100% staffing overall.
Quality	Friends & Family Test (FFT) - Patients	% recommend, % not recommend - combined score for all services currently doing patient FFT	Annual rolling total - 90% green, Amber between 70% and 90%, red <70%.	Locally agreed target level based on historic local and NHS performance
Quality	Safer staffing levels	RN and CSW - day and night overall fill rates at trust level	Blue if latest month >=95%; Green if latest month 75%-95% overall, amber if between 50% and 75%, red if below 50%.	Locally agreed target level - no national comparative information available until February 2016
Quality	Staff appraisal rate	Latest position on no. staff who had an appraisal within the last 12 months	Green if <3.9%, amber if between 3.9% and regional average, Red if > regional average.	HDFT Employment Policy requirement. Rates compared at a regional level also
Quality	Mandatory training rate	Latest position on the % staff trained for each mandatory training requirement	tbc	tbc
Quality	Staff sickness rate	Staff sickness rate	Green if remaining static or decreasing, amber if increasing but below 15%, red if above 15%.	Based on evidence from Times Top 100 Employers
Quality	Temporary staffing expenditure - medical/nursing/other	Expenditure per month on staff types.	Green if <25% of deliveries, amber if between 25% and 30%, red if above 30%.	tbc
Quality	Staff turnover	Staff turnover rate excluding trainee doctors, bank staff and staff on fixed term contracts.	Green if <3% of deliveries, amber if between 3% and 6%, red if above 6%.	tbc
Quality	Maternity - Caesarean section rate	Caesarean section rate as a % of all deliveries	tbc	tbc
Quality	Maternity - Rate of third and fourth degree tears	No. third or fourth degree tears as a % of all deliveries	tbc	tbc
Quality	Maternity - Unexpected term admissions to SCBU	Admissions to SCBU for babies born at 37 weeks gestation or over.	tbc	tbc
Finance and efficiency	Readmissions	No. emergency readmissions (following elective or non-elective admission) within 30 days.	Blue if latest month rate < LCL, Green if latest month rate < HDFT average for 2015/16, Amber if latest month rate > HDFT average for 2015/16 but below UCL, red if latest month rate > UCL.	Locally agreed improvement trajectory based on comparison with HDFT performance last year.
Finance and efficiency	Readmissions - standardised	Standardised emergency readmission rate within 30 days from HED	Blue = better than expected (95% confidence interval), Green = as expected, Amber = worse than expected (95% confidence interval), Red = worse than expected (99% confidence interval).	Comparison with national average performance.
Finance and efficiency	Length of stay - elective	Average LOS for elective patients	Blue if latest month score places HDFT in the top 10% of acute trusts nationally, Green if in top 25%, Amber if within the middle 50%, Red if in bottom 25%.	Comparison with performance of other acute trusts.
Finance and efficiency	Length of stay - non-elective	Average LOS for non-elective patients		



Section	Indicator	Further detail	Traffic light criteria	Rationale/source of traffic light criteria
Finance and efficiency	Non-elective bed days for patients aged 18+	Non-elective bed days at HDFT for HARD CCG patients aged 18+, per 100,000 population	Green if latest month < 2016/17 trajectory, amber if latest month below 2015/16 level plus 0.5% demographic growth but above 2016/17 trajectory, red if above 2015/16 level plus 0.5% demographic growth.	A 2016/17 trajectory has been added this month - this is based on allowing for demographic growth and reducing by the non-elective reductions identified in the Value Proposition.
Finance and efficiency	Theatre utilisation	% of theatre time utilised for elective operating sessions	Green = >=85%, Amber = between 75% and 85%, Red = <75%	A utilisation rate of around 85% is often viewed as optimal.
Finance and efficiency	Delayed transfers of care	% acute beds occupied by patients whose transfer is delayed - snapshot on last Thursday of the month.	Red if latest month >3.5%, Green <=3.5%	Contractual requirement
Finance and efficiency	Outpatient DNA rate	% first OP appointments DNA'd		
Finance and efficiency	Outpatient new to follow up ratio	No. follow up appointments per new appointment.	Blue if latest month score places HDFT in the top 10% of acute trusts nationally. Green if in top 25%, Amber if within the middle 50%, Red if in bottom 25%.	Comparison with performance of other acute trusts.
Finance and efficiency	Day case rate	% elective admissions that are day case	Green if on plan, amber <1% behind plan, red >1% behind plan	Locally agreed targets.
Finance and efficiency	Surplus / deficit and variance to plan	Monthly Surplus/Deficit (£'000s)	Green if on plan, amber <10% behind plan, red >10% behind plan	Locally agreed targets.
Finance and efficiency	Cash balance	Monthly cash balance (£'000s)	Green if rating =4 or 3 and in line with our planned rating, amber if rating = 3, 2 or 1 and not in line with our planned rating.	as defined by NHS Improvement
Finance and efficiency	NHS Improvement continuity of services risk rating	An overall rating is calculated ranging from 4 (no concerns) to 1 (significant concerns). This indicator monitors our position against plan.		
Finance and efficiency	CIP achievement	Cost Improvement Programme performance	Green if achieving stretch CIP target, amber if achieving standard CIP target, red if not achieving standard CIP target.	Locally agreed targets.
Finance and efficiency	Capital spend	Cumulative capital expenditure	Green if on plan or <10% below, amber if between 10% and 25% below plan, red if >25% below plan	Locally agreed targets.
Finance and efficiency	Agency spend in relation to pay spend	Expenditure in relation to Agency staff on a monthly basis (£'s).	Green if <1% of pay bill, amber if between 1% and 3% of pay bill, red if >3% of pay bill.	Locally agreed targets.
Finance and efficiency	Research - invoiced research activity	Trust performance on Monitor's risk assessment framework.	to be agreed	
Operational Performance	NHS Improvement governance rating	Trust performance on Monitor's risk assessment framework.	As per defined governance rating	as defined by NHS Improvement
Operational Performance	RTT Incomplete pathways performance	% incomplete pathways within 18 weeks	Green if latest month >=92%, Red if latest month <92%	NHS England
Operational Performance	A&E 4 hour standard	% patients spending 4 hours or less in A&E.	Blue if latest month >=97%, Green if >=95% but <97%, red if latest month <95%	NHS England, NHS Improvement and contractual requirement of 95% and a locally agreed stretch target of 97%.
Operational Performance	Cancer - 14 days maximum wait from urgent GP referral for all urgent suspect cancer referrals	% urgent GP referrals for suspected cancer seen within 14 days.	Green if latest month >=93%, Red if latest month <93%	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 14 days maximum wait from GP referral for symptomatic breast patients	% GP referrals for breast symptomatic patients seen within 14 days.	Green if latest month >=93%, Red if latest month <93%	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 31 days maximum wait from diagnosis to treatment for all cancers	% cancer patients starting first treatment within 31 days of diagnosis	Green if latest month >=96%, Red if latest month <96%	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 31 day wait for second or subsequent treatment: Surgery	% cancer patients starting subsequent surgical treatment within 31 days	Green if latest month >=94%, Red if latest month <94%	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 31 day wait for second or subsequent treatment: Anti-Cancer drug	% cancer patients starting subsequent anti-cancer drug treatment within 31 days	Green if latest month >=96%, Red if latest month <96%	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 62 day wait for first treatment from urgent GP referral to treatment	% cancer patients starting first treatment within 62 days of urgent GP referral	Green if latest month >=85%, Red if latest month <85%	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 62 day wait for first treatment from consultant screening service referral	% cancer patients starting first treatment within 62 days of referral from a consultant screening service	Green if latest month >=90%, Red if latest month <90%	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 62 day wait for first treatment from consultant upgrade	% cancer patients starting first treatment within 62 days of consultant upgrade	Green if latest month >=85%, Red if latest month <85%	NHS England, NHS Improvement and contractual requirement
Operational Performance	GP OOH - NQR 9	% telephone clinical assessments for urgent cases that are carried out within 20 minutes of call prioritisation	Green if latest month >=95%, Red if latest month <95%	Contractual requirement
Operational Performance	GP OOH - NQR 12	% face to face consultations started for urgent cases within 2 hours	Green if latest month >=95%, Red if latest month <95%	Contractual requirement
Operational Performance	Children's Services - 10-14 day new birth visit	% new born visit within 14 days of birth	Green if latest month >=90%, Amber if between 75% and 90%, Red if <75%.	Contractual requirement
Operational Performance	Children's Services - 2.5 year review	% children who had a 2 and a half year review	Green if latest month >=90%, Amber if between 75% and 90%, Red if <75%.	Contractual requirement
Operational Performance	Community equipment - deliveries within 7 days	% standard items delivered within 7 days	Green if latest month >=95%, Red if latest month <95%	Contractual requirement
Operational Performance	CQUIN - dementia screening	% emergency admissions aged 75+ who are screened for dementia within 72 hours of admission	Green if latest month >=90%, Red if latest month <90%	CQUIN contractual requirement
Operational Performance	Recruitment to NIHR adopted research studies	No. patients recruited to trials	Green if above or on target, red if below target.	
Operational Performance	Directorate research activity	The number of studies within each of the directorates	to be agreed	

Data quality assessment

Green		No known issues of data quality - High confidence in data
Amber		On-going minor data quality issue identified - improvements being made/ no major quality issues
Red		New data quality issue/on-going major data quality issue with no improvement as yet/ data confidence low/ figures not reportable

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<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 8.0</b>
<b>Title</b>	<b>Finance Director's Report</b>
<b>Sponsoring Director</b>	Mr J Coulter, Deputy Chief Executive/Finance Director
<b>Author(s)</b>	Mr J Coulter, Deputy Chief Executive/Finance Director
<b>Report Purpose</b>	To provide an update of the Trust's financial position
<b>Key Issues for Board Focus:</b>	
<p>The Board of Directors are asked to:</p> <ul style="list-style-type: none"> <li>- Note that whilst the Trust has delivered the quarter 1 financial control total and has received the first part of the Sustainability and Transformation (S&amp;T) funding, the operational budgetary position is over £780k behind the plan to date.</li> <li>- Note that plans are in place for over 100% of the £9.4m cost improvement target, with a risk adjusted total of 95%. 80% of plans have been actioned to date.</li> <li>- Note that the Trust's cash balance at the end of August was £4.04m, behind our revised cash profile by £2.62m.</li> <li>- Non recurrent actions are being taken in September to provide an opportunity if operational financial performance is managed to achieve the quarter 2 S&amp;T funding.</li> </ul>	
<b>Related Trust Objectives</b>	
To deliver high quality care	Yes – the report provides assurance that high quality care is not compromised by the Trust's financial performance.
To work with partners to deliver integrated care	Yes – the report provides assurance that it continues to work with partners to understand the financial challenges across the sector, and that the Trust continues to address the challenges within the system which may impact on the Trust's performance
To ensure clinical and financial sustainability	Yes – the report provides the Board with a detailed update on the Trust's financial performance and actions taken to ensure ongoing financial sustainability.
<b>Risk and Assurance</b>	Risks associated with the content of the report are reflected in the Board Assurance Framework via: BAF 9: risk of a failure to deliver the operating plan; BAF 10: risk of a breach of the terms of the NHS Provider Licence; BAF 12: risk of external funding constraints; BAF 14: risk to delivery of integrated models of care; and BAF 15: risk of misalignment of commissioner/partner strategic plans.
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to receive and note the content of the report.	

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# August 2016 Financial Position

## Financial Performance

- The Trust reported a deficit of £694k in August, £117k behind plan. We are therefore £781k behind plan year to date. No S&T funding has been assumed for August (or July) as a result of being behind our financial plan. The S&T income not achieved is therefore a further £383k in August, or £767k in the quarter so far.
- There remains a continuing underlying adverse income variance, with a deterioration in August of £400k against our plan for the month. There has been an impact on elective activity levels as a result of the agency cap and junior doctor strike earlier in the year, however we need to deliver the agreed recovery actions that were discussed at the SMT session last month.
- Pay expenditure is reported as a £955k favourable variance to date. It should be noted that within this positive position there is an adverse variance in relation to ward nursing of £464k. Actions discussed at last month's SMT session in relation to bed numbers, revised establishments, rota controls and management of bank and agency requests need to now be delivered to improve this position.
- As discussed above, as a result of the financial performance to date £767k of the sustainability and transformation funding is at risk for the Trust. This variance is compounding the issues above and achievement of September's plan is a key marker for the Trust. The I&E and cash benefit of the S&T money is a huge incentive and we must quickly take the agreed control actions in order to give ourselves the opportunity to receive this funding (see page 2)
- The Trust was £2.62m behind our revised cash plan in August with a balance of £4.04m. The plan was revised in line with agreed HaRD CCG contract payment schedules. In terms of the outstanding debtors information, there are no disputes with either Durham or Middlesbrough Councils, simply slightly less favourable contractual terms than NHS terms, which means payment is received up to 6 weeks later than if the contract was with an NHS body. Further information can be found on page 10.

## Quarterly Cost Improvement Programme update

- Pages 8 and 9 detail our current position in relation to our CIP.
- The achievement of our cost improvement programme is more positive this month. We have currently actioned over 80% of the CIP for the year, have plans identified of over 100% for the year and when risk adjusted our planned achievement is at 95%. This is an improvement on previous months and whilst it remains a key area of focus for the Trust, the progress is encouraging.
- The proportion of schemes that are non-recurrent has increased over the course of the year as gaps in plans are filled with more opportunistic savings. Whilst this is necessary and expected, these are savings that will be required to be refund in 2017/18 in addition to any new efficiency requirement.

# August 2016 Financial Position

## NHSI Financial Sustainability Risk Rating (FSRR)

- The table to the right outlines the Trusts FSRR for August.
- Performance in August has resulted in a FSRR of 3, with margin variance being compounded by our non-achievement of S&T funding in July and August.
- It is anticipated that the Trust will maintain a FSRR of at least 3 over the next 12 months. Achievement of our Q2 position in September would generate a rating of 4.
- It should be noted that the Single Oversight Framework will be in place from October onwards, with revised metrics and scoring (for example a 1 will be lower financial risk and a 4 higher risk). A briefing will be provided on the new framework for all Board members.

August – 16	Plan	Actual
Capital Service Capacity rating	4	3
Liquidity rating	4	4
I&E Margin rating	4	3
I&E Margin Variance rating	3	2
<b>Financial Sustainability Risk Rating</b>	<b>4</b>	<b>3</b>

## Sustainability and Transformation Fund – Quarter 2

- As the Board is aware, receipt of the S&T funding is predicated on achievement of our financial plan each quarter. If our financial plan is achieved, various performance indicators are assessed to determine the full value of S&T due. The financial plan achievement is the key gateway.
- In terms of recovering our current shortfall against plan for Q2, the following non-recurrent actions are planned for September:
  - Expected receipt of a material VAT rebate
  - Our six monthly clean up in relation to Goods Received Notes on the balance sheet
  - Wheelchairs financial controls that manage expenditure to commissioned budget in line with our transfer to a new provider in December
- These actions mean that if we can deliver our September plan we will be very close to achieving our financial plan for the Quarter and associated receipt of S&T funding. Directorates are fully aware of the importance of managing the financial position both in September and through the rest of the year, and the potential benefit of a further £1.15m cash being received to support our capital programme.

# August 2016 Financial Position

## Summary Income & Expenditure 2016/17 For the month ending 31st August 2016

	Budget		Actual To Date £000	Cumulative Variance £000	August Actuals £'000
	Annual Budget £000	Proportion To Date £000			
<b>INCOME</b>					
<b>NHS Clinical Income (Commissioners)</b>					
NHS Clinical Income - Acute	142,485	58,622	57,425	(1,196)	10,766
NHS Clinical Income - Community	56,664	23,628	23,383	(245)	4,634
System Resilience & Better Care Funding	561	234	234	(0)	47
<b>Non NHS Clinical Income</b>					
Private Patient & Amenity Bed Income	1,907	810	536	(274)	76
Other Non-Protected Clinical Income (RTA)	523	218	221	3	(1)
<b>Other Income</b>					
Non Clinical Income	13,073	5,666	5,644	(22)	1,129
Hosted Services	357	106	98	(8)	41
<b>TOTAL INCOME</b>	<b>215,570</b>	<b>89,283</b>	<b>87,541</b>	<b>(1,742)</b>	<b>16,693</b>
<b>EXPENSES</b>					
<b>Pay</b>					
Pay Expenditure	(147,659)	(63,663)	(62,708)	955	(12,593)
<b>Non Pay</b>					
Drugs	(7,443)	(5,690)	(5,672)	18	(880)
Clinical Services & Supplies	(17,036)	(7,601)	(7,639)	(37)	(1,358)
Other Costs	(17,676)	(7,430)	(8,499)	(1,069)	(1,828)
<b>Reserves :</b>					
Pay	(1,740)	(1)	0	1	0
Pay savings targets	0	0	0	0	0
Other Reserves	(7,453)	(1,114)	0	1,114	0
High Cost Drugs	(5,344)	0	0	0	0
Non Pay savings targets	(169)	0	0	0	0
<b>Other Finance Costs</b>	(18)	(7)	(8)	(0)	0
<b>Hosted Services</b>	(1,057)	(370)	(399)	(29)	(105)
<b>TOTAL COSTS</b>	<b>(205,594)</b>	<b>(85,876)</b>	<b>(84,925)</b>	<b>951</b>	<b>(16,764)</b>
<b>EBITDA</b>	<b>9,976</b>	<b>3,407</b>	<b>2,616</b>	<b>(791)</b>	<b>(71)</b>
Profit / (Loss) on disposal of assets	0	0	0	0	0
Depreciation	(5,081)	(2,117)	(2,089)	28	(434)
Interest Payable	(90)	(38)	(83)	(46)	(16)
Interest Receivable	41	17	9	(8)	1
Dividend Payable	(2,646)	(1,103)	(1,165)	(63)	(233)
<b>Net Surplus/(Deficit) before donations and impairment</b>	<b>2,200</b>	<b>167</b>	<b>(712)</b>	<b>(879)</b>	<b>(753)</b>
Donated Asset Income	0	0	98	98	59
Impairments re Donated assets	0	0	0	0	0
Impairments re PCT assets	0	0	0	0	0
<b>Net Surplus/(Deficit)</b>	<b>2,200</b>	<b>167</b>	<b>(614)</b>	<b>(781)</b>	<b>(694)</b>
Consolidation of Charitable Fund Accounts	0	0	0	0	0
Sustainability and Transformation Fund	4,600	1,917	1,150	(767)	0
<b>Total and Consolidated Net Surplus/(Deficit)</b>	<b>6,800</b>	<b>2,084</b>	<b>536</b>	<b>(1,548)</b>	<b>(694)</b>
Technical Adjustments at Month 3 Sustainability and Transformation Fund					0
<b>Operational Budgetary Position</b>	<b>6,800</b>	<b>2,084</b>	<b>536</b>	<b>(1,548)</b>	<b>(694)</b>

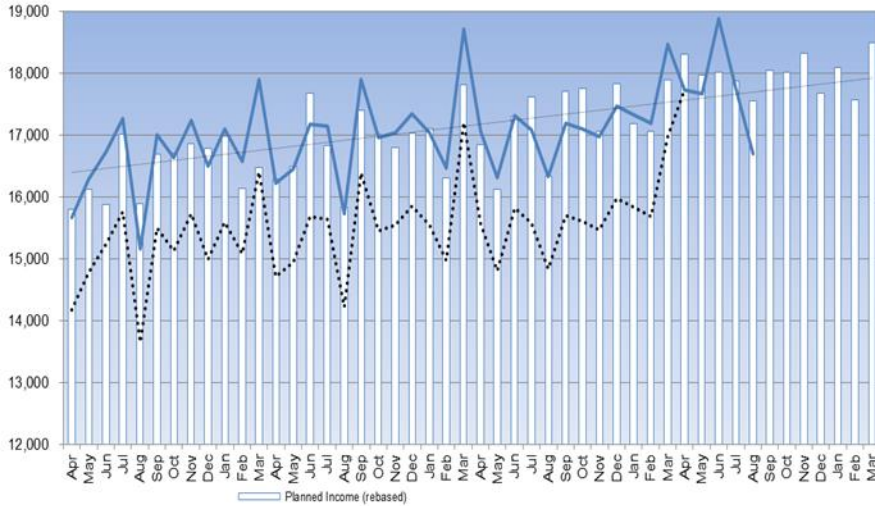
# August 2016 Financial Position

Opening Budget £000		Annual Budget £000	Workforce			In Month			Cumulative		Variance (o.s)/u.s £000
			Budget wte	Contracted wte	Actual wte	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	
1,274	Non-Commissioner Income	1,952				203	208	5	1,085	1,085	(0)
(34,989)	Pay	(36,181)	961.92	917.28	887.97	(3,089)	(2,990)	99	(15,566)	(14,948)	618
(2,947)	Non-Pay	(5,213)				(592)	(504)	88	(2,301)	(2,606)	(305)
<b>(36,662)</b>	<b>Total Childrens &amp; County Wide Community Care D</b>	<b>(39,442)</b>	<b>961.92</b>	<b>917.28</b>	<b>887.97</b>	<b>(3,478)</b>	<b>(3,287)</b>	<b>191</b>	<b>(16,782)</b>	<b>(16,469)</b>	<b>313</b>
1,764	Non-Commissioner Income	3,174				297	289	(8)	1,356	1,280	(77)
(28,642)	Pay	(48,882)	1135.95	1047.49	1039.34	(4,180)	(4,238)	(58)	(21,163)	(21,174)	(11)
(7,202)	Non-Pay	(8,582)				(1,120)	(1,121)	(1)	(5,031)	(5,582)	(551)
<b>(34,080)</b>	<b>Total Long Term &amp; Unscheduled Care Directorate</b>	<b>(54,289)</b>	<b>1135.95</b>	<b>1047.49</b>	<b>1039.34</b>	<b>(5,004)</b>	<b>(5,070)</b>	<b>(67)</b>	<b>(24,838)</b>	<b>(25,476)</b>	<b>(638)</b>
1,457	Non-Commissioner Income	1,675				132	86	(46)	655	478	(177)
(40,216)	Pay	(43,063)	902.56	862.23	832.80	(3,746)	(3,769)	(23)	(18,781)	(18,608)	173
(9,307)	Non-Pay	(15,228)				(1,383)	(1,317)	65	(8,018)	(8,022)	(4)
<b>(48,066)</b>	<b>Total Planned &amp; Surgical Care Directorate</b>	<b>(56,616)</b>	<b>902.56</b>	<b>862.23</b>	<b>832.80</b>	<b>(4,997)</b>	<b>(5,001)</b>	<b>(3)</b>	<b>(26,143)</b>	<b>(26,153)</b>	<b>(9)</b>
<b>(18,471)</b>	<b>Corporate (Clinical)</b>	<b>(16,697)</b>	<b>457.89</b>	<b>426.02</b>	<b>444.07</b>	<b>(1,444)</b>	<b>(1,346)</b>	<b>98</b>	<b>(6,912)</b>	<b>(6,865)</b>	<b>46</b>
<b>(137,279)</b>	<b>Total Clinical Spend</b>	<b>(167,044)</b>	<b>3458.32</b>	<b>3253.02</b>	<b>3204.18</b>	<b>(14,923)</b>	<b>(14,703)</b>	<b>220</b>	<b>(74,675)</b>	<b>(74,963)</b>	<b>(288)</b>
<b>(7,802)</b>	<b>Corporate (inc. CNST)</b>	<b>(13,370)</b>	<b>164.33</b>	<b>161.04</b>	<b>160.09</b>	<b>(1,149)</b>	<b>(1,183)</b>	<b>(34)</b>	<b>(5,511)</b>	<b>(5,761)</b>	<b>(250)</b>
<b>(26,273)</b>	<b>Total Corporate Position</b>	<b>(30,067)</b>	<b>622.22</b>	<b>587.06</b>	<b>604.16</b>	<b>(2,593)</b>	<b>(2,528)</b>	<b>64</b>	<b>(12,422)</b>	<b>(12,626)</b>	<b>(204)</b>
165,941	Commissioner Income	203,613				16,696	15,436	(1,261)	84,343	82,135	(2,208)
(19,158)	Central	(16,399)	2.91	40.95	(24.07)	(819)	(303)	516	(2,073)	(972)	1,100
<b>1,702</b>	<b>Total before donations &amp; impairments</b>	<b>6,800</b>	<b>3,625.56</b>	<b>3,455.01</b>	<b>3,340.20</b>	<b>(194)</b>	<b>(753)</b>	<b>(559)</b>	<b>2,084</b>	<b>438</b>	<b>(1,646)</b>
0	Donations for Capital Expenditure	0					59	59	0	98	98
0	Impairments on Donated assets	0						0	0	0	0
0	Impairments on PCT assets	0						0	0	0	0
<b>1,702</b>	<b>Trust reporting position</b>	<b>6,800</b>	<b>3,625.56</b>	<b>3,455.01</b>	<b>3,340.20</b>	<b>(194)</b>	<b>(694)</b>	<b>(500)</b>	<b>2,084</b>	<b>536</b>	<b>(1,548)</b>
	Charitable funds consolidation	0					0	0	0	0	0
<b>1,702</b>	<b>Total Trust reported position</b>	<b>6,800</b>	<b>3,625.56</b>	<b>3,455.01</b>	<b>3,340.20</b>	<b>(194)</b>	<b>(694)</b>	<b>(500)</b>	<b>2,084</b>	<b>536</b>	<b>(1,548)</b>

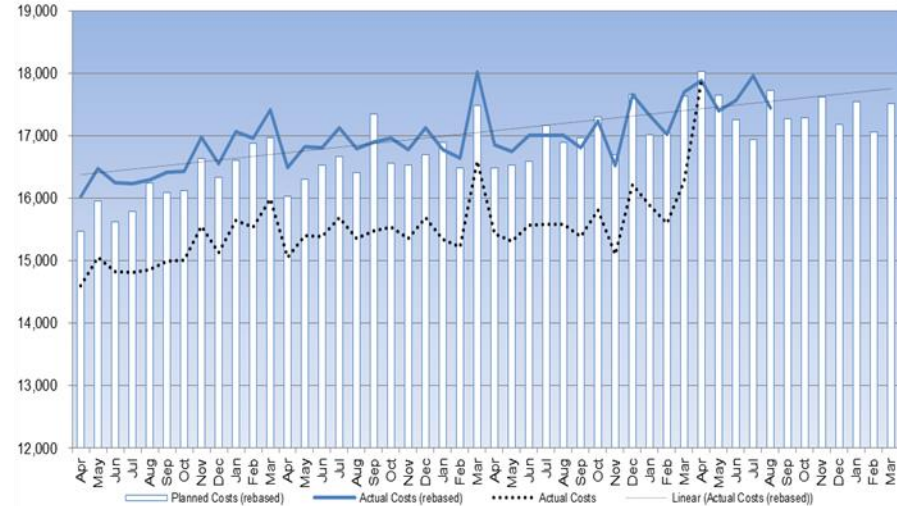


# August 2016 Financial Position

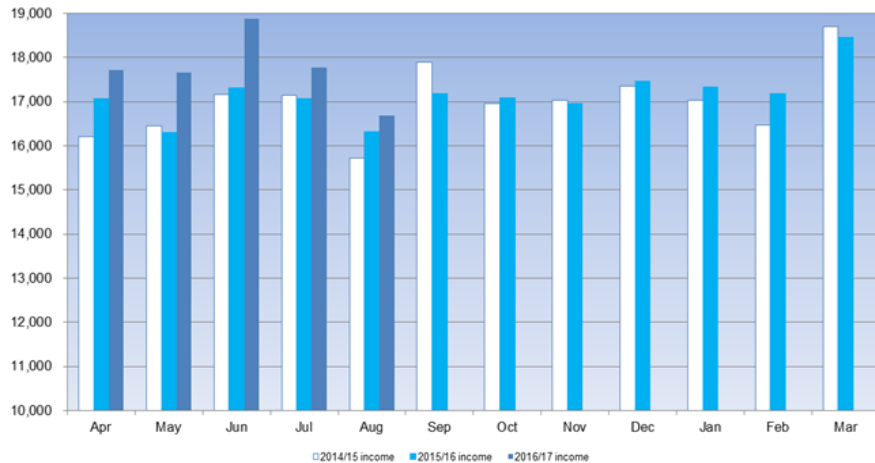
**Planned and Actual Income Apr 2013 - Mar 2017 (rebased for new contracts)**



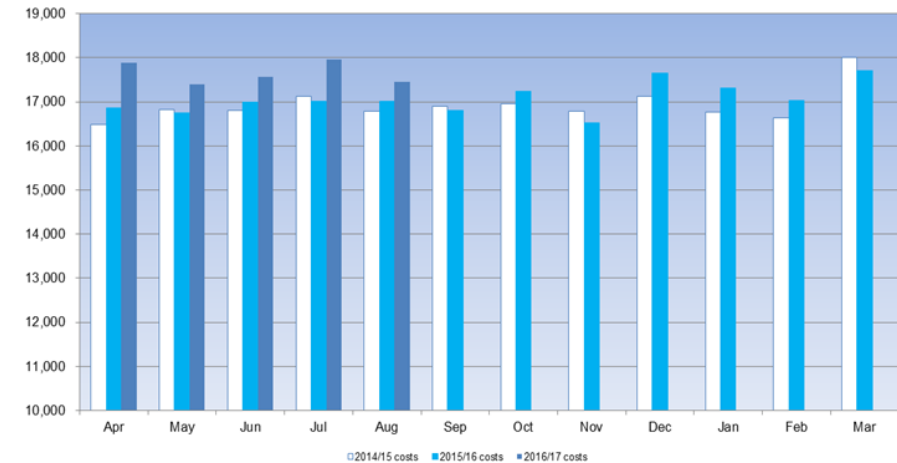
**Planned and Actual Costs Apr 2013 - Mar 2017 (rebased for new contracts)**



**Actual Income (rebased) 2014/15, 2015/16 & 2016/17**

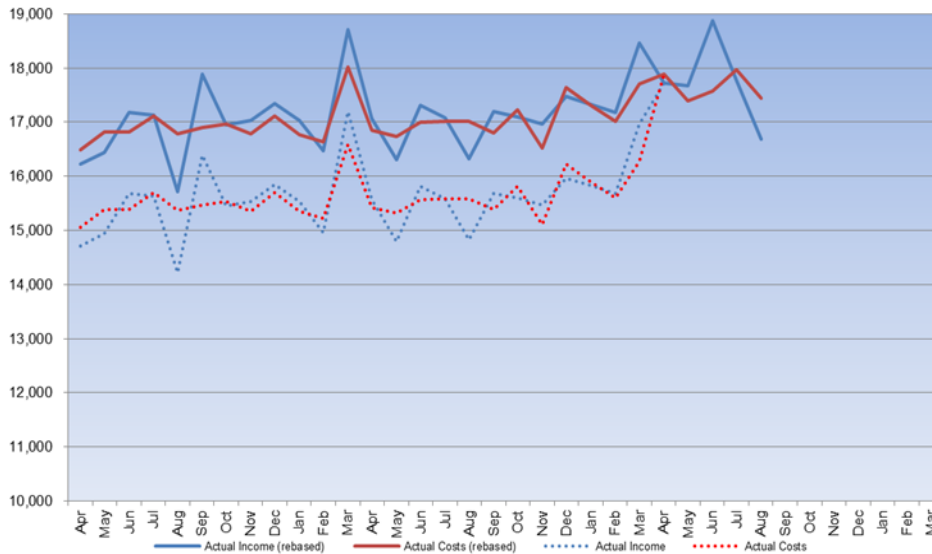


**Actual costs (rebased) 2014/15, 2015/16 & 2016/17**

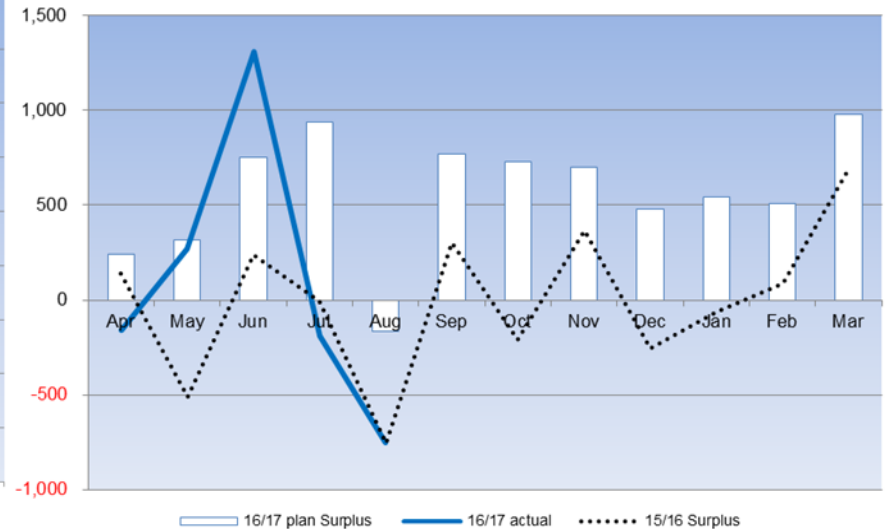


# August 2016 Financial Position

Actual Income against Actual Cost April 2014 - March 2017



Comparison of monthly Surplus/(Deficit) - April 15 to March 17

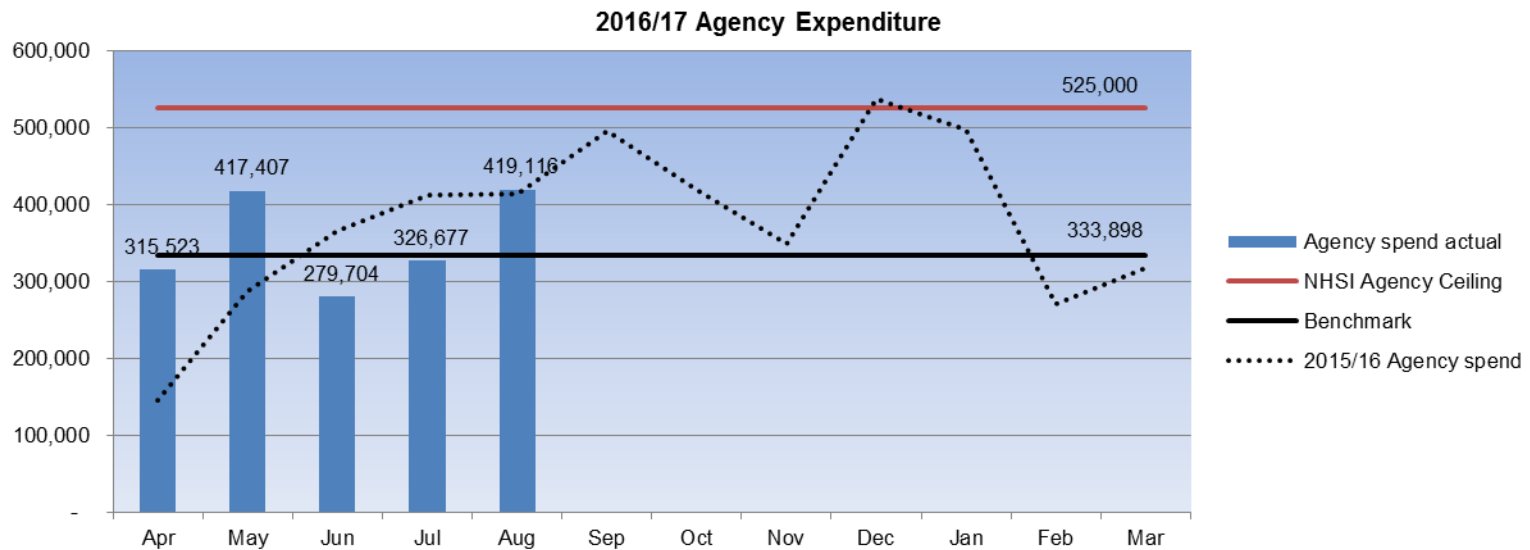


	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2014/15 income	14,717	14,945	15,674	15,637	14,221	16,388	15,451	15,533	15,845	15,539	14,967	17,201
2015/16 income	15,564	14,802	15,810	15,578	14,826	15,689	15,595	15,467	15,968	15,828	15,686	16,967
2016/17 income	17,725	17,665	18,876	17,771	16,693							
2014/15 costs	15,058	15,394	15,387	15,695	15,362	15,476	15,533	15,358	15,695	15,346	15,214	16,591
2015/16 costs	15,427	15,314	15,572	15,584	15,584	15,384	15,807	15,099	16,222	15,890	15,597	16,275
2016/17 costs	17,887	17,392	17,567	17,961	17,444							
14/15 Surplus	-341	-449	287	-58	-1,141	912	-82	175	150	193	-247	610
15/16 Surplus	137	-512	238	-6	-758	305	-212	368	-254	-62	90	693
16/17 Surplus	-162	273	1,309	-190	-751							

# August 2016 Financial Position

## Agency Expenditure

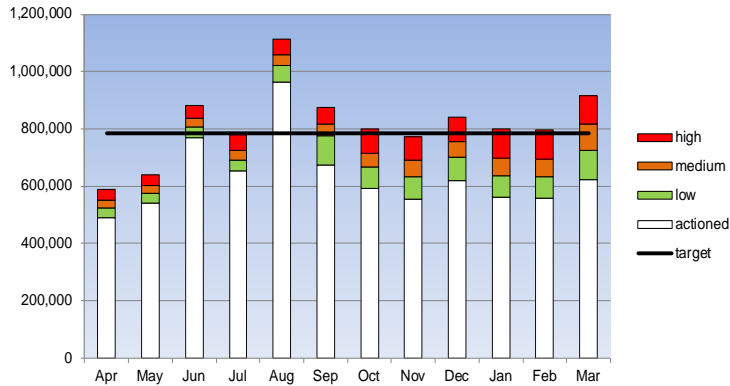
- Agency expenditure remains a key area of focus. The graph below outlines the Trust performance against the Agency ceiling. This expenditure ceiling was set by NHSI using information which included internal locum expenditure. The black line outlines a benchmark when internal locums are removed from the ceiling calculation.



# 2016/17 Efficiency Update

## Trustwide Cost Improvement Programme

2016/17

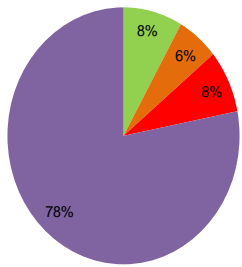


Summary	Target	Actioned	Low	Medium	High	Total	Total %age	Risk Adjust	Risk Adj %age
Trustwide	9,400,000	7,586,747	800,608	564,017	766,483	9,717,855	103%	8,951,835	95%
% age of target			9%	6%	8%				

Top 10 unactioned schemes      Top 10 as % of schemes -      7%

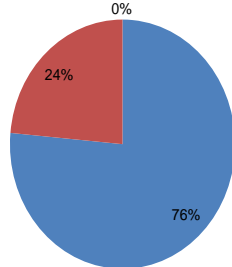
No.	Scheme	Value	Risk
1	ED clinical assessment	90,000	Low
2	Estates Rationalisation	90,000	high
3	Repatriation of hand trauma	82,500	high
4	Reduction in overspend on Middle Grades	75,000	medium
5	Income Activity and Transformation - Additional Income from new business (Podiatry to staff services, Pathology GP W	70,500	Low
6	Respiratory Follow up clinic	68,400	high
7	Locum Reduction	65,000	high
8	Patient cancellation audit	62,500	high
9	Theatre utilisation - Straight to daycases (400 days) Assumed £150 per bed day to just reflect nursing costs	60,000	Low
10	radiology clinical assessment	57,000	high

CIP schemes by Risk



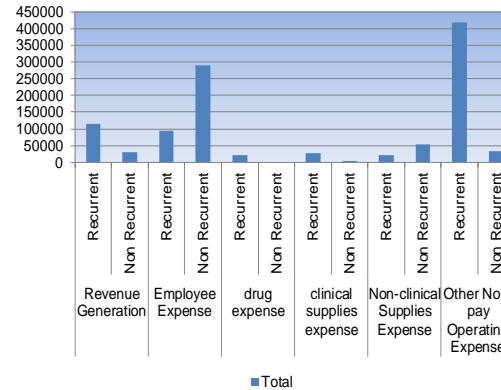
Low medium high Actioned

Recurrent V Non Recurrent Plans

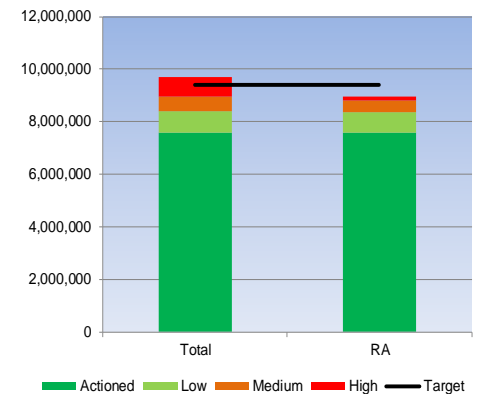


Recurrent Non Recurrent (blank)

Efficiency Category



Risk Profile



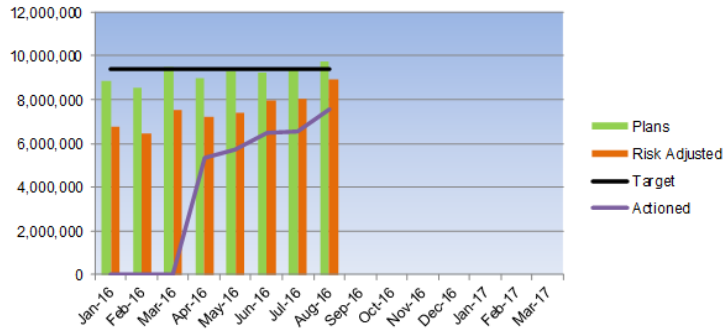
- As outlined above, £7,586,747 full year effect of cost improvement schemes have been actioned to date. This equates to 80% of the target.
- Of the high value schemes, three are rated as high risk. These are currently being reviewed with the directorates.
- Of the total above, £1m of schemes are linked to transformational work. 34% of these have been actioned, therefore the clinical transformation board is focusing on ensuring blocks to this positive area of work are removed.

# 2016/17 Efficiency Update

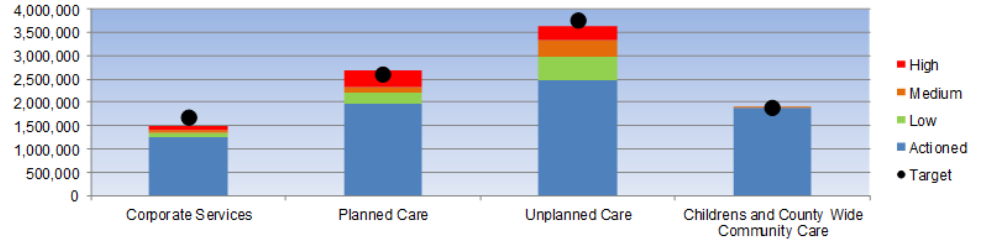
## Trustwide Cost Improvement Programme

2016/17

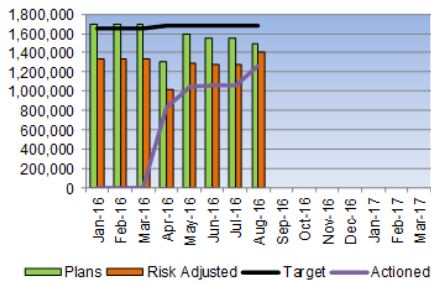
Trustwide Monthly Progress against Target (Full Year Effect)



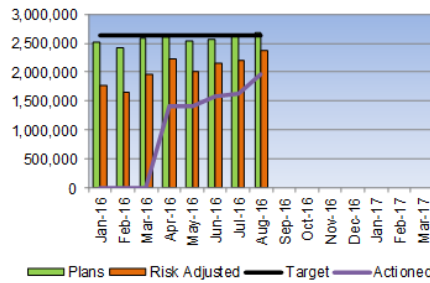
Summary	Target	Actioned	Low	Medium	High	Total	Total %age	Risk Adjust	Risk Adj %age
Corporate Services	1,675,100	1,266,100	83,000	52,000	90,000	1,491,100	89%	1,404,550	84%
Planned Care	2,620,400	1,957,147	237,458	126,917	363,283	2,684,805	102%	2,356,922	90%
Unplanned Care	3,761,800	2,488,200	480,150	353,500	313,200	3,635,050	97%	3,289,783	87%
Childrens and County	1,906,900	1,875,300	0	31,600	0	1,906,900	100%	1,900,580	100%



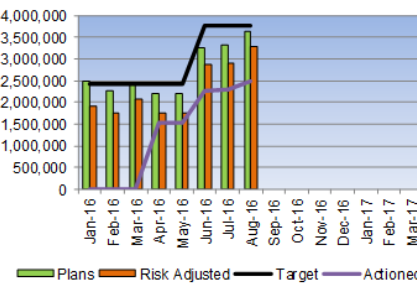
Corporate Monthly Progress against Target (Full Year Effect)



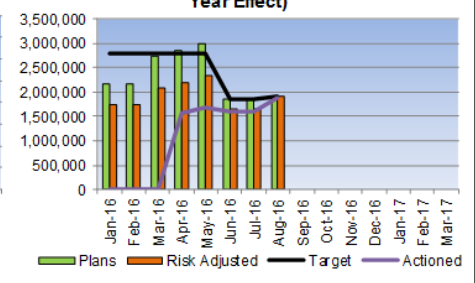
Planned Care Monthly Progress against Target (Full Year Effect)



Unplanned Care Monthly Progress against Target (Full Year Effect)



Childrens and County Wide Community Care Monthly Progress against Target (Full Year Effect)



Corporate R - NR Split



Planned Care R - NR Split



Unplanned Care R - NR Split



Childrens and County Wide Community Care R - NR Split

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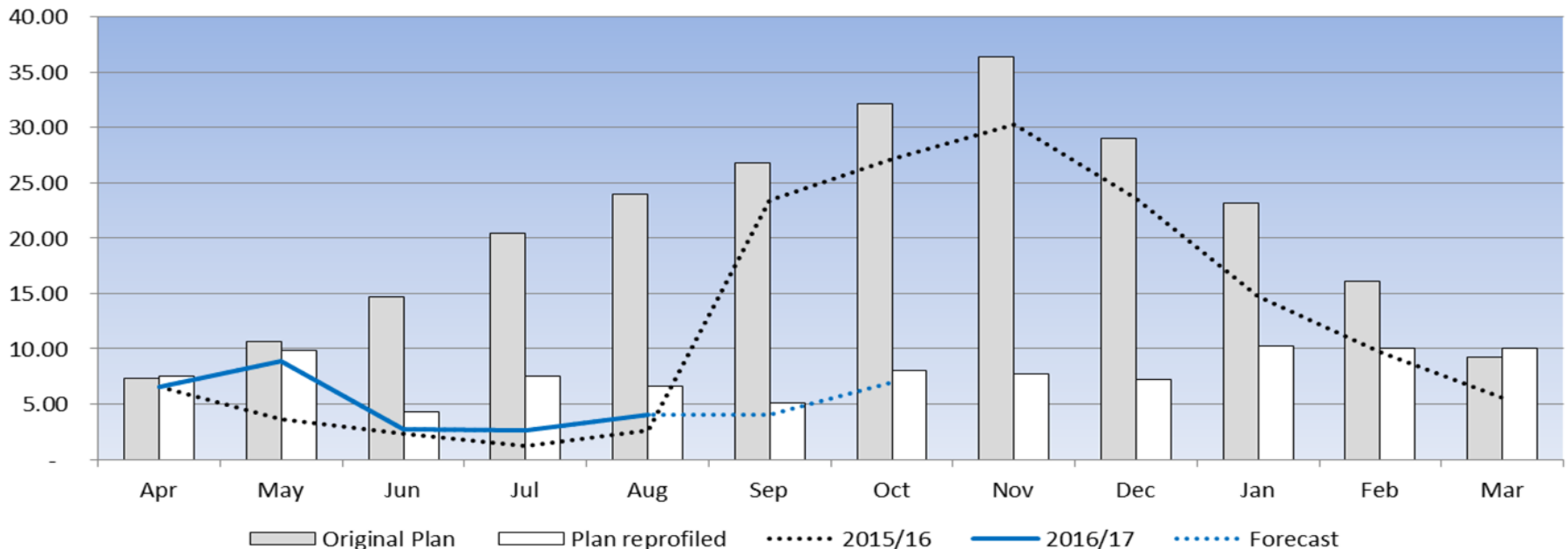
- The above highlights directorate level performance. The significant changes to planned target relate to the directorate restructure.

# Cash Management

Outstanding Accounts Receivables Debts - Aug 16	0 to 30 Days £000	31 to 60 Days £000	61 to 90 Days £000	Over 91 Days £000	Total £000
NHS/WGA Debts	2,494	3,584	472	5,161	11,711
Insurance Companies	35	52	36	34	157
Other	71	466	78	179	794
<b>Totals</b>	<b>2,600</b>	<b>4,102</b>	<b>586</b>	<b>5,374</b>	<b>12,662</b>

August 2016 Top 5 Receivables	(£)
DURHAM COUNTY COUNCIL	1,875,000.00
NHS HARROGATE AND RURAL DISTRICT CCG	1,684,967.58
NHS ENGLAND	1,435,058.01
NHS HAMBLETON RICHMONDSHIRE AND WHITBY CCG	1,025,247.66
MIDDLESBROUGH COUNCIL	793,295.75
YORK TEACHING HOSPITAL NHS FOUNDATION TRUST	734,622.13
<b>Total</b>	<b>7,548,191.13</b>

## Cashflow Monitoring 2016/17



<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 9.0</b>
<b>Title</b>	<b>Chief Operating Officers Report</b>
<b>Sponsoring Director</b>	Mr R Harrison, Chief Operating Officer
<b>Author(s)</b>	Mrs Rachel McDonald, Head of Performance & Analysis Mr Jonathan Green, Information Analyst Specialist
<b>Report Purpose</b>	To provide the Board with an update on operational issues during the period for information
<b>Key Issues for Board Focus:</b>	
<p>The Board of Directors are asked to:</p> <ul style="list-style-type: none"> <li>- Note the challenges faced by the Trust with regard to Wheelchair Services including an increase in backlog of orders and delays for patients awaiting equipment.</li> <li>- Receive an update on the recent selection of West Yorkshire by NHS England as the A&amp;E Acceleration Zone, which aims to deliver the 95% A&amp;E waiting time standard as an aggregate between all providers for the month of March 2017.</li> <li>- Note significant progress relating to the Carbon Energy Fund and the anticipated reduction in cancellation of theatre cases as a result of a reduction in chiller failures during periods of high external temperatures.</li> <li>- Receive an update on service activity and recovery plans.</li> <li>- Note the continuation of detailed work to develop winter planning.</li> </ul>	
<b>Related Trust Objectives</b>	
To deliver high quality care	Yes – the report provides updates to the Board on progress with regard to work to improve the efficiency and effectiveness of high quality care deliver within the Trust. The report provides detail on operational issues and delivery against national performance standards.
To work with partners to deliver integrated care	Yes – the report provides updates on the collaborative work with partners across the region and our commissioners to improve delivery of care and treatment to patients.
To ensure clinical and financial sustainability	Yes – the report provides the Board with assurance on progress of work across the region to ensure sustainable delivery of clinical models across the system.
<b>Risk and Assurance</b>	Risks associated with the content of the report are reflected in the Board Assurance Framework via: BAF 4: risk of a lack of interoperable systems across New Care Models partners; BAF 9: risk of a failure to deliver the operational plan; BAF 10: risk of a breach of the terms of the NHS Provider licence; BAF 16: risk to delivery of integrated care models.
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to receive and note the content of the report.	

## **CHIEF OPERATING OFFICER'S REPORT**

### **Board of Directors' meeting 28 September 2016**

#### **1.0 NORTH YORKSHIRE AND YORK COMMUNITY WHEELCHAIR SERVICES**

The Wheelchair Service has consistently identified that there is a greater need for the purchase of wheelchairs and associated equipment for users than the budget provided by commissioners (approximately £40k per month). In previous years the Trust has cross subsidised the service, however, this year it is unable to do so. HDFT has therefore had to ensure that all orders are prioritised on the basis of clinical need.

To date the CCGs across North Yorkshire have confirmed that they require HDFT to remain within the budget provided and this is now causing a significant backlog of orders and delays for patients awaiting equipment.

The situation regarding waiting times was shared with CCG in July and a tracker was introduced to highlight the priority status of cases and cost per case. The tracker prioritises patients on clinical need with those at risk of pressure sores being the highest need, along with terminally ill patients and those with conditions that will deteriorate if there is no provision.

At present, there are over 300 patients waiting for wheelchairs and/or other associated resources. The projected number of patients waiting for wheel chairs and associated equipment could potentially rise to 700-800 individuals by the time of contract transfer on 1<sup>st</sup> December 2016 to Nottingham Rehab Services, the new provider. The Trust has received to date 24 concerns/complaints relating to the delays along with a level of media interest in this difficult situation.

#### **2.0 WEST YORKSHIRE A&E ACCELERATION ZONE**

NHS England has identified West Yorkshire as the A&E Acceleration Zone with the aim to deliver the 95% standard as an aggregate between all providers for the month of March 2017. West Yorkshire has been identified as it has a significant number of different Vanguard programmes across the area, including a system wide Urgent Care Vanguard.

The providers in WYAAT are working together to respond to this request, and will be submitting plans which identify the resource requirements to make this significant step change.

This request should not be underestimated as based on the agreed performance trajectories for the WYAAT group this would require a shift from a planned aggregate of 93% to 95%. In addition the year to date position should be noted with three out of six Trusts often below 90% and only two providers achieving 95% in any month year to date.

#### **3.0 CARBON AND ENERGY FUND**

The chilled water ring main system which connects the new roof mounted chillers was put into operation on the 28<sup>th</sup> August. This now gives the Trust a significant element of resilience in the provision of chilled water serving Fewston Wing, Theatres, ITU, etc. This is a major step forward in the programme and should now ensure that we do not cancel theatre cases due to chiller failures during periods of high external temperatures, which occurred again this August.

Work in the satellite plantrooms across the site has now progressed to the point where the next stage will be decommissioning of the steam system and operation using medium temperature hot water. There has been a delay to the works in the energy centre due to additional structural works



being required. As this element is on the programmes critical path the project completion date will be extended, and the contractor is currently updating the project programme in order to establish a revised completion date.

#### **4.0 SERVICE ACTIVITY AND RECOVERY PLANS**

At Trust level for all commissioners showing variances above or below 3% are as follows – At the end of August, new outpatient activity was 5.9% below plan, follow-up outpatient activity was 4.8% below plan, elective admissions were 9.8% below plan, and ED attendances were 3.9% above plan.

For Leeds North CCG, new outpatient appointments were 13.8% above plan, follow-up outpatient activity was 4.2% above plan, and elective admissions were 6.2% below plan.

As discussed at the recent finance committee, Clinical Directorates have put together detailed recovery plans during August, the largest income variance sits within Planned and Surgical Care, which as at the end of July was £1.3m under plan. Therefore with no actions this would deliver a £4.3m gap in income for the full year. The directorate plans set out to mitigate £3.5m of this gap, however when risk assessed this reduced this to £2.3m. Therefore the directorates have continued to work on action plans to reduce this gap further with a focus around Day case procedures working with their clinical leads. This has led to an additional collaboration with Leeds Teaching Hospital Trust to transfer additional General Surgery patients for treatment which is due to start the week of the 26<sup>th</sup> September and further work is ongoing in relation to maximising the use of the new Alwoodley clinic space.

#### **5.0 WINTER PLANS**

Work is ongoing to finalise plans for the winter period. This is a very detailed piece of work to ensure we have sufficient resilience through the period, balancing bed requirements with staffing numbers and affordability. It has been possible to maintain twenty six beds closed on site for a significant period over the summer and therefore teams are working on the ability to extend this as part of the plan. The Final plans will be signed off by the Operational Delivery Group at the end of September.

#### **6.0 FOR APPROVAL**

There are no items for approval this month.

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<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 10.0</b>
<b>Title</b>	<b>Chief Nurse Report</b>
<b>Sponsoring Director</b>	Mrs J Foster, Chief Nurse
<b>Author(s)</b>	Mrs J Foster, Chief Nurse
<b>Report Purpose</b>	To receive, note and approve the contents of the report
<b>Key Issues for Board Focus:</b>	
<p>The Board of Directors are asked to:</p> <ul style="list-style-type: none"> <li>- <b>Note</b> the results of Director Inspection Visits and red rating for Pannal Ward</li> <li>- <b>Note</b> the reduction in the number of complaints received by the Trust in July and the slight increase in the number of complaints received in August</li> <li>- <b>Understand</b> the steps being undertaken to maintain safe staffing levels across the Trust and receive an update on the highest areas of risk: CATT; AMU; Byland; Jervaulx; and Farndale</li> <li>- <b>Note</b> the impact of the registered nurse recruitment initiatives, and the commencement of 26 newly qualified nurses in September and October</li> <li>- To receive <b>assurance</b> that the Trust continued to provide safe and effective care to patients during the period</li> </ul>	
<b>Related Trust Objectives</b>	
To deliver high quality care	Yes – the report provides assurance that safe staffing levels are maintained throughout the Trust, and the actions taken for areas where staffing levels have not been maintained.
To work with partners to deliver integrated care	No.
To ensure clinical and financial sustainability	Yes – the report supports to Trust’s objective to ensure quality of care is not compromised due to insufficient clinical staff.
<b>Risk and Assurance</b>	Risks associated with the content of the report are reflected in the Board Assurance Framework via: BAF 1: risk of a lack of medical, nursing and clinical staff; BAF 3: risk of a failure to learn from feedback and incidents; and BAF 13: risk of insufficient focus on quality in the Trust.
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to receive and note the content of the report.	

## Unannounced Directors' Inspections 2016-2017

Date	Ward/Dept.	Risk Rating	Critical Issues	Review Date	Outcome	Critical Issues
14/04/2016	Mortuary	Green	N/A	N/A	N/A	N/A
26/04/2016	Endoscopy	Green	N/A	N/A	N/A	N/A
06/05/2016	Day Surgery Unit (follow up visit)	Green	N/A	N/A	N/A	N/A
12/05/2016	Acute Medical Unit	red	Lack of cannula VIP scores.	09/09/2016 Successful audit now compliant	Green	N/A
06/06/2016	Medical Day Unit	Amber	Largely relating to the non-compliant chairs in the treatment room and waiting room.	<b>Update Sept</b> Treatment room chairs now replaced.  Waiting room chairs remain non-compliant.		
16/06/2016	Pannal (follow up visit)	red	Further review to be undertaken ( Lack of cannula VIP scores)	Remains red following re-visit failed again.	red	
24/06/2016	Harlow	red	Lack of cannula VIP scores	JF IPC re-audited Sept Harlow now compliant	Green	N/A
14/07/2016	Whitby Dental Clinic	Green	N/A	N/A	N/A	N/A
29/07/16	Ice Store, Knaresborough	red				
16/08/16	Dental Clinic Settle HC	Green	N/A	N/A	N/A	N/A

### Patient Safety Visits

Since the last report to Board, the following visits have taken place:

Date	Area
01/07/16	Orthopaedic Outpatients
13/07/16	Byland/ Jervaulx
02/08/16	Maternity

### Complaints Update

The number of complaints received in July is 21.

- Of the 21 complaints received in **July 2016**, 15 were graded Yellow and 5 Green.

The number of complaints received in August is 25.

- Of the complaints received in **August 2016**, 19 were graded Yellow and 6 Green.

Total number of complaints by month for 2016/17 compared to 2015/16													
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
<b>2016/17</b>	18	16	23	21	25								
<b>2015/16</b>	26	18	30	15	17	26	11	9	12	12	21	16	<b>213</b>

## Nurse Recruitment

Last month I reported the nurse recruitment campaign continues to be successful in that the number of registered nurses being recruited is exceeding the number of registered nurses leaving. This has continued throughout July and August.

26 newly qualified nurses are commencing in September and October.

The next event is planned for September to coincide with the Trust Open day. We are attending a recruitment event in Scotland in October.

We have had a small success recruiting from the EU. 5 nurses have either started or are about to start work in the Trust.

## Actual versus Planned Nurse Staffing - Inpatient areas

The table below summarises the average fill rate on each ward during **July 2016**. The fill rate is calculated by comparing planned staffing hours and actual staffing achieved.

This is the third month that we are required to submit information on the total number of patients that were on each ward throughout the month – this is then used to calculate the new “Care Hours per Patient Day (CHPPD)” metric. Our overall CHPPD for July is 8.49 care hours per patient per day. NHS England will be publishing this data for every Trust but we don’t know yet how our data will compare to that of other Trusts.

Ward name	Jul-2016						
	Day		Night		Care hours per patient day (CHPPD)		
	Average fill rate - registered nurses/mid wives	Average fill rate - care staff	Average fill rate - registered nurses/mid wives	Average fill rate - care staff	Registered nurses/mid wives	Care Support Workers	Overall
AMU	91%	129%	97%	139%	4.40	3.15	7.55
Byland	76%	139%	86%	150%	2.86	3.79	6.65
CATT	82%	119%	117%	103%	5.06	3.03	8.09
Farndale	80%	135%	105%	153%	3.08	4.76	7.85
Granby	83%	141%	100%	174%	3.57	3.95	7.52
Harlow	100%	49%	95%	-	7.14	1.04	8.17
ITU/HDU	87%	-	90%	-	23.88	2.22	26.09
Jervaulx	87%	161%	102%	130%	3.23	5.26	8.49
Lascelles	93%	97%	100%	100%	4.64	4.19	8.83
Littondale	93%	128%	98%	200%	3.68	2.83	6.51
Maternity Wards	91%	99%	94%	95%	11.67	3.53	15.20
Nidderdale	93%	133%	97%	203%	3.87	3.51	7.38
Oakdale	95%	134%	95%	187%	4.27	3.72	7.99
Special Care Baby Unit	93%	84%	110%	-	11.42	2.10	13.52
Trinity	89%	104%	100%	200%	4.03	3.63	7.66
Wensleydale	83%	109%	100%	97%	3.72	2.69	6.41
Woodlands	98%	105%	90%	100%	10.25	3.70	13.95
<b>Trust total</b>	<b>89%</b>	<b>126%</b>	<b>97%</b>	<b>141%</b>	<b>4.92</b>	<b>3.57</b>	<b>8.49</b>

ED	85%	44%	103%	97%
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## Actual versus planned nurse staffing - inpatient areas August 2016

The table below summarises the average fill rate on each ward during **August 2016**. The fill rate is calculated by comparing planned staffing hours and actual staffing achieved.

This is the fourth month that we are required to submit information on the total number of patients that were on each ward throughout the month – this is then used to calculate the new “Care Hours per Patient Day (CHPPD)” metric. Our overall CHPPD for August is 8.52 care hours per patient per day. NHS England will be publishing this data for every Trust but we don’t know yet how our data will compare to that of other Trusts.

Ward name	Aug-2016						
	Day		Night		Care hours per patient day (CHPPD)		
	Average fill rate - registered nurses/mid wives	Average fill rate - care staff	Average fill rate - registered nurses/mid wives	Average fill rate - care staff	Registered nurses/mid wives	Care Support Workers	Overall
AMU	87%	113%	91%	170%	4.30	3.11	7.41
Byland	85%	125%	102%	117%	3.13	4.23	7.37
CATT	82%	110%	116%	119%	5.26	3.12	8.38
Farndale	99%	140%	105%	144%	3.37	4.51	7.88
Granby	74%	144%	100%	165%	3.41	4.01	7.42
Harlow							
ITU/HDU	93%	-	97%	-	20.69	1.86	22.55
Jervaulx	85%	151%	100%	136%	3.20	5.20	8.40
Lascalles	91%	99%	100%	100%	4.45	4.11	8.56
Littondale	85%	130%	90%	190%	3.24	2.71	5.96
Maternity Wards	89%	90%	99%	96%	12.78	3.67	16.46
Nidderdale	94%	125%	89%	200%	3.46	3.04	6.50
Oakdale	91%	133%	94%	195%	4.36	3.98	8.34
Special Care Baby Unit	98%	93%	100%	-	25.73	6.58	32.31
Trinity	94%	111%	100%	135%	3.51	3.19	6.69
Wensleydale	86%	130%	100%	135%	3.26	2.94	6.21
Woodlands	75%	82%	91%	94%	15.14	4.74	19.88
<b>Trust total</b>	<b>87%</b>	<b>124%</b>	<b>98%</b>	<b>140%</b>	<b>4.88</b>	<b>3.64</b>	<b>8.52</b>

ED staffing	87%	66%	100%	68%
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### Further information to support the August data

On the medical wards Jervaulx, Byland, AMU and CATT where the Registered Nurse (RN) fill rate was less than 100% against planned; this reflects current band 5 Registered Nurse vacancies and is reflective of the local and national position in particular regarding the difficulties in recruiting Registered Nurses. The Trust is engaged in an extensive recruitment plan in response to this. Extra care staff were deployed to support the wards during this period and this is shown in the enhanced care staff, day and night time hours. Further care staff hours were required at times in these areas to provide intensive 1:1 patient support.

In addition planned staffing levels on Jervaulx and Byland remain adjusted to reflect the closure of beds in these areas in response to Registered Nurse vacancies and activity levels.

The Harlow suite has been temporarily closed throughout August due to reduced activity levels. This has enabled nursing staff to work on Farndale ward where there is increased vacancies and sickness.

On Granby ward although the daytime RN hours were less than planned due to vacancies, an assessment was undertaken on a shift by shift basis to ensure that the planned staffing matched the needs of the patients. In addition further care staff hours were required at times in this area to provide intensive 1:1 patient support.

The ITU /HDU the day and night staffing levels which appear as less than planned are flexed when not all beds are occupied and staff assist in other areas. National standards for RN's to patient ratios are maintained.

The planned staffing levels on the Delivery Suite and Pannal ward (maternity wards) have been combined to reflect the close working relationship of these two areas and the movement of staff between the wards in response to fluctuating occupancy and activity levels. Some of the RN and care staff gaps in August were due to staff sickness; however a professional assessment was made on a shift by shift basis to ensure that nurse staffing numbers matched the activity.

In some wards the actual care staff hours show additional hours used for 1:1 care for those patients who require intensive support. In August this is reflected on the wards; Acute Medical Unit (AMU), Byland, CATT, Farndale, Granby, Jervaulx, Oakdale, Wensleydale, Nidderdale, and Littondale.

For the Special Care Baby Unit (SCBU) although the daytime RN and care staff hours appear as less than planned it is important to note that the bed occupancy levels fluctuate in this area and a professional assessment was undertaken on a shift by shift basis to ensure that the planned staffing matched the needs of both babies and families.

On Wensleydale ward the daytime RN hours in August were less than planned due to staff vacancies.

The staffing complement for the children's ward, Woodlands, is designed to reflect varying levels of occupancy. Although the day and night time RN and care staff hours are less than 100% in August, the ward occupancy levels vary considerably which means that particularly in this area the number of planned and actual nurses is kept under constant review.

The planned staffing levels on Trinity ward remain adjusted to reflect the closure of beds in these areas in response to Registered Nurse vacancies and activity levels.

### **What this means**

The actual versus planned staffing information is an indication of where the gaps are and therefore the areas at increased risk to patient safety. The highest areas of risk due to nurse staffing levels continue to be on the acute floor, CATT and AMU and the frail elderly floor Byland and Jervaulx. For July and August 8 beds have been closed on both Byland and Jervaulx. Conversations with staff at ward level continue to be about feeling under increased pressure. Farndale staffing continues to be a concern and is being carefully monitored as is Nidderdale and Littondale. In other wards and department areas the concerns being raised are the movement of staff to support these areas.

On balance I believe we continue to provide safe and effective care to patients. This view is supported by our metrics related to safe and effective care such as the reductions in pressure ulcers, falls and complaints. However the risk to patient safety is increased by the current vacancy level should continue to be noted.

**Jill Foster**  
**Chief Nurse**  
**September 2016**

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<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 11.0</b>
<b>Title</b>	Medical Director Report
<b>Sponsoring Director</b>	Dr D Scullion, Medical Director
<b>Author(s)</b>	Dr D Scullion, Medical Director
<b>Report Purpose</b>	To receive an update on clinical issues
<b>Key Issues for Board Focus:</b>	
<p>The Board of Directors are asked to:</p> <ul style="list-style-type: none"> <li>- Receive an update on the National Mortality Case Record Review Programme currently being rolled out in England and Scotland. HDFT is one of the northern pilot sites for the programme</li> <li>- Note the HSMR and SHMI are now within expected range and Ripon Hospital no longer has a higher than expected Standardised Mortality Ratio (SMR) on either SHMI or HSMR</li> <li>- Note that following a plan to publish national data on 30 day mortality rates for patients on systemic chemotherapy, data shows that the Trust is not an outlier</li> <li>- Receive an update in plans for further Junior Doctor industrial action, and receive reassurance that the Trust continues to implement plans in the event industrial action takes place</li> <li>- Note that the latest National Hip Fracture Database report shows the Trust's overall performance is good though areas for improvement have been highlighted with regard to: overall length of stay; perioperative medical assessment; and best practice tariff achievement</li> <li>- Note that there are no high risks to note for the period.</li> </ul>	
<b>Related Trust Objectives</b>	
To deliver high quality care	Yes – the report provides an update on clinical issues which may impact on the delivery of high quality care
To work with partners to deliver integrated care	Yes – the report provides assurance that the Trust continues to work with partners and colleagues at a national and local level, in preparation for forthcoming changes to guidance of a clinical nature.
To ensure clinical and financial sustainability	Yes – the report provides assurance that the Trust continues to deliver clinically sustainable services.
<b>Risk and Assurance</b>	Risks associated with the content of the report are reflected in the Board Assurance Framework via: BAF 1: risk of a lack of medical, nursing and clinical staff; BAF 13: risk of insufficient focus on quality.
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to receive and note the content of the report.	

## **Report by the Medical Director - September 2016**

### **1 Mortality**

I attended a meeting concerning the launch of the National Mortality Case Record Review Programme currently being rolled out in England and Scotland. The Trust is one of the northern pilot sites for the programme. The official launch will take place at the Science of Improvement meeting in Harrogate on 21 and 22 November where the Trust will be providing feedback on its early experience.

No mortality alerts have been received in the most recent notification periods. The latest Hospital Standardised Mortality Ratio (HSMR) has decreased slightly to 103.11 (August 103.39). The Summary Hospital-level Mortality Indicator (SHMI) has increased to 94.37 (August 92.60). This is now within the expected range. Ripon Hospital no longer has a higher than expected Standardised Mortality Ratio (SMR) on either SHMI or HSMR. The rolling average crude death rate continues to slowly fall nationally.

### **2 Systemic Anti-Cancer Therapy 30-day mortality**

Public Health England is planning to publish national data on 30 day mortality rates for patients on systemic chemotherapy. Data submitted by this Trust show that we are not an outlier. The aim of the published data is to explore reasons for variation in practice and outcomes and share lessons learned. Currently all deaths involving patients on systemic chemotherapy are subject to case review. I expect this to be embedded in the new structured case note review process.

### **3 Revalidation Update**

The Trust has received the latest revalidation Annual Organisational Audit from NHS England. This is one element of the overall Framework Quality Assurance and is a measure of the governance arrangements in place to ensure that recommendations to the General Medical Council (GMC) on doctors' fitness to practice, the arrangements for medical appraisal and responding to concerns are functioning effectively. I can assure the Board that we are compliant in all areas with no concerns reported. The annual statement of compliance is presented separately (Paper 15.1) for approval and sign off by Dr Tolcher, Chief Executive and Mrs Dodson, Chairman.

### **4 Junior Doctor industrial action**

Despite the cancellation of the September industrial action, further periods of action are planned for the next three consecutive months. The Justice for Health Judicial review on the legality of the imposition of the Junior Doctor contract by the Secretary of State for Health is currently being heard. As yet there has been no judgement. Further updates will follow as they become known. At the moment the Trust is preparing as if the industrial action will take place as planned, and that the timetable for implementation of the contract will go ahead as planned.

### **5 North Yorkshire Clinical Commissioning Groups Collaborative Serious Incident Panel**

The participating CCGs have requested provide attendance at panel meetings. It is felt provider presence would improve engagement with providers and thereby promote a more transparent means of communication and feedback within the process of serious incidents. The Trust is currently in dialogue with the CCG around timings and attendance at these meetings. There may be a facility for teleconferencing. I can see some logistical difficulties with this process, but hopefully a satisfactory solution can be reached. It is hoped the revised panel process will commence in October 2016. Each provider will be allocated a specific time slot and will be given prior notice of the focus of discussion.

This may relate to specific incident reports, or encompass a more generic or thematic topic. Trust attendees are yet to be finalised

## **6 National Hip Fracture Database**

The latest report has been received. In addition to more general information and recommendations, the report contains Trust specific data. Overall performance is good particularly in the outcomes section; though overall length of stay, perioperative medical assessment and best practice tariff achievement remain areas for improvement. The data has been shared with the Directorate for scrutiny. Benchmarked data against other Y&H Trusts is favourable

Dr David Scullion, Medical Director  
22 September 2016

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<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 12.0</b>
<b>Title</b>	Workforce and Organisational Development Report
<b>Sponsoring Director</b>	Mr Phillip Marshall, Director of Workforce and Organisational Development
<b>Author(s)</b>	Mr Phillip Marshall, Director of Workforce and Organisational Development
<b>Report Purpose</b>	To provide a summary of performance against key workforce matters
<b>Key Issues for Board Focus:</b>	
<p>The Board of Directors are asked to:</p> <ul style="list-style-type: none"> <li>- Note the proposal to add the duties of Freedom to Speak Up Guardian to those of an existing postholder, rather than recruit to a new post</li> <li>- Note the improvement in both appraisal and sickness absence rates following targeted action planning</li> <li>- Receive an update on progress of the Adult Community Services consultation</li> </ul>	
<b>Related Trust Objectives</b>	
To deliver high quality care	Yes – the report triangulates key performance metrics covering quality, finance and efficiency and operational performance, presenting trends over time to enable identification of improvements and deteriorations in the delivery of high quality care.
To work with partners to deliver integrated care	Yes – key performance metrics allow the Board to receive assurance in terms of the delivery of high quality care, often underpinned by collaboration and partnership working, particularly when developing new care models.
To ensure clinical and financial sustainability	Yes – the report provides the Board with assurance on progress of work across the region to ensure clinical and financial sustainability.
<b>Risk and Assurance</b>	Risks associated with the content of the report are reflected in the Board Assurance Framework via: BAF# 1: risk of a lack of medical, nursing and clinical staff; BAF# 2: risk of a high level of frailty in local population; BAF# 9: risk of failure to deliver the operational plan; and BAF# 12: external funding constraints.
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to receive and note the content of the report.	

## **Freedom to Speak Up Guardian**

A detailed Options Appraisal for the role of Freedom to Speak Up Guardian was considered by the Director Team on 14<sup>th</sup> September. The favoured option (of nine) was to add the role to that of an existing postholder, at an appropriate level. Further conversations are underway to align the responsibilities with those of the Freedom to Speak Up Guardian, who will be Dr Sylvia Wood, the Deputy Director of Governance. Once these are completed Dr Wood will be registered with the national Freedom to Speak Up office as the named contact for the Trust, and will attend the national conference in October.

### **b) Library Strategy**

A revised Library Strategy has been produced. This is aligned with the strategies of the Trust and the Directorate, to ensure that library services meet the needs of the organisation and of the patients for whom the Trust cares, now and in the future. A fully documented and approved Library Strategy is required for the national NHS Library Quality Assurance framework, and the document was ratified at the September SMT meeting.

### **c) Appraisals**

As previously reported there have been over 145 emails sent to managers where compliance rates were below 90%, requesting that an action plan be provided to Operational Directors/Heads of Departments to demonstrate how they will achieve at least this level of compliance by the end of December 2016. Managers have been contacted over previous months and continue to receive monthly reminders of progress to date.

The toolkit is live and any managers who wish to discuss how to achieve their targets through either cascading responsibility to staff or exploring team appraisals have been advised to contact their HR Business Partner for assistance.

The appraisal rate for the 12 months to the end of July saw an increase of 2.38% from June to the end July (at 71.83%), although this data does not include the staff recently transferred across under the TUPE regulations. This improvement suggests that the focus through Directorate action planning is paying off.

Medical and Dental appraisal rates have also increased to 75.64% for July, and this continues a positive trend in reaction to the implementation of Schedule 15.

The data cleansing is ongoing for the Durham, Darlington and Middlesborough teams who transferred on 1 April 2016; the information for these areas will continue to be reported separately until the cleansing process has been completed.

### **d) Sickness Absence**

Sickness absence figures for the Trust in June were at 3.7% and for July were at 3.8% - this is the first time that two successive months have been reported as below target since April/May 2015; this continues the general downward trajectory since December 2015. At a Directorate level, Corporate services (2.89%) and Long Term & Unscheduled Care (3.47%) have both shown downward movement in sickness absences over the financial year and for the past two months have been below the Trust target. Planned and Surgical Care has experienced a fluctuating, but overall slightly downward, trajectory with July sickness absence at 3.92%. The Children's and County Wide Community Care Directorate suffered from a spike in sickness absence which coincided with the acquisition of the new services in the North East, but has reduced from a high of 5.22% to 4.68% in July.

There are significant sickness absence issues within the newly acquired Children's services teams. Action planning is in hand to address issues with the reporting and management of absence within those areas; transition to the Harrogate processes is taking place but some historical long term sickness absence cases remain to be concluded.

There continue to be errors in sickness absence reporting with both the Children's and County Wide Community Care and Long Term and Unscheduled Care Directorates making late changes to absence records for both May and June during the month of August.

Inpatient areas are generally showing high levels of absence, primarily as a result of long term sickness absence, with this impacting in a more noticeable way on wards with small teams. Absence levels within the Nursing & Midwifery staff groups have risen slightly to 4.84% within the month and this appears to be predominantly due to an increase in absence due to musculo-skeletal issues. It is hoped that further uptake of the Staff Wellness programme will improve the position by targeting some of the more physical issues which are being reported.

Absences due to stress, anxiety and depression have increased slightly during July, although previous work around promoting personal resilience has impacted such that absence due to this reason is at a lower overall level than in previous years. Further interventions such as the Mental Health First Aid and Mentally Healthy Workplace training courses, which are now running, are intended to continue the improvement in absences related to mental health.

There are three cases which have triggered progression during August to the final stage of the attendance process as a result of sickness absence, and meetings are being arranged for these. Forty six staff have returned from long term sickness absence since 1 August; however, there has been a number of new cases which have commenced in that period, with a current level of 91 long term absence cases.

The following table shows our sickness absence rates over the last three financial years in comparison with other Trusts in the area. It can be seen from this data that we continue to perform well in this area:

	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>
Airedale Foundation Trust	3.76%	4.45%	4.22%
Bradford Teaching Hospitals Foundation Trust	4.94%	5.32%	5.14%
Calderdale and Huddersfield Foundation Trust	4.15%	4.49%	4.63%
Harrogate and District NHS Foundation Trust	3.46%	4.10%	4.01%
Leeds Teaching Hospitals Trust	4.14%	4.09%	3.91%
Mid Yorkshire Hospitals NHS Trust	4.49%	4.78%	4.96%

#### **e) Global Health Exchange**

Following my visit to Hyderabad, a Task and Finish group has been meeting weekly to address aspects of the proposed arrangements. A representative from Health Education England (HEE) will be joining the meetings by video link. A Business Case is being developed to support the introduction of the scheme at the Trust; costs are expected to include agency fees, initial support for accommodation costs, NMC registration and some miscellaneous provision. Assuming that participation is approved the Trust is likely to receive 20 Indian nurses in the first cohort in January 2017. A specific request has been made to HEE for it to fund a Band 6 Clinical Practice Facilitator for the first 12 months, to ensure that the nurses maintain the appropriate clinical standards and

are able to pass the OSCE examination at the earliest opportunity, for the purposes of their NMC registration.

These appointments, along with the continuing success of innovative nursing recruitment methods, will help to offset the significant and rising expenditure on bank and agency staff. To give some idea of the costs of this to the Trust, in the last financial year (FY15-16) the total spend on bank staff with NHS Professionals alone was £895,667, of which all but £13,185 (for AHP staff) was for registered nurses. The equivalent figure for agency nurses was £451,052. The Global Health Exchange and other initiatives are designed to make a significant reduction in this £1.3m expenditure.

#### **f) Health and Wellbeing**

As part of the Trust's Health and Wellbeing initiatives, we are seeking to recruit and train 40 Mental Health Champions from within the Trust staff. This role is an important one as these champions will be an integral part of supporting a change of culture and mental health awareness across the Trust. We are seeking nominations and volunteers from within Directorates with training planned later this year.

In addition to this, the Trust is introducing Schwartz Rounds as part of the Staff Health & Wellbeing agenda. They are a regular gathering in a supportive environment where staff from all disciplines can explore the social and emotional aspects associated with their work of caring for others. The theme of our first Round is either "A patient I'll never forget" or "A day I'll never forget". It will run on Thursday 24 November.

#### **g) Adult Community Services Consultation**

The Adult Community Services consultation exercise started on 10 August 2016, for a 30 day period. Staff were invited to submit a preference form indicating their preferred location within one of the four Community Care Teams and their flexibility to deliver the extended service hours by 8 September 2016. Following feedback from staff and our Trade Union colleagues, we have agreed to extend the window of opportunity for staff to return their preference forms to between 16 – 28 September. This took into account the summer holiday period when some staff were on annual leave.

To date, 54 1:1 consultation meetings have taken place, along with a group meeting with therapy staff. Further dates for 1:1 meetings and two group sessions have been arranged during September at Harrogate and Ripon locations following feedback received from staff. A formal response to the consultation was circulated to all affected staff on 16 September 2016. The revised Job Descriptions, which were amended following feedback from staff and our Trade Union colleagues, were circulated on 19 September 2016.

We are continuing to work with staff and our Trade Union colleagues during this period of transition.

#### **h) The Clinical Workforce Strategy**

A number of World Café events have taken place throughout July, August and September. The purpose of these events is to inform the Clinical Workforce Strategy for the next five years. We have welcomed staff to these events representing: Medical staff, Registered Nurses, Ward Managers/team leaders, Allied Health Professionals, Students from a number of professions and Health Care Assistants. We have been pleased with the representation we have had across the organisation. To aid this further we are also taking the discussion out to our community areas.



### j) Doctors in Training – Industrial Action

As colleagues will know, the British Medical Association announced a series of periods of industrial action in furtherance of its dispute with the Government over the introduction of the new Terms and Conditions for Doctors in Training. The first of these was planned to run on 12 – 16 September but was cancelled. However, subsequent periods of industrial action are planned for 5, 6 and 7 October (weekend covered) and then 10 - 11 October, 14 - 18 November and 5 - 9 December. The industrial action is planned to take the form of a full withdrawal of labour daily from 8am to 5pm. Contingency planning by the Directorates was well underway for the cancelled September industrial action and will continue for the planned periods. The Chief Operating Officer will sign off the plans, which will be designed to maintain high levels of patient safety and experience whilst minimising as far as possible the effect on activity.

### k) Doctors in Training – Conditions Action Plan Update

The Long Term and Unscheduled Care Directorate continues to work towards meeting conditions issued to the Trust by Health Education England Yorkshire and Humber (HEE) following the January visit to the medical specialities. A summary of the conditions is shown in the following table:-

Condition	Summary	Dates for Evidence of Action and status of condition (open/closed)
1 & 3	Trainees receive little or no feedback on their performance (Foundation, Core & Higher Trainees)	30 <sup>th</sup> September 2016 – Condition open
2	Trainees spend too much time on tasks with little or no educational value	31 August 2016 – Condition open
4	Trainees report that there are insufficient senior staff on duty to provide a safe level of care	30 May 2016 – Condition open
5	The posts offer trainees with too narrow an experience to meet curriculum requirements	31 August 2016 – Evidence being collected of trainees attending required clinics, awaiting outcome.
6	Trainees are provided with rotas that do not provide them with sufficient opportunities for rest and recreation	31 August 2016 – Condition proposed - closed

A future workforce plan has been produced by the Long Term and Unscheduled Care management team to address conditions 1, 2, 3 and 4. Evidence is still being collated to meet condition 5. Condition 6 was proposed by medical education to be closed due to rotas being compliant and confirmation of this closure is awaited.

In addition, the Planned and Surgical Care Directorate continues to work towards meeting the conditions from February 2015. The main areas in the outstanding conditions are Consultant supervisor reviews to support trainee work-based assessments being undertaken, addressing out of hours staffing level concerns raised by trainees by developing a clinical support worker service and addressing the need for senior resident support out of hours in surgery.

HEE is returning to visit the Trust on Tuesday 4 October to review the quality of training in General Surgery/Trauma and Orthopaedics/Urology/Obstetrics and Gynaecology/Acute Medical Specialities, and Foundation trainees placed in all specialties. The chair of the panel of 12 HEE representatives is Dr Peter Taylor who was also chair at the January 2016 visit to medicine. The day will commence with a Trust briefing to the visiting panel on progress from the previous two visits; the panel will then meet with the trainees as above, followed by relevant trainers. The HEE panel will then feedback to the Trust their findings at the end of the day. A formal report, published on HEE's website, will be sent to the Trust.

In preparation for the visit the Trust is required to complete a Local Education and Training Provider Assessment Report to detail how, as an organisation, it meets the HEE quality standards around delivery of education on a multi-professional basis. The HEE standards are based on GMC quality standards for education and training and are applicable for all learners in the organisation.

## I) Job Planning

Below are the latest job planning figures for Consultants and Specialty Doctor and Associate Specialist grades as at 31 August 2016. Progress month on month is shown as a RAG rating for overall progress.

SEPTEMBER 2016 JOB PLANNING CENTRAL REPORT - CONSULTANTS										
Directorate	Number of Consultants	Job Plans within 12 months	%	Job Plans older than 12 months	%	Number of Consultant with no Job Plans recorded	%	In progress	Notes	RAG
C & CWCC	13	9	69.23%	0	0.00%	4	30.77%	1	One resigned, one maternity leave, two new starters	
LT & UC	52	48	92.31%	2	3.85%	2	3.85%	4	Two new starters	
P & SC	61	52	85.25%	4	5.00%	5	8.20%	5	One resigned, three new starters	
<b>Total</b>	<b>126</b>	<b>109</b>	<b>86.51%</b>	<b>6</b>	<b>4.76%</b>	<b>11</b>	<b>8.73%</b>	11		

SEPTEMBER 2016 JOB PLANNING CENTRAL REPORT - SAS GRADES										
Directorate	Number of SAS Doctors	Job Plans within 12 months	%	Job Plans older than 12 months	%	Number of SAS Doctors with no Job Plans recorded	%	In progress	Notes	RAG
C & CWCC	6	6	100.00%	0	0.00%	0	0.00%	NA	NA	
LT & UC	9	2	22.22%	2	22.22%	5	55.56%	0	Five new starters	
P & SC	35	11	35.30%	3	8.57%	21	60.00%	7	Five new starters	
<b>Total</b>	<b>50</b>	<b>19</b>	<b>38.00%</b>	<b>5</b>	<b>10.00%</b>	<b>26</b>	<b>52.00%</b>	7		

Change from previous month (in-date JPs)		Improved		No change		Worse				
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The Job Planning Working Group met on 13 September and remains focused on reducing the number of uncompleted job plans. Work has been put in hand to define datasets which will generate both specialty and individual productivity objectives (including addressing matters of variation). A digitised version of the job planning template is being developed, along with a local guide to the accurate completion of job plans and a revision of the Trust Job Planning Policy is also underway.

## m) The Cavendish Coalition

NHS Employers has convened a coalition of organisations across health and social care to address the shared challenges and purpose in light of the decision for the United Kingdom to leave the European Union.

The Cavendish Coalition consists of 29 representative organisations which have come together to take this work forward. It will carry out work in three main areas:

- Improving domestic access to training and employment.
- Providing certainty to EU citizens currently working in health and social care.
- Ensuring longer-term access to global recruitment (though with a clear preference to recruit domestically).

The coalition's first endeavour has been to submit evidence to an inquiry led by British Future, an independent, non-partisan think tank looking into the practicalities of residency status being confirmed for EU citizens currently resident in the UK. This echoes the call for the right to remain for these colleagues across health and social care in the UK. The submission to British Future is available on the NHS Employers' website.

The next phase of work is to ensure that the NHS is an exemplar in terms of the recruitment, deployment and retention of its staff. A number of key areas have been identified for focused work and the Trust will be looking at these and discussing them in employer networks.

#### **n) Staff Friends and Family Test**

A detailed analysis of the responses to the Staff Friends and Family Test was undertaken and presented to the Workforce and Organisational Development Strategy Group in August. Results of the analysis of verbatim comments highlighted concerns in relation to staffing levels and limited resources. Stress levels were cited as a factor in the Long Term and Unscheduled Care Directorate.

In Q1 72% of Trust staff agreed that they would recommend the Trust as a place to work, compared with 64% nationally; this places the Trust in the top 20% nationally of recommended places to work. Positive comments included the supportive, friendly atmosphere, accessible, visible management and generous benefits and flexibility.

**Phillip Marshall**  
**Director of Workforce and Organisational Development**

September 2016

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## Report to the Board from the Quality Committee

<b>Committee Name:</b>	Quality Committee
<b>Committee Chair:</b>	Mrs L.A. Webster, Non-Executive Director. Quality Committee Chair
<b>Date of last meeting:</b>	3 August 2016
<b>Date of Board meeting for which this report is prepared</b>	28 September 2016
<b>Summary of live issues and matters to be raised at Board meeting:</b>	
<p><b>Clinical Effectiveness Strategy</b> The strategy was received and endorsed by the Committee who acknowledged an excellent report and encouraged Directorate leads to provide support in delivery.</p> <p><b>Safeguarding Children Annual Report</b> The report was received and endorsed. The Committee were informed of potential Serious Case Reviews as a result of the expansion of Children's Services.</p> <p><b>Monitoring of Pressure Ulcer Incidence</b> The committee maintained its focus on this area of quality care, and in particular noted a Grade 4 PU in the community and received assurance on how care was being addressed for patients at risk.</p> <p><b>Falls Root Cause Analysis</b> The Committee considered the recent falls causing moderate harm and had agreed to receive further information from the Root Cause Analysis in September regarding the accuracy of the categorisation of the falls.</p> <p><b>GP Out of Hours</b> The report was received providing additional assurance regarding the GP auditing, appraisal and training activity. The report also provided examples of data reporting to demonstrate progress for accurately monitoring activity in relation to National Quality Requirements reporting. A further report would be received at the October meeting.</p> <p><b>TACCORD (prompt to review and record thromboprophylaxis, antibiotics, cannula, catheter, oxygen, resuscitation status and dementia screening)</b> Positive feedback was received across all areas in progress to embed good record keeping in relation to the key areas of care identified within the TACCORD mnemonic.</p>	
<b>Are there any significant risks for noting by Board? (list if appropriate)</b>	
None	
<b>Matters for decision</b>	
None	
<b>Action Required by Board of Directors</b>	
The Board are asked to note the content of the report.	

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**Report to the Board from the Quality Committee**

<b>Committee Name:</b>	Quality Committee
<b>Committee Chair:</b>	Mrs L Webster, Non-Executive Director/Quality Committee Chair
<b>Date of last meeting:</b>	7 September 2016
<b>Date of Board meeting for which this report is prepared</b>	28 September 2016
<b>Summary of live issues and matters to be raised at Board meeting:</b>	
<p><b>Hot Spots</b> Farndale Ward was identified as an area for concern in relation to infection control issues and staffing levels in particular at senior levels. A plan of action was noted.</p> <p><b>Pressure Ulcers and Falls</b> The Quality Committee continued to provide scrutiny of pressure ulcers and falls. A general concern regarding staffing levels, in particular skill mix, was raised as to how this was impacting on these areas of quality. Assurance was received with regard to staffing level / skill mix from November onwards. Classification of falls causing 'moderate harm' was clarified and the Committee received assurance in this regard.</p> <p><b>Quarter 1 Reports</b> The Committee received the following reports:</p> <ul style="list-style-type: none"> <li>• <u>New Patient Safety report</u> – a good report was received which will add valuable information and insight to the committee.</li> <li>• <u>Clinical Audit Action Plan</u> – good progress was noted with clarity of areas requiring further focus, with clear actions noted</li> <li>• <u>NICE Guidance</u> – there remained a large number of reports outstanding, however clear plans were in place to manage this.</li> </ul> <p><b>Winterbourne Report</b> Assurance was received by the Committee that systems were in place within the Emergency Department to identify attendees with Learning Disabilities who may be at risk.</p> <p><b>Quality Priorities</b> The following quarterly updates were received:</p> <ul style="list-style-type: none"> <li>• <u>Reducing morbidity and mortality from sepsis</u> – good progress was being made. The report highlighted the audit burden as a result of this CQUIN which requires IT support</li> <li>• <u>Improving the management of inpatients on insulin</u> – good progress was reported</li> </ul> <p><b>Monitoring Patient Safety Culture</b> The Committee endorsed a new initiative/report to use benchmarking data to measure the Trusts patient safety culture. This will be reported bi-annually.</p>	
<b>Are there any significant risks for noting by Board? (list if appropriate)</b>	
Farndale Ward hotspot as above	
<b>Matters for decision</b>	
None	
<b>Action Required by Board of Directors</b>	
The Board are asked to note the content of the report.	

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**Report to the Board of Directors from the Chair of the Finance Committee**

<b>Committee Name:</b>	Finance Committee
<b>Committee Chair:</b>	Mrs Maureen Taylor, Non-Executive Director/Finance Committee Chair
<b>Date of last meeting:</b>	5 <sup>th</sup> September 2016
<b>Date of Board meeting for which this report is prepared</b>	28 <sup>th</sup> September 2016
<b>Summary of live issues and matters to be raised at Board meeting:</b>	
<p>The Board is asked to note that:</p> <ul style="list-style-type: none"> <li>• That the Committee received information regarding the financial position of the CCG, recently reported locally.</li> <li>• The Trust's financial position for 2016/17 was considered. There is an adverse variance against plan at month 4. Recovery actions were discussed specifically in relation to Ward recruitment controls and budget accountability on Wards.</li> <li>• The Committee noted that we had been able to meet our quarter 1 target (and secure Sustainability and Transformation funding) by carrying out a 'financial year-end' and bringing into account items which would normally be recognised at year-end. The quarter 2 position looks challenging in terms of meeting our financial target.</li> <li>• Risk adjusted CIPs are improving but further work is required in all areas. The level of non-recurring schemes is also increasing presenting a risk to future years' performance.</li> <li>• The Financial Sustainability Risk Rating forecast for quarter 2 is 3 or 4 and will be finalised after full quarter 2 activity is completed.</li> <li>• Progress has been made in recovering some outstanding debts and in the prompt invoicing of amounts due, this will need to continue. Consideration is to be given to Relationship Managers including outstanding invoices in their discussions.</li> <li>• The Committee received a presentation on the draft West Yorkshire Sustainability and Transformation Plan (STP) and on some initial outcomes from the work undertaken by Price Waterhouse Coopers on Building the case for Collaboration. A report is expected to Board in September.</li> <li>• Service line reporting information was provided for some specific areas. When the STP is concluded, service line reporting information will help the Trust to focus on specific review areas.</li> <li>• The Committee were updated on the work taking place to develop future contracting/payment models for new care models. This is a key piece of work given the need to agree two year contracts by the end of December 2016.</li> <li>• Papers on Business Developments and an update on the Alwoodley Business Case were deferred to the October meeting.</li> </ul>	

<b>Are there any significant risks for noting by Board? (list if appropriate)</b>
Significant risks for the Board to note are: the financial position of the CCG, recently reported locally; and challenges relating to the quarter 2 position in terms of meeting our financial target.
<b>Matters for decision</b>
None
<b>Action Required by Board of Directors</b>
The Board is asked to note the content of the report.

## Audit Committee report to the Board of Directors

<b>Committee Name:</b>	Audit Committee
<b>Committee Chair:</b>	Chris Thompson, Non-Executive Director/ Audit Committee Chair
<b>Date of last meeting:</b>	Thursday 8 <sup>th</sup> September 2016
<b>Date of Board meeting for which this report is prepared</b>	Wednesday 28 <sup>th</sup> September 2016
<b>Summary of live issues and matters to be raised at Board meeting:</b>	
<p>1. At its last full meeting, the Committee had raised some concerns regarding the number of Limited Assurance audits that were highlighted and the progress that was being made on implementing the recommendations raised by Internal Audit. An additional meeting was held on 5 July at which the following topics were considered:</p> <ul style="list-style-type: none"> <li>a. IV Cannula Care</li> <li>b. Ward Staffing and Rostering</li> <li>c. Discharge Planning</li> <li>d. Mandatory and Essential Skills Training</li> <li>e. Ophthalmology Safety Netting</li> <li>f. COSHH</li> </ul> <p>A series of additional actions were agreed and progress against these was reviewed at the September meeting. The Chief Nurse joined the meeting and provided helpful updates on items a, b and c. The Committee recognised that implementation of recommendations across all six areas will be progressive over the coming months but was encouraged by the focus that is being given to them by the Executive team. Progress against these issues will be reviewed again at the Committee's meeting in December.</p> <p>2. Liz Pugh, HR Manager, joined the meeting to give a briefing on the revised Whistleblowing Policy and the changes that were being made within the Trust to ensure that best practice is evidenced.</p> <p>3. The Committee considered a paper from David Barker, Local Security Management Specialist, on the Loss and Security Management implications of the new Children's Services contracts. It was agreed that the new contracts created some unique risks given the location and communication challenges that they raised and a request was made that these issues were re-assessed by the Corporate Risk Review Group.</p> <p>4. Other papers considered by the Committee included the following:</p> <ul style="list-style-type: none"> <li>a. Code of Governance Self-Assessment Actions</li> <li>b. Staff Registers of Interests, Gifts and Hospitality</li> <li>c. Procurement Savings Report</li> <li>d. Standing Orders</li> <li>e. Standing Financial Instructions (SFI's)</li> <li>f. Internal Audit Charter</li> </ul>	

5. Helen Kemp-Taylor gave a briefing on the creation on 1<sup>st</sup> July of NHS Audit Yorkshire that now incorporated the previous North Yorkshire Audit Services and West Yorkshire Audit Consortium. The Committee noted that the Trust would be represented on the Board of Audit Yorkshire and that it should lead to greater efficiency and benefits of scale which will benefit the Trust.
6. As part of its review of the Periodic Internal Audit Report, the Committee was pleased to note the continuing improvements in the speed at which management are responding to draft internal audit reports and also the that recommendations are typically being implemented far quicker than appears to be the case at other clients of Audit Yorkshire. The Recommendation Tracking system is ensuring that any significant delays can be identified and addressed.

**Are there any significant risks for noting by Board? (list if appropriate)**

No

**Matters for decision**

There were no new risks identified and discussed by the Committee which are to be brought to the attention of the Board.

**Action Required by Board of Directors**

There are no matters that require a decision to be taken by the Board

**Council of Governors**

Minutes of the public Council of Governors' meeting held on 18 May 2016 at 17:45 hrs  
at St. Aidan's Church of England High School, Oatlands Drive, Harrogate.

**Present:**

Mrs Sandra Dodson, Chairman  
Ms Pamela Allen, Public Governor/Deputy Chair of Council of Governors  
Cllr. Bernard Bateman, Stakeholder Governor  
Mrs Yvonne Campbell, Staff Governor  
Mrs Angie Colvin, Corporate Affairs and Membership Manager  
Mr Jonathan Coulter, Director of Finance/Deputy Chief Executive  
Ms Clare Cressey, Staff Governor  
Mrs Liz Dean, Public Governor  
Mr Tony Doveston, Public Governor  
Mrs Emma Edgar, Staff Governor  
Cllr John Ennis, Stakeholder Governor  
Mrs Beth Finch, Stakeholder Governor  
Mrs Jill Foster, Chief Nurse  
Mr Robert Harrison, Chief Operating Officer  
Mrs Jane Hedley, Public Governor  
Miss Debbie Henderson, Company Secretary  
Mrs Pat Jones, Public Governor  
Mrs Sally Margerison, Staff Governor  
Mr Phillip Marshall, Director of Workforce and Organisational Development  
Mrs Joanna Parker, Stakeholder Governor  
Prof. Sue Proctor, Non-Executive Director  
Mrs Joyce Purkis, Public Governor  
Dr Daniel Scott, Staff Governor  
Dr David Scullion, Medical Director  
Mrs Maureen Taylor, Non-Executive Director  
Mr Chris Thompson, Non-Executive Director  
Dr Ros Tolcher, Chief Executive  
Mrs Lesley Webster, Non-Executive Director  
Mr Paul Widdowfield, Communications and Marketing Manager

**In attendance:** 5 members of the public

**1. Welcome to the public and setting context of the meeting, including apologies for absence and introductions**

Apologies were received from Mr Michael Armitage, Public Governor, Dr Sally Blackburn, Public Governor, Mrs Cath Clelland, Public Governor, Dr Sarah Crawshaw, Stakeholder Governor, Mr Neil McLean, Non-Executive Director, Mrs Zoe Metcalfe, Public Governor, Mr Peter Pearson, Public Governor, Mr Ian Ward, Non-Executive Director and Dr Jim Woods, Stakeholder Governor.

In addition, Mrs Dodson also received apologies from Mr Kallum Taylor, Volunteering and Engagement Officer, Healthwatch North Yorkshire.

Mrs Dodson offered a warm welcome to the members of the public and introduced Mrs Cressey and Miss Henderson to their first public Council of Governor meeting. She welcomed questions for item 11 on the agenda and asked for these to be submitted during the break.

## **2. Minutes of the last meeting, 6 February 2016**

The minutes of the last meeting were agreed as a true and accurate record.

## **3. Matters arising and review of actions schedule**

Mrs Dodson went through the outstanding actions on the schedule at Paper 3.0.

Items 1 and 2 were ongoing.

Item 3 - Mrs Foster stated that the Nutritional Assistants were highly valued and work was progressing with staff on the wards to develop the role. She would be happy to provide a further update at a future meeting.

Item 5 - Mrs Webster confirmed that she had received positive feedback from Deloitte who had observed the Quality Committee in January following the Well-Led Review at the end of last year. Deloitte had also provided some areas for development and this would be taken forward by the Quality Committee.

### **3.1 Update on Quality of Care Teams, including Governors assigned to teams**

Item 4 on the actions schedule - Mrs Foster referred to Appendix 3.1 which provided a current list of Governors who were assigned to a Quality of Care Team. A recent update from the Directorates on the effectiveness of Quality of Care Teams confirmed an overall improvement however, some teams were still progressing. It was agreed that the most effective meetings were those held separately to the business meetings and a further review of Quality of Care Teams would be taken forward as part of the new Directorate structure coming into force next week.

## **4. Declaration of interests**

Mrs Dodson confirmed that all Non-Executive Directors, including herself, were declaring an interest in item 7 on the agenda and would leave the meeting at that stage.

### **4.1 Council of Governors' Declaration of Interests**

Cllr. Bateman confirmed he was no longer a member of Ripon City Council.

Mrs Dodson reminded Governors that they would be asked to sign a Declaration of Interest form on an annual basis but that the overall summary would be brought to each quarterly

Council of Governor meeting as a standard item on the agenda. Governors were reminded that it was the obligation of each individual Governor to inform the Trust in writing within seven days of becoming aware of the existence of a relevant or material interest.

## **5. Chairman's verbal update on key issues**

Mrs Dodson did not have any verbal update on key issues for this meeting other than those which would be covered by Dr Tolcher under item 9 on the agenda.

## **6. Governor sub-committees**

Mrs Dodson moved on to clarify the role of the two formal sub committees and the Patient and Public Involvement, Learning from Patient Experience Group. She said how important it was for the general public to hear about the work of these sub-committees and thanked Governors for their commitment and involvement.

### **6.1 Volunteering and Education**

The report from the Volunteering and Education Governor Working Group, chaired by Mrs Hedley, had been circulated prior to the meeting and was taken as read.

Mrs Hedley highlighted the recent Insight Event which provided the opportunity for local students to visit information stands and hear presentations from Allied Health Professionals (Podiatrists, Physiotherapists, Nutrition and Dietetics, Occupational Therapists, and Speech and Language Therapists). Feedback from the event was extremely positive and Mrs Hedley thanked all the staff involved.

There were no questions.

### **6.2 Membership Development and Communications**

The report from the Membership Development and Communications Governor Working Group, chaired by Ms Allen, had been circulated prior to the meeting and was taken as read.

Ms Allen highlighted the elections and referred to the timetable attached to her report confirming the Notice of Election had been published that day. Nominations were open for two seats on the Council of Governors; one for Ripon and west district and a new seat for The Rest of England.

Mrs Dodson encouraged Governors to promote the elections and confirmed that briefing sessions would be held for anyone interested in finding out more about the role of a Governor. There would also be information available on the website.

Dr Tolcher commented that the Annual Members' Meeting (AMM), being held on 13 September, would be a joint event with Commissioners and would continue the conversation with the public from last year's AMM about future health and social care for our patients.

There were no questions for Ms Allen.

### **6.3 Patient and Public Involvement**

The report from Mrs Purkis, on the last two meetings of the Learning from Patient Experience Group, had been circulated prior to the meeting and was taken as read.

Mrs Purkis referred to the Infection Prevention and Control update confirming that three cases of C difficile had been investigated this year with none attributable to lapses in care. She also highlighted the discussion around preventing spread of infection and, in addition to a variety of best practice methods, it was suggested that the person delivering the meal tray should encourage and assist the patient with hand washing prior to receiving their meal.

Mrs Dean, also a member of the Learning from Patient Experience Group, commented on the improvement of the data provided in the reports.

Mrs Dodson reiterated the importance of the Learning from Patient Experience Group and how valuable their role was in understanding, monitoring, challenging, and seeking to improve the quality of experience of the Trust's service users.

In response to Mrs Hedley's question about longer visiting times possibly compromising infection control, Mrs Foster clarified that the domestic team would continue to clean as they would have done prior to extending the visiting hours. Visitors would continue to be asked to comply with our infection prevention and control measures by not visiting following any episodes of vomiting and/or diarrhoea, or with a cough, cold or other infection; full details were available on our website. It was considered however beneficial to have patient's loved ones with them whilst in hospital and Mrs Dodson added that extending the visiting hours was a positive initiative.

Mrs Edgar commented that it was also having a positive impact on the traditional two hour busy period in the afternoon when visiting hours were more restrictive.

Mrs Haley, member of the public, stated that visiting hours now finished at 7pm and this may be an issue for people who work. Mrs Foster confirmed that visiting hours were a guide and, in such cases where visitors had difficulties visiting before 7pm, flexibility in arrangements could be discussed with the person in charge on the ward - contact details were available on the website.

There were no further questions or comments.

### **6.4 Quality Priorities**

Mrs Foster outlined the purpose of the Quality Account, an integral part of the Annual Report and Account, which reflected both on the highest priorities of the Trust for the forthcoming year and reported on progress made in the past year.

Mrs Foster highlighted the importance of stakeholder engagement in producing the Quality Account and the priorities for improvement in 2016/17 would be:

- Reduce morbidity and mortality related to sepsis
- Improve care of people with learning disabilities
- Provide high quality stroke care – demonstrated by improvement in national indicators.
- Improve the management of inpatients on insulin.



Ms Allen commented that Governor and stakeholder involvement in the Quality Priorities process had been very interesting, staff had worked extremely hard to pull the document together, and the Council of Governors endorsed the Quality Account.

Mrs Dodson added that the Quality Account would continue to be monitored through the Quality Committee.

## **7. Report from the Remuneration Committee, including the ratification of the Terms of Reference and Minutes, 5 May 2016**

The Chairman and Non-Executive Directors left the room at this stage in the meeting.

Ms Allen summarised Paper 7.0 which had been circulated prior to the meeting and taken as read.

The Remuneration Committee had met on 5 May and held a detailed discussion regarding the remuneration for the Chairman and Non-Executive Directors in the coming 2016/17 financial year. Ms Allen commented that the Committee was provided with a detailed report including comparative benchmark data which they were able to analyse and debate before agreeing to the recommendation

The Council of Governors would now be required to approve the Terms of Reference, consider and approve the recommendation of the Remuneration Committee and, the members of the Remuneration Committee would be asked to ratify the minutes of the meeting held on 5 May.

In response to Dr Scott's comment about the recommended remuneration figures, Mr Coulter clarified that in addition to the figures stated in Paper 7.0, item 7, a cost of living uplift of 1% would also be added.

Cllr Ennis asked for the percentage of the salary uplift and Mr Coulter confirmed this was approximately 3-4%. He also confirmed the Committee had discussed the fact that the Chairman and Non-Executive Directors had not received an increase in remuneration for the last three years.

Cllr Bateman asked how the remuneration of the Chairman and Non-Executive Directors in the Trust compared with that of other Trusts.

Mr Coulter confirmed the Committee was provided with detailed salary benchmarking information each year and agreed to circulate this to Governors for information.

**Action: Mrs Colvin for Mr Coulter**

Members of the Remuneration Committee added further comments and reassured fellow Governors that the recommendation came out of a very lengthy and detailed discussion. The Governors on the Committee also acknowledged the continued hard work and dedication of the Chairman and Non-Executive Directors and passed on their thanks.

The Council of Governors were all in favour of the recommendation, the Terms of Reference were approved and the Remuneration Committee minutes were ratified.

The Non-Executive Directors and the Chairman returned to the room at this stage in the meeting.

## **8. Communication and Marketing Strategy**

Mrs Dodson welcomed Mr Widdowfield, Communications and Marketing Manager to present the new Communications and Marketing Strategy 2016-2019.

Mr Widdowfield provided a brief introduction on his new role as Communications and Marketing Manager and stated he had worked for the Trust for nine months.

His presentation included achievements made so far including the new website, communications through social media, improved relationships with local media, a weekly staff bulletin, marketing of services, and high profile projects. He was delighted to add that in developing the new website, workshops were held for staff, patients, and stakeholders to understand the user journey and the feedback received was extremely valuable. He encouraged Governors to take a look at the new website and welcomed any further feedback.

He talked about the Trust's commitment to continue to improve communications and marketing and how the Communications and Marketing Team had integrated into the wider Business Planning Team, promoting a strong opportunity to embed expertise for new business and developing existing services.

Developed with the Trust's strategic objectives in mind, the Communications and Marketing Strategy would focus on promoting the delivery of, and access to, high quality care, partnership working to deliver integrated care, and clinical and financial stability.

Cllr Bateman asked how the Trust would communicate with the older community and those who were not engaged with the internet. Mr Widdowfield was pleased to report that all generations were active on the internet but there was still value in communicating through a variety of resources including newspapers and the radio.

Miss Henderson was keen to promote engagement with local groups and local networks.

Mr Doveston agreed that newspapers were a vital method of communication and would like to see the Trust promoting its services at every opportunity.

Mr Widdowfield confirmed that he and Dr Tolcher had met with the Harrogate Advertiser; it was a positive meeting and further opportunities were discussed.

Mrs Parker highlighted the maternity Facebook group which was reaching out to lots of new mums; introducing staff, showcasing the facilities, promoting the maternity service and sharing positive stories. This was a good example of the right media for the right audience and it was proving to be extremely successful.

Dr Scott asked how the new initiatives could be evaluated. Mr Widdowfield confirmed there would be a variety of levels of evaluation from instinctive to qualitative and he would continue to seek feedback.

Mr Harrison added that we could evaluate through patients choosing our services and a variety of feedback mechanisms, including surveys.

Mrs Dodson thanked Mr Widdowfield for an interesting and informative presentation and was pleased to report that he was a member of the Governor Working Group for Membership Development and Communications and would continue to work closely with Governors.

## **9. Chief Executive's strategic and operational update**

Dr Tolcher presented the following headlines:

### Headlines from 2015/16

Dr Tolcher was proud to present a summary of what the Trust had achieved at the end of an exceptionally challenging year. She highlighted the performance dashboard which demonstrated that all NHS Constitution Key Performance Indicators had been achieved with the exception of Quarter 4 A&E (Emergency Department) waiting time indicator. Over the full year 95.4 per cent of patients had been seen within four hours which was testimony to the work of staff across the Trust. All 18 week and cancer referral to treatment targets had been met which Dr Tolcher described as fundamental for local people. She was delighted to report that face to face contacts with community nurses had increased by 13.6 per cent; there had been a substantial reduction in falls, and a continued focus on pressure ulcers.

Moving on to finance, Dr Tolcher reported an operating surplus of £27,000, short of the planned surplus, but an achievement of 100 per cent of cost improvement savings. There was also a 10 per cent growth in revenue over the last 12 months with new business in County Durham, Darlington and Middlesbrough.

Dr Tolcher was delighted with the feedback received from patients and staff in both the National Inpatient Survey and 2015 National Staff Survey; people using our services had continued to rate them amongst the best nationally and there was a significant increase in staff who would recommend the Trust as a place to work or receive care.

### National strategic drivers

Dr Tolcher talked about the NHS Five Year Forward View; a national document which sets out how the health service needs to change towards a more engaged relationship with patients, carers and citizens to promote wellbeing and prevent ill-health. It sets out a vision of a better NHS, the steps needed to get there, and the actions needed from others.

Dr Tolcher also referred to The Dalton Review which complements the Five Year Forward View, driving out variations in quality related to organisational structures and looks at ways to enable a secure future for services in non-viable Trusts.

### Current issues

Moving on to what the year ahead looks like for Harrogate and District NHS Foundation Trust, Dr Tolcher described three focus areas:

- Business as usual safe and sound.
- Clinical transformation.
- Business development and strategy.

With this in mind, Dr Tolcher summarised the systems and organisational issues for the Trust at the current time and these including funding decisions, New Care Models, safe staffing levels, seven day services, and new contracts for junior doctors, to name a few.

Finally, Dr Tolcher summarised the finance plan for 2016/17 and explained that the Trust would receive £4.6 million sustainability and transformation funding if the agreed 'control' total of £6.8 million and performance commitments were delivered. This means that the Trust needed to generate £2.2 million to receive the £4.6 million totalling the £6.8 million; a challenging incentive.

On behalf of the Council of Governors, Mrs Hedley thanked Dr Tolcher for her presentation which provided a clear analysis of the overall picture for the Trust at the current time.

At this stage in the meeting Prof Proctor, Cllr Ennis, Cllr Bateman and Mrs Jones left due to another meeting commitment and Mrs Dodson called for a refreshment break.

## **10. Q&A session for members of the public and Governors**

Mrs Dodson moved to the tabled questions submitted during the break and prior to the meeting.

**Mr Wright, member of the public, submitted the following questions:**

**“A couple of months ago there was a front page article in the Harrogate Advertiser. It criticised the Trust for charging patients over £700,000 for car parking in the previous year.**

**The response from the Trust was quite muted. Having asked my own questions, I have discovered that the costs of running the car park are in excess of the £700,000.**

- 1. Could you please confirm that this is the case?**
- 2. It's too late now but wouldn't it have been worth explaining these costs and that, if no charges are made, hospital services would have to be reduced?**
- 3. Does the Trust have plans to engage more with the local press?”**

Mr Harrison thanked Mr Wright for his questions and confirmed this was a sensitive subject matter and car parking charges often appear nationally in the media. Of note, there is no hospital car parking charges in Scotland.

Mr Harrison confirmed there were reasons for car park charges including the cost of the car parking infrastructure/multi storey car park, the cost of the land, lighting, and car parking staff. This totalled approximately £700,000 per year and there would be an impact on patient care if car parking charges did not cover the cost.

Mr Harrison summarised the car parking concessions, publicised on the Trust website as follows:

Certain patients and visitors would be eligible to receive concessionary parking.

Patients and visitors who qualify for **free parking** must fall into one of these categories:

- Disabled (must produce a Blue Badge).
- In receipt of: Working Family Tax Credit, Pension Guarantee Credit, Employment and Support Allowance or Income Support.
- In receipt of War Pension.
- Hospital volunteers.
- Patients receiving cancer treatment.
- Patients who attend the hospital but their appointment is subsequently cancelled.

Patients and visitors who qualify for **50 per cent discount** must fall into one of these categories:

- Parents or guardians visiting the Paediatric Ward.
- Parents visiting the Special Care Baby Unit.

If a patient attends an outpatient appointment and the clinic runs an hour or more late, they would be eligible for a discount. The size of the discount would depend upon the length of the delay. If this applied, the patient would be advised to speak to reception staff. In addition, Mr Harrison advised that concessions were at the discretion of the Ward Manager.

Finally Mr Harrison confirmed that the Trust aimed at being fair and car parking charges were benchmarked with local authority charges.

**Mrs Purkis, Public Governor, submitted the following question:**

**“What will be the impact on the What Matters to Us Pilot begun in Boroughbridge, Knaresborough and Green Hammerton in February 2016 if HDFT receives less transformational funding in 2016-17 compared to that received in 2015-16?”**

Mr Coulter confirmed the vision would still be to deliver services aligned with the Vanguard programme however there was double running on some costs and funding was expected to be lower next year. The Knaresborough, Boroughbridge and Green Hammerton pilot sites were delivering integrated mental health, social, and health care and this would continue to be rolled out however, this was expected to be scaled down a little in time.

Mrs Dodson reassured Governors that further detail would be included in the discussions at the next Board to Board meeting scheduled for the following week.

**Mrs Paulak, member of the public asked the following question:**

**“Can you provide an update regarding developments in the Endoscopy Unit?”**

Mr Harrison explained that a Business Case had been submitted to the Board and a procurement phase was underway to develop a new Endoscopy Unit on top of the Maxillofacial Suite at Harrogate District Hospital. In addition, Mr Harrison added that the Trust was providing endoscopy services in collaboration with Leeds Teaching Hospitals NHS Foundation Trust at Wharfedale Hospital.

## 11. Assurance on challenges for 2016/17 and reflection on performance 2015/16

Mrs Dodson applauded the Executive Team for what had been achieved during a challenging year. She asked the Non-Executive Directors to summarise their reflections on 2015/16 and think about challenges moving forward into 2016/17.

Starting with reflections on 2015/16, Mr Thompson, Chair of the Audit Committee was pleased to report the Trust's rigorous approach and this could be evidenced through meetings including Senior Management Team and Audit Committee. He was assured that management were prepared, focussed and he commented on the effective work of Internal Audit. He commented on the new business in County Durham, Darlington and Middlesbrough and confirmed the Audit Committee and Finance Committee were assured that the Trust had a grip on the finances.

Mrs Taylor, Chair of the Finance Committee, commented on the expectations of a larger surplus but she highlighted that the Trust chose to invest mid-year in emergency and acute services. She commented that this was a good decision and focussed on providing high quality care; the Trust still delivered a small surplus at year end. She congratulated everyone for the 100% delivery of the cost improvement savings and remarked on the tremendous efforts of the Business Planning Team.

Mrs Webster, Chair of the Quality Committee stated that there had been a huge amount of activity on quality initiatives working towards the quality priorities Mrs Foster referred to earlier in the meeting. She referred to the Quality Account, a huge but immensely informative document, and encouraged people to read it to get to know what was going on and the enthusiasm of the staff throughout the Trust.

Mrs Dodson echoed her Non-Executive Director colleague comments and applauded all staff for their commitment and hard work. She highlighted the ongoing challenge in recruitment and commended staff who were working above and beyond and their continued passion for delivering high quality care for patients.

Mrs Dodson confirmed Professor Proctor had had to leave during the break but also wanted to reflect on staffing.

Moving on to challenges for 2016/17, Mr Thompson referred to the continued drive for efficiency, providing high quality services, developing new services, and driving for new business.

Mrs Webster agreed and added that the new Directorate structure needed time to settle. She confirmed there was always lots of work to do and referred to the Carter Review; additional requirements around efficiency in hospitals to make savings in the NHS.

Mrs Taylor referred to the finance slide in Dr Tolcher's presentation and confirmed there was a challenge ahead to deliver the £2.2 million surplus in order to receive the additional £4.6 million. She commented on nurse recruitment and how important it was for the Trust to secure a good proportion of new nurses including international recruitment. Mrs Taylor expressed her disappointment that the Vanguard funding was not as expected, but she supported the Trust's vision to continue improving integrated services and this would require close partnerships with the Clinical Commissioning Group to maintain a sustainable model. Finally, Mrs Taylor briefly mentioned exciting new opportunities in the Estates Department.

Again Mrs Dodson agreed with the many challenges highlighted by her Non-Executive Director colleagues and confirmed there would be some difficult conversations but the Trust would drive forward every opportunity to maximise high quality and safe services for patients. She was confident in the Executive Team, endorsed by the Well-Led Review and the staff across the organisation.

Mrs Dodson asked if there were any questions at this point.

Mrs Paulak, member of the public asked more about recruitment and our partnership with local schools. In response, Dr Tolcher confirmed we had excellent engagement with schools through our innovative and award winning Education Liaison Programme and this was reported through the Governor Working Group for Volunteering and Education. It was important to capture the interests of students, our future workforce, and we provided excellent work experience and volunteering opportunities in addition to the Education Liaison programme. The Trust was also represented on the Public Services Leadership Board.

Mrs Hedley, Chair of the Governor Working Group for Volunteering and Education clarified that we had received 150 applications this year for work experience placements.

There were no more questions for Non-Executive Directors and Mrs Dodson moved on to the next item on the agenda.

## **12. Approve External Auditor appointment process**

Mrs Dodson confirmed it was a Constitutional duty of the Council of Governors to appoint an independent external auditor. Paper 13 which outlined the process had been circulated prior to the meeting and taken as read.

Mr Coulter outlined the process and the procurement framework which has been developed to reduce costs and risks. He explained the proposed timeline and confirmed the aim was to have the recommendation of the selection panel ratified at the Council of Governors' meeting on 2 November.

The Council of Governors approved using the North of England Commercial Procurement Collaborative framework and approved the timetable and establishment of the Auditor Selection Panel.

Mrs Dodson asked any Governor wishing to be involved in the selection panel to let Miss Henderson know following the meeting.

## **13. Any other business**

### **13.1 Annual Members' Meeting Minutes, 3 September 2015 and notification of Annual Members' Meeting, 13 September 2016**

The minutes from the Annual Members' Meeting held on 3 September 2015 had been circulated prior to the meeting and taken as read. Mrs Dodson reminded Governors that these would be ratified at the next Annual Members' Meeting and she asked for any Governors who were in attendance to let Miss Henderson know if there were any errors in the minutes as soon as possible.

The next Annual Members' Meeting would be held on Tuesday 13 September at 6-8pm at the Cedar Court Hotel in Harrogate.

Mrs Hedley was pleased with the initiative of having a fruit stall located outside the main entrance to Harrogate District Hospital. Mr Harrison confirmed that it was the Estates Team who led this initiative and engaged with the fruit shop owner.

#### **14. Date and time of next meeting**

Mrs Dodson thanked everyone for attending and confirmed the next meeting would take place on Wednesday, 3 August 2016 at 5.45 pm at a venue to be confirmed.

UNCONFIRMED



<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 16.1</b>
<b>Title</b>	<b>Annual Statement of Compliance for Revalidation</b>
<b>Sponsoring Director</b>	Dr D Scullion, Medical Director
<b>Author(s)</b>	Dr D Scullion, Medical Director
<b>Report Purpose</b>	Approval of the Annual Statement of Compliance for Revalidation
<b>Key Issues for Board Focus:</b>	
<p><u>Executive Summary</u></p> <p>The Responsible Officer Regulations outline the responsibilities of the Responsible Officer to include a duty to be assured that doctors have sufficient knowledge of the English language necessary for the work to be performed in a safe and competent manner.</p> <p>The Board are asked to note that for the year 2015-16 the Trust has complied with all requirements for a Designated Body laid down by legislation and NHS England.</p>	
<b>Related Trust Objectives</b>	
To deliver high quality care	Yes – the effective implementation of medical appraisal and revalidation enhances standards of medical practice
To work with partners to deliver integrated care	No
To ensure clinical and financial sustainability	Yes – effective medical appraisal processes reduce the likelihood of clinical incidents and claims against the Trust
<b>Risk and Assurance</b>	Effective medical appraisal and revalidation processes reduce the risk of unsatisfactory practice and clinical incidents.
<b>Legal/regulatory implications</b>	The Annual Statement of Compliance complies with legislation and NHS England requirements. There are no legal/regulatory implications as a result of the statement.
<b>Action Required by the Board of Directors</b>	
The Board of Directors is asked to <b>approve</b> the Designated Body Annual Statement of Compliance for signature by the Chairman and Chief Executive	

## Medical Appraisal – Annual Statement of Compliance

1. The Responsible Officer Regulations came into force on 1 January 2011. They have subsequently been amended, by Statutory Instrument, to widen the responsibilities of the Responsible Officer to include, amongst other things, a duty to be assured that doctors have sufficient knowledge of the English language necessary for the work to be performed in a safe and competent manner.
2. In April 2014 NHS England launched the Framework for Quality Assurance, developed as a checklist against each of the requirements of the Responsible Officer Regulations. There are two specific annual reports which are to be rendered to NHS England. The Annual Organisational Audit of Appraisal and Revalidation was submitted to NHS England, in accordance with the Framework of Quality Assurance (FQA) process earlier in the year. This audit is part of a process which all Designated Bodies must undertake in order to provide assurance to NHS England that our appraisal and revalidation process operates effectively. There were no matters raised by NHS England against the Annual Organisational Audit for the Trust.
3. The second report NHS England requires is for Designated Bodies to send an annual Statement of Compliance with the medical appraisal and revalidation process by 30 September each year. This requires the Board of Directors of the Trust to confirm that an Annual Audit of Appraisal has been submitted and to answer series of 10 questions about the process which the Trust has in place to comply with the Regulations.
4. The draft Designated Body Statement of Compliance is shown below. Board colleagues will note that the Trust complies with all the requirements laid out in the Statement. The Board will also recall that, following the resignation of Dr Carl Gray as Responsible Officer, Mr David Lavalette was appointed to the post at the meeting on 27 July 2016. This gives an opportunity for Mr Lavalette to refresh the processes which are in place.
5. The Board of Directors is **recommended** to **approve** the Designated Body Annual Statement of Compliance for signature by the Chairman and Chief Executive.

## Designated Body Statement of Compliance

The Board of **Harrogate and District NHS Foundation Trust** can confirm that

- an AOA has been submitted,
  - the organisation is compliant with The Medical Profession (Responsible Officers) Regulations 2010 (as amended in 2013)
  - and can confirm that:
1. A licensed medical practitioner with appropriate training and suitable capacity has been nominated or appointed as a responsible officer;

**YES. Following the resignation of Dr Carl Gray as Responsible Officer, Mr David Lavallette was appointed by the Board on 27 July 2016.**

2. An accurate record of all licensed medical practitioners with a prescribed connection to the designated body is maintained;

**YES:**

3. There are sufficient numbers of trained appraisers to carry out annual medical appraisals for all licensed medical practitioners;

**YES:**

4. Medical appraisers participate in ongoing performance review and training / development activities, to include peer review and calibration of professional judgements (Quality Assurance of Medical Appraisers<sup>1</sup> or equivalent);

**YES:**

5. All licensed medical practitioners<sup>2</sup> either have an annual appraisal in keeping with GMC requirements (MAG or equivalent) or, where this does not occur, there is full understanding of the reasons why and suitable action taken;

**YES:**

6. There are effective systems in place for monitoring the conduct and performance of all licensed medical practitioners<sup>1</sup> (which includes, but is not limited to, monitoring: in-house training, clinical outcomes data, significant events, complaints, and feedback from patients and colleagues) and ensuring that information about these matters is provided for doctors to include at their appraisal;

**YES:**

<sup>1</sup> <http://www.england.nhs.uk/revalidation/ro/app-syst/>

<sup>2</sup> Doctors with a prescribed connection to the designated body on the date of reporting.

7. There is a process established for responding to concerns about any licensed medical practitioners<sup>1</sup> fitness to practise;

YES

8. There is a process for obtaining and sharing information of note about any licensed medical practitioner's fitness to practise between this organisation's responsible officer and other responsible officers (or persons with appropriate governance responsibility) in other places where the licensed medical practitioner works;<sup>3</sup>

YES

9. The appropriate pre-employment background checks (including pre-engagement for locums) are carried out to ensure that all licenced medical practitioners<sup>4</sup> have qualifications and experience appropriate to the work performed;

YES

10. A development plan is in place that ensures continual improvement and addresses any identified weaknesses or gaps in compliance.

YES

Signed on behalf of the designated body

Official name of designated body: **Harrogate and District Foundation Trust**

Signed.....

Name: Sandra Dodson

Role: Chairman

Date: 28 September 2016

Signed: .....

Name: Dr Ros Tolcher

Role: Chief Executive

<sup>3</sup> The Medical Profession (Responsible Officers) Regulations 2011, regulation 11:  
<http://www.legislation.gov.uk/ukdsi/2010/9780111500286/contents>

<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 16.2</b>
<b>Title</b>	<b>Emergency Preparedness, Resilience and Response (EPRR) – Statement of Compliance</b>
<b>Sponsoring Director</b>	Mr R Harrison, Chief Operating Officer
<b>Author(s)</b>	Mr R Harrison, Chief Operating Officer
<b>Report Purpose</b>	To seek the Board’s approval of the Trust’s statement of compliance with the EPRR standards
<b>Key Issues for Board Focus:</b>	
<p><u>Executive Summary</u></p> <p>Harrogate District NHS Foundation Trust has undertaken a self-assessment against the required areas of the NHS England Core Standards for Emergency Preparedness, Resilience and Response version 4.0.</p> <p>Following assessment, the Trust has been self-assessed as demonstrating the Substantial Compliance Level (from the four options detailed in the attached statement) against the core standards.</p> <p>The detailed evidence of areas of full and partial compliance has been uploaded to the Reading Room in order to provide further assurance to the Board, in support of the statement.</p>	
<b>Related Trust Objectives</b>	
To deliver high quality care	No.
To work with partners to deliver integrated care	Yes – the statement of compliance provides assurance that the Trust continues to work with partner organisations to ensure preparedness is undertaken with the full engagement and co-operation of key stakeholders.
To ensure clinical and financial sustainability	Yes – the EPRR core standards ensure that systems and processes are in place to ensure continuity of business in the event of an emergency or business continuity incident.
<b>Risk and Assurance</b>	The report provides assurance of compliance against the EPRR core standards, and that systems and processes are in place within the Trust’s governance framework, to manage associated risks.
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to <b>approve</b> the EPRR Statement of Compliance and delegate responsibility for signing the statement to Mr R Harrison, Chief Operating Officer/Accountable Emergency Officer for the Trust	

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**Yorkshire and the Humber Emergency Preparedness, Resilience and Response (EPRR)  
assurance 2016-2017**

**STATEMENT OF COMPLIANCE**

Harrogate District NHS Foundation Trust has undertaken a self-assessment against required areas of the NHS England Core Standards for EPRR v4.0.

Following assessment, the organisation has been self-assessed as demonstrating the Substantial compliance level (from the four options in the table below) against the core standards.

<b>Compliance Level</b>	<b>Evaluation and Testing Conclusion</b>
Full	Arrangements are in place that appropriately addresses all the core standards that the organisation is expected to achieve. The Board or Governing Body has agreed with this position statement.
Substantial	Arrangements are in place however they do not appropriately address one to five of the core standards that the organisation is expected to achieve. A work plan is in place that the Board or Governing Body has agreed.
Partial	Arrangements are in place, however they do not appropriately address six to ten of the core standards that the organisation is expected to achieve. A work plan is in place that the Board or Governing Body has agreed.
Non-compliant	Arrangements in place do not appropriately address 11 or more core standards that the organisation is expected to achieve. A work plan has been agreed by the Board or Governing Body and will be monitored on a quarterly basis in order to demonstrate future compliance.

Where areas require further action, this is detailed in the attached core standards improvement plan and will be reviewed in line with the organisation's EPRR governance arrangements.

I confirm that the organisation has undertaken the following exercises on the dates shown below:

A live exercise (required at least every three years)	July 2014
A desktop exercise (required at least annually)	Nov 2015
A communications exercise (required at least every six months)	Sept 2016

I confirm that the above level of compliance with the core standards has been confirmed by the organisation's board / governing body.

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Signed by the organisation's Accountable Emergency Officer

28/09/2016  
Date of Board Meeting

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Date signed

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<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 16.3</b>
<b>Title</b>	Procurement Transformation Programme and Delivery Plan
<b>Sponsoring Director</b>	Mr J Coulter, Deputy Chief Executive/Finance Director
<b>Author(s)</b>	Mr D Sales, Head of Procurement
<b>Report Purpose</b>	To approve the Procurement Transformation Programme and Delivery Plan
<b>Key Issues for Board Focus:</b>	
<p><u>Executive Summary</u></p> <p>A key requirement of Lord Carter's report was that every trust should have a local Procurement Transformation Plan (PTP) in place. The aim is for all trusts to have their PTPs agreed by their respective Board of Directors by 30 September 2016.</p> <p>Final PTPs should be agreed by NHS Improvement then fully in place by October 2016.</p>	
<b>Related Trust Objectives</b>	
To deliver high quality care	No.
To work with partners to deliver integrated care	No
To ensure clinical and financial sustainability	Yes – the plan provides a framework for the delivery of effective procurement services over the next three years, recognising the challenges faced within the sector and ensuring the Trust is equipped to position itself as a business critical service and ensure best value across the totality of non-pay spend.
<b>Risk and Assurance</b>	N/A
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period. NHS Improvement requirement and compliance with NHS Standards of Procurement.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to <b>approve</b> the attached Procurement Transformation Programme and Delivery Plan.	

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## **Harrogate and District NHS Foundation Trust Procurement Transformation Programme (PTP)**

**Executive Lead: Director of Finance**

**Approval Required by: Board of Directors**

**Author: David Sales**

**Version: Draft (awaiting BoD Approval)**

**Owner: Head of Procurement**

## 1. Executive Summary

This Procurement Transformation Plan is to provide a framework for the delivery of effective Procurement services over the next three years, recognising the challenges we face while ensuring we are equipped to position ourselves as a business critical service which ensures best value across the totality of non-pay spend.

Effective and efficient procurement is vital to the Trust's success, in terms of financial benefits, patient care, risk management and compliance with legislation. The scale of the challenge facing Acute NHS Trusts under the reforms of Five Year Forward View, The DH guidance in Better Procurement, Better Value, Better Care and the review of productivity and efficiency by Lord Carter is significant against a backdrop of continued financial restraint and a national savings target of £22 billion.

Locally there are challenging times ahead for the NHS as the Trust is required to meet the national requirement to reduce costs, develop a region wide Sustainability and Transformation Plan and become more efficient in the way we provide our services whilst ensuring national targets and our established control total are met.

The total non-pay expenditure for Harrogate and District NHS Foundation Trust in 2015-16 was £58.2million. The Procurement Team directly captured via its purchase order systems £40.68m million with another £5m approx. indirectly influenced, mainly in agency expenditure and catering. The Procurement Team do not currently influence around £12 million in non-pay expenditure mainly around drugs and medicines which nationally has a different contracting route.

During 2015-16 18,655 purchase orders were raised with suppliers on the Oracle purchase order system with a further 15,832 orders through the NHS Supply Chain system. An analysis of key supplier spend (suppliers with spend over £25,000) shows that 270 suppliers accounted for expenditure of around £54m with drugs/medicines, capital works (mainly the CEF Scheme), temporary staffing and NHS Supply Chain accounting for almost 60% of that. The Procurement Team supported Directorates in achieving their non-pay Cost Improvement Programmes (CIP's) recording cash releasing savings of £950,022. The Procurement Team have supported Directorates during 2016/17 in achieving a further £0.5m non-pay CIP as at September 2016.

The next steps for the organisation include working through and development of the PTP delivery plan, dovetailing with the Trust wide Cost Improvement Plans (CIP) and engagement with the emerging WYAAT procurement group (being developed by LTHT).

## 2. Trust Procurement Performance (RAG rating against Carter targets<sup>1</sup>)

MEASURES		PERFORMANCE			COMMENTARY
		CURRENT SEPT 16	TARGET SEPT 17	TARGET SEPT 18	
1	Monthly cost of clinical and general supplier per 'WAU'	£1,058	£1,058	£1,058	Maintain performance – ranked in lowest 10% nationally.
2	Total % purchase order lines through a catalogue (target 80%)	84%	84%	84%	Maintain (calculated including NHS Supply Chain).
3a	Total % of expenditure through an electronic purchase order (target 80%)	90%	90%	90%	Maintain (calculated including NHS Supply Chain and Pharmacy Procurement system).

<sup>1</sup> RAG Rating Definitions:

Green = better than the Lord Carter or Trust target

Amber = Up to 10% less than Carter target

Red = More than 10% below Carter target

3b	Total % of transactions through an electronic purchase order (target 80%)	90%	90%	90%	Calculated consistently as 3a above.
4	% of spend on a contract (target 90%)	87%	90%	90%	Based on key suppliers by spend.
5	Inventory Stock Turns	16.5 Days	Days	Days	Awaiting benchmark.
5	NHS Standards Self-Assessment Score (average total score out of max 3)	TBC	TBC	TBC	To be confirmed (Autumn 2016).
6	Purchase Price Benchmarking Tool Performance	TBC	TBC	TBC	Awaiting information from AdviseInc who have been awarded the contract by DoH.
7	Other Trust Specific e.g. CIP	£0.5m	£1m	£1m	Currently identified £1m per annum With an aspiration to reach 10% by 2018.

### **Key Metrics**

The following are the 5 KPI's that have been identified by the DOH/Carter. At this stage a detailed definition of each metric has not been produced by the centre. We routinely collect and analyse similar types of information to support our current Procurement work-plan and E-Commerce work however this may not be in the format that will be required centrally which is likely to be based on a simplistic download from purchasing systems without any of the context.

### **E-catalogue compliance - Metric to achieve at least 80% e-catalogue coverage by September 2017**

The Trust has been developing its use of E -catalogues for several years. If we include the 113656 lines ordered via the NHS Supply Chain electronic catalogue in 15/16 then 84% of lines were ordered against an electronic catalogue. If we exclude goods ordered from NHS Supply Chain (which in effect are all ordered via the NHS Supply Chain electronic catalogue system) then in the last financial year 39% of lines ordered through the oracle purchase order were catalogue lines. Although this figure appears relatively low it reflects more the wide range of goods and services which are now captured via the purchase order system as many of these cannot be catalogued as by their nature they do not have an identifiable part number and are not ordered regularly. We currently have electronic catalogues with 362 suppliers the majority of which relate to medical and surgical/orthopaedic products. Before TCS we were operating at just under 60% of lines being able to be catalogued reflecting items purchased for the main users in particular Theatre. With the take on of community services and the increased use of the purchase order system into areas such as estates & capital works has meant that although the number of catalogues used and available has increased the percentage of lines that can be catalogued has reduced. The Trust are part of the North East Patches (NEP) financial shared system who run the Oracle r12 financial system including the purchase order system. The Trust currently use the Science Warehouse catalogue solution provided free of charge (FOC) by NEP under the system and the GHX/NEXUS Solution which covers items ordered against our procurement contracting partners the North of England Commercial Procurement Collaborative (NOECPC) range of contracts which is also currently provided FOC. The catalogue solution currently provided by NOECPC is out to tender as part of a wider NHS procurement. We are actively involved in the process for this as the use of catalogues etc. is a fundamental part of our overall e procurement strategy, the outcome of which is likely to inform the PTP. Although the catalogues are supplier managed there is still an input required from the local procurement team around system set up, quality assuring the data and maintaining the catalogues. It is likely that this requirement will need to increase to meet the targets which may result in a need for a more dedicated catalogue resource which as an alternative to local provision may be something that could be provided by a team serving a number of Trusts.

## **Electronic Purchase Order Compliance – Metric to achieve at least 90% coverage by September 2017**

The Trust uses the Oracle purchase order system and we have successfully rolled out electronic requisitioning to almost 90% of users. As outlined above many of these requisitioners order items from electronic catalogues or alternatively via a non catalogue request where their electronic requisition comes into an electronic pool within procurement to action. Although we are working to phase it out completely we do continue to use paper requisitions mainly for those who requisition on an ad hoc basis partly for operational reasons as we have found that users who only order occasionally require a lot of support from the procurement team in terms of training, passwords etc. making it in these instances a less cost effective method. The local procurement team are involved in the training of users and the associated oracle system set up and maintenance. NEP are currently planning for the market testing of the existing financial systems contract with Oracle which expires in March 2018. The outcome of this exercise will have a significant organisational impact as the current oracle system is embedded across the Trust. An implementation of a new system will require significant planning in time and resources for the Procurement team and needs to be taken into account of in any transformation plans.

## **Contract Coverage and Compliance – Target to achieve 90% under contract**

The Trust currently make use of a range of framework contracts organised nationally or regionally by a number of procurement partners - Noe CPC, NHS Supply Chain, Crown Commercial Services (CCS), Commercial Medicines Unit as well as our own local agreements. In 2015/16 of the £54m of key supplier expenditure £47m (87%) were covered under a national/regional type contract with the majority of the balance being covered by either a local agreement or order.

## **Inventory Turns**

The majority of common goods to the NHS are supplied to Trust's via the NHS Supply Chain warehouse/delivery service. As part of this process the local procurement team provide a materials management top up service to 20 Wards/clinical areas whereby stock levels are agreed and topped up by supplies staff, using an electronic device with the information then being interfaced to NHS Supply Chain who subsequently deliver to an agreed schedule. The challenge appears to be to expand the level of control of stocks offered through materials management to those items that are not available to order through NHS Supply Chain and are therefore ordered via the Oracle purchase order system. Within Harrogate the majority of ward areas order relatively small numbers of items outside NHS Supply Chain but Theatres and more specialist areas such as ITU & Endoscopy do appear to offer an opportunity. Theatres have put forward a business case to purchase a stock module as part of the Bluespier theatre management suite. If it is decided to proceed with this then the procurement department will be required to play a significant role in the implementation/set up as well as the ongoing running. With regards to the specialist areas we are aware of other Trusts who use the NEP Oracle system have been able to make the necessary interfaces to the NHS Supply chain materials management system and NEP Oracle system to facilitate the materials management of items subsequently ordered direct from the supplier via the Oracle purchase order system and therefore we are currently working with our procurement partners to facilitate an trial of this in ITU. If this is successful then we would need to consider how we would roll out to other potential areas and what impact this would have on the Procurement team in terms of resources and skills.

## **Purchase Price Index and Price Benchmarking Tool**

As part of NEP the Trust have had access to the Scorpio benchmarking tool for several months and have been trialling since May the Health Care Logistics price benchmarking tool which I understand was used as part of the Carter data trawl. The DOH have just announced that they have awarded the Carter price benchmarking tool to a new company called AdviseINC and being members of NEP we have been able to produce and send an initial download of the information requested by the centre from Oracle purchase order system.

### 3. Procurement Transformation Plan - Summary

The PTP delivery plan will be developed and submitted to the Board of Directors in September. Key initiatives at the moment largely involve collaboration with other organisations.

#### COLLABORATION WITH OTHERS TO IMPROVE PROCUREMENT

The Trust actively collaborates with a number of organisations in respect of procurement on a formal and informal basis –

- a) The Trust is a founding member of the North of England Commercial Procurement collaborative which provides contracting support and a range of other procurement services. NOECPC has grown from its Yorkshire roots to include Trusts all over the North of England as well as other members in East Anglia and Midlands. NOECPC have also worked with the other NHS Collaborative to produce new contracts across their combined membership on orthopaedics, pacemakers and temporary staffing. They also provide a contract management function assisting the Trust manage a number of its key suppliers.
- b) On a less formal basis the Trust actively collaborates with a number of local member Trusts for example with York, Calderdale, Bradford, NLAG, Humber, Mid Yorkshire, Barnsley, Rotherham and Doncaster meeting on a monthly basis to discuss joint procurement opportunities, swap best practice, benchmark information. A recent example over the last 12 months has been working with York to standardise on hearing aids while the Trust is part of a collaborative project with several other Yorkshire Trust's to replace the Region's Radiology Pacs solution. Harrogate is a member of the new West Yorkshire STP and work is about to commence to look at any procurement opportunities this may bring.
- c) The Trust work closely with NHS Supply Chain having regular meetings with the Trust Account Manager/s on site and with Supplies Manager colleagues. The Trust engages with NHS Supply Chain across the range of their activities. For example a recent discussion with them around the procurement of medical equipment has led to NHSSC choosing the Trust to take forward a FOC trial of their new Asset Management Assessment package. The Trust will look to continue to engage with NHS Supply Chain to extract the maximum value from the remaining 2 years of their contract. The Product Choices Group has been re-established to review our NHSSC medical and surgical consumables spend with projects underway around key products in particular reviewing any opportunities that fall out of the Core List initiatives.
- d) The Trust has a range of contacts with other NHS/Government procurement bodies e.g. NHS Business Services Authority, Crown Commercial Services, the Health Care Supply Association and the DOH Procurement team. The DOH Procurement Portal is used on a regular basis as a source of information and as a tool to communicate with the wider NHS Procurement community via its forum application.
- e) The Trust use the North East Patches (NEP) shared service Oracle r12 financials system which includes over 70 organisations across the country. The Trust is represented on the Procurement and Systems Development Board. Being part of such an organisation has benefits in terms of being up to date with DOH procurement developments e.g. NEP have facilitated the price benchmarking information that is now required as part of the Carter recommendations.
- f) The Trust has access to the recently launched NHS Procurement Skills Development team and its associated website and has a representative on the associated Working Group. This initiative is to be welcomed as for several years there has been a significant gap in any nationally organised training for procurement staff.

### 4. Risks and issues

- Purchase order system: NEP have advised that they are looking to market test the current Oracle r12 financial systems which includes purchase order in advance of the expiry of the existing contract with Oracle in April 2018. Any change of system will have a significant impact on the Trust's procurement team both in the planning and implementation of any new purchasing suite as the current system is so embedded in the organisation.
- NHS Supply chain systems: The DOH has started the process of market testing the activities currently carried out by NHS Supply Chain. Although the current SOLO ordering and materials management systems are owned by the DOH via the NHS Business Services Authority and therefore should not be effected by the proposed Future Operating Model (FOM) when it comes into operation in October 2018 there is an element of risk until the market testing is completed and there is greater clarity on the solution and the new providers.

- **Catalogue Solutions:** The Trust currently use two catalogue solutions –Science Warehouse which is provided free of charge by NEP as part of the Oracle purchase order system and GHX who provide a free of charge service via NOECPC in relation to items ordered against their contracts. NOECPC are currently out to tender for their solution while NEP are likely to be market testing Science Warehouse as part of the overall system tender. Having 2 catalogue systems does cause some operational issues, however to date these have been outweighed by them being both free of charge. Some other NEP/NOECPC member Trust's such as York have invested in a single system (a GHX full license costs in the region of £20,000). There is a possibility that the outcome of the present NOECPC exercise will result in the provider charging for the service.
- **Adoption and Implementation of GS1 Scanning for Safety:** The Trust has developed an initial strategic plan focussing in particular on the potential application of GS1 in respect of inventory systems. The Trust are engaged with NHS collaborative partners to understand the most effective way to take the wider GS1/scan 4 safety project forward and the potential applications across the organisation taking into account the lessons that will fall out of the 6 NHS Demonstrator sites. Key enablers of GS1 in respect of its procurement application such as a catalogue solution are in place locally, although the national IT infrastructure has still to be put in place.
- We utilise ongoing collaborative arrangements to deliver the current performance therefore need to ensure opportunity to collaborate with others continues.



## Appendix 1

### Procurement Transformation Plan (PTP) Delivery Plan

#### Introduction

Procurement recognises the need to keep pace with the changing NHS environment and the following section details how Procurement will transform the service it provides over the next 3 years. In developing this Procurement Transformation Plan specific recognition has been taken of the operational productivity and performance in English NHS acute hospitals: unwarranted variations report completed by Lord Carter of Coles in February 2016. This report highlights a number of areas where Procurement needs to implement change as well as some national requirements to support data analysis and standardisation. Already some of the national dates have slipped and where this local transformation plan is dependent on any national plan or solution the timescales will recognise the current situation which may be different to the original dates published in the report. A summary of the progress against the PTP Delivery Plan and PTP Metrics will be reported quarterly to the Board of Directors, with a more detailed reported being sent to the Audit Committee in September each year.

#### 1) Purchasing Systems

The Trust will continue to maximise its e-commerce capability and its use of electronic systems and catalogues. Monitoring the progress of the NEP market testing of financial systems providing input/influence via participation in various user groups/forums. Over the next 3 years deliver the following:

Planned Action	Responsible Officer(s)	Financial Year
Assess the outcome of the NOE CPC E-catalogue solution tender expected by 31/12/16 and its impact on existing processes & resources via GHX.	Head of Procurement	2016/17
Set up of Oracle and e-dc systems to facilitate trial of extension of materials management in ITU to non NHS Supply Chain products.	Head of Procurement	2016/17
Set up of Oracle and e-dc systems to facilitate implementation of Theatre inventory system. (Subject to Business Case approval)	Head of Procurement	2016/17
Roll out of I-Proc electronic requisitioning to services in Durham, Darlington & Middlesbrough.	Head of Procurement	2016/17
Work with Finance colleagues to improve internal processes around purchase to pay.	Head of Procurement/Head of Financial Accounts	2016/17
Take forward the implementation/training of new electronic tender/contracting system.	Head of Procurement	2016/17
Planning for implementation of new financial/procurement system to replace Oracle R12 for potential commencement date of 01/04/2018.	Head of Procurement/Head of Financial Accounts	2017/18
Completion of roll out of I-Proc electronic requisitioning to balance of areas.	Head of Procurement	2017/18
Assess outcome of trial of extension of materials management with view to use in other specialist areas.	Head of Procurement	2017/18
Following assessment implement any changes arising from NOECPC e-catalogue solution tender exercise.	Head of Procurement	2017/18
Clarification of any systems implications that fall out of the Future Operating Model Process. Plan for any changes in Solo/E-dc systems.	Head of Procurement	2017/18
Start to use the functionality of the new electronic tendering system and begin to populate the contracting modules.	Head of Procurement	2017/18
Potential implementation of new purchase order system to replace Oracle R12.	Head of Procurement/Head of Financial Accounts	2018/19
Potential implementation of any system changes to Solo/e-dc that fall out of the expiry of the NHS Supply Chain contract due to take place 01/10/2018.	Head of Procurement	2018/19
Phased rolling out of the electronic tendering/contracting system to other relevant	Head of Procurement	2018/19

areas/departments.

## 2) Partnerships and Collaboration

The Trust will continue to support the use of partnership initiatives and taking a collaborative approach going forwards. Having active participation in existing procurement collaborations e.g. NOECPC and monitoring emerging/developing new partnerships and collaborations. Inputting to those collaborations and partnerships as appropriate e.g. via attendance of available forums (being active members) and delivering the following over the next 3 years:

Planned Action	Responsible Officer(s)	Financial Year
Continue to maximise the benefits of being a member of NOECPC.	Head of Procurement	2016/17
Membership of new WYAAT Procurement Group - Take part in the initial meeting/discussions arranged by Jonathan Woods scheduled to complete 31/12/16 .	Head of Procurement	2016/17
WYAAT Projects/Initiatives that fall out of initial meetings/discussions including benchmarking opportunities.	Head of Procurement	2016/17 -
Review partnership and collaboration arrangements in place in light of the national/local Procurement landscape.	Head of Procurement	2016/17 -
Continue to develop positive working relationship with NOECPC.	Head of Procurement	2016/17
Continue to play an active role in the existing Yorkshire Supplies Manager forum.	Head of Procurement	2016/17
Continue to work closely with York and Humber groups on ecommerce/purchase systems.	Head of Procurement	2016/17
NHS Supply Chain - continue to engage with Account Manager to look for savings and best practice opportunities.	Head of Procurement	2016/17 -
Commence trial of NHS Supply Chain Asset Management Assessment Package.	Head of Procurement/Trust Equipment Group	2016/17
Working with NEP producing a patch wide timetable regarding replacement of Oracle R12 in April 2018.	Head of Procurement/Head of Financial Accounts	2016/17
Involvement in planning the implementation of replacement for Oracle R12. Establishing specifically where HDFT sits in any phased roll out.	Head of Procurement/Head of Financial Accounts	2017/18
Contribute to any discussions regarding future role of NOECPC post Future Operating Model (FOM) development.	Director of Finance	2017/18
Assess outcome of NHS Supply Chain Asset Management Assessment trial. Look to implement any improvements to Trust Equipment Management/Capital replacement systems.	Head of Procurement/Trust Equipment Group	2017/18
Evaluate the outcome of the FOM and how this will affect the Account Management relationship for this portfolio of non-pay spend.	Head of Procurement	2017/18
Establish Account Management relationships with new FOM provider/regulator.	Head of Procurement	2018/19

### 3) Organisation

The Trust will review the NHS Standards of Procurement to identify specific actions to undertake, continually reviewing as revised standards are rolled out undertaking the following over the next 3 years:

<b>Planned Action</b>	<b>Responsible Officer(s)</b>	<b>Financial Year</b>
Carry out initial self-assessment against new NHS Standards (to be carried out by 31/10/16).	Head of Procurement	2016/17
Plan and implement improvement actions identified from the self-assessment (to be carried out by 31/3/2017).	Head of Procurement	2016/17
Product Choices Group set up early 2016 with focus on supporting clinical opportunities that fall out of the extension to the NHS Supply Chain contract.	Head of Procurement	2016/17
Develop and issue improved user guidance regarding management of ward stores.	Head of Procurement	2016/17
Delivery of 16/17 Work plan (savings) /Identification of projects for 17/18 Work plan including any contract gaps.	Head of Procurement	2016/17
Identify any skill gaps and training needs in the Procurement/Supplies team.	Head of Procurement	2016/17
Identify any resource gaps that could put delivery of the PTP at risk. Formulate a structure/strategy to overcome identified resource gaps.	Director of Finance/Head of Procurement	2016/17
Peer review assessment against level 1 standard.	Head of Procurement	2017/18
Carry out initial self-assessment against level 2 standard, to include other non-Supplies Department order areas (Pharmacy, Catering fresh food).	Head of Procurement	2017/18
Equipping/commissioning of new endoscopy suite.	Head of Procurement	2017/18
Delivery of 17/18 Work plan (savings) /Identification of projects for 18/19 Work plan including any contract gaps.	Head of Procurement	2017/18
Preparation for new Future Operating Model (FOM) arrangements. Produce implementation plan etc.	Head of Procurement	2017/18
Implement local action plan to facilitate seamless transition to FOM arrangements	Head of Procurement	2018/19
Provide Procurement input to the development of plans for the adoption of GS1 within the Trust.	Head of Procurement	2016/17 - 2018/19

## Appendix 2 – Extract from NHS Improvement Carter Procurement Definitions Document dated 17 August 2016.

### Carter Procurement recommendations

#### Recommendation 5:

All trusts should **report their procurement information** monthly to NHS Improvement to create an NHS **Purchasing Price Index** commencing April 2016, **collaborate with other trusts and NHS Supply Chain** with immediate effect, and commit to the Department of Health's **NHS Procurement Transformation Programme** (PTP), so that there is an increase in transparency and a **reduction of at least 10% in non-pay costs is delivered across the NHS by April 2018**.

Delivered by:

- a. developing **PTP plans at a local level** with each trust board nominating a Director to work with their procurement lead to implement the changes identified, overseen by NHS Improvement and in collaboration with professional colleagues locally, regionally and nationally;
- b. NHS Improvement providing a **national benchmarking solution** to be fully operational by April 2017. This will include a purchasing price index starting with an initial basket of 100 products with immediate effect. NHS Improvement will **hold trusts boards to account** in performance against the index from October 2016;
- c. trusts to prioritise the role of procurement on ensuring effective system control and compliance, building supply chain capability in terms of both inventory management systems and people. Trusts to aim to **work in collaboration** both with national procurement strategies and other trusts **to explore common systems adoption** e.g. efficient electronic catalogues using retail system standards, enhancing current purchase to pay systems, adopting (GS1) and Pan European Public Procurement Online (PEPPOL) standards detailed in the eProcurement Strategy, and to align with NHSSC on category initiatives;
- d. trusts **improving performance against key metrics** and driving compliance to the following targets by September 2017: 80% addressable spend transaction volume on catalogue, 90% addressable spend transaction volume with a purchase order, 90% addressable spend by value under contract;
- e. trusts accelerating collaboration with other trusts to **develop aggregated sourcing work plans** to reduce variety (including with NHS Supply Chain for their categories) for 2016-17 and 2017-18; and,

trusts **embracing the NHS Standards of Procurement** with the new Skills Development Networks, with those that have already achieved Level 1 achieving Level 2 of the standards by October 2018; and those trusts that are yet to attain Level 1 achieving that level by October 2017. All trusts to produce a self-improvement plan to meet their target standard by March 2017.

## **Appendix E: Glossary**

**Business Case (BC)** a document making the case for investment in services

**Benchmarking** A process of measuring performance against other (peer) organisations.

**CCS** Crown Commercial Services, central government organisation providing a range of advice and commercial services, including contracting across the public sector.

**Category** A range of products / services purchased by the organisation broken down into discrete groups of similar or related products

**Contract Management** The management and measurement of contracts. This includes ensuring compliance with the terms and conditions, as well as documenting and agreeing any changes or amendments that may arise during the implementation or execution of a contract. Effective contract management ensures operational performance is achieved and any risks are minimised.

**E-commerce** Refers to trading (the buying and selling of products or services) over electronic systems / networks such as the Internet. It also includes the entire online process of requesting, ordering, delivering, receipting and paying for products and services through electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems.

Electronic commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the ordering and payment aspects of business transactions.

**E-dc/SOLO** Electronic systems used to materially manage and order goods from NHS Supply Chain.

**E-procurement** E-procurement encompasses the functions of procurement through electronic means. It can encompass:

**ERP (Enterprise Resource Planning):** Creating and approving purchasing requisitions, placing purchase orders and receiving goods and services by using a software system based on Internet technology (the Trust system us Oracle Financials).

**e-catalogues:** Online catalogues that control what the user is able to buy and from which supplier. These may be maintained by the suppliers or by the department's Systems Development Team.

**e-sourcing:** Identifying new suppliers for a specific category of purchasing requirements using Internet technology.

**e-tendering:** An electronic tendering solution facilitates the complete tendering process from the advertising of the requirement through to the placing of the contract. This includes the exchange of all relevant documents in electronic format.

**e-informing:** Gathering and distributing purchasing information both from and to internal and external parties using computer based technology. Web portals, Facebook and Twitter are becoming an increasingly common method.

**FOM** stands for Future Operating Model. This is the terms used to describe the future national procurement and logistics provider (currently NHS Supply chain).

**GS1** Global Standard adopted by the NHS to facilitate the standardisation identification of products, assets, services, places and organisations.

**HCSA** Health Care Supply Association, the HCSA promotes the work of procurement/supply chain staff at all levels in healthcare.

**I-PROC** End user electronic requisitioning part of the Oracle R12 Purchase Order system.

**Materials Management (MM)** Is the process of managing the physical movement and storage of materials / products within the organisation and is directly related to inventory management.

**NEP** North East Patches, an NHS consortium providing a centrally serviced shared Finance and Procurement system that supports the NHS “Shared Service” national agenda.

**NHS BSA** NHS Business Services Authority, a special Health Authority and Arms-Length Body of the Department of Health that provides a range of central services including the management of the Master Service Agreement for the delivery of supply chain services to the NHS.

**NHS Supply Chain** A nationwide organisation, run by DHL for the DoH, that provides medical and other consumables to the NHS.

**NOECPC** North of England Commercial Procurement Collaborative, NHS member organisation providing collaborative and bespoke procurement solutions to its members.

**Non pay spend** This covers all spend that is not related to the payment of Trust staff. Expenditure includes all clinical and non-clinical supplies and services / drugs / facilities and estates / non-permanent workers / professional services.

**Non-stock (Direct) orders** Any order, for goods or services that does not come from NHS Supply Chain. These orders are placed directly with the supplier or distributor.

**Oracle R12** The Trust’s current Financial System which includes a Purchase Order module.

**Purchase Order** An official order with a unique number (the Trust order start with a 401) which is sent to the supplier requesting they deliver the goods ordered.

**Purchase to Pay (P2P)** This is the process from requisitioning supplies to payment to the supplier. This includes requesting, ordering, delivery, receipting, inventory, invoicing and payment.

**Stakeholders** A person or group who has an interest in the organisation / Trust. Stakeholder can include those who work for the organisation and those who may not. Key stakeholders for Procurement include Colleagues, Suppliers, Collaborative Partners (CPC, GPS, NHSSC) and Patients

**Standardisation** The process of establishing a common / standard specification.

**Stock Orders (NHSSC)** NHS Supply Chain acts as a giant warehouse for the NHS and Trusts place orders requesting stock from their stores to our hospitals.

**TCS** Transformation of Community Services.

**Value for Money (VFM)** Value for money (VfM) is about obtaining the maximum benefit with the resources available. It is about getting the right balance between quality and cost, and about achieving the right balance between economy, efficiency and effectiveness. Other definitions can include spending well or spending more wisely.

**WYAAT** West Yorkshire Association of Acute Trusts, which includes HDFT recently established to look at a range of services/functions across the West Yorkshire Strategic Planning Area.

**WAU** Weighted Activity Unit, a metric defined in the Carter report that can be used to compare performance and productivity across organisations.

**END OF DOCUMENT**

<b>Report to the Trust Board of Directors: 28 September 2016</b>	<b>Paper No: 16.4</b>
<b>Title</b>	Treasury Management Policy
<b>Sponsoring Director</b>	Mr J Coulter, Deputy Chief Executive/Finance Director
<b>Author(s)</b>	Mr Neil Outhwaite, Finance Officer
<b>Report Purpose</b>	To approve the Treasury Management Policy
<b>Key Issues for Board Focus:</b>	
<p>The Board of Directors are asked to:</p> <ul style="list-style-type: none"> <li>- Note that the Treasury Management Policy was reviewed by the Audit Committee at its meeting on 8 September 2016.</li> <li>- Note that the Audit Committee approved the policy for onward submission to the Board for formal approval.</li> </ul>	
<b>Related Trust Objectives</b>	
To deliver high quality care	No.
To work with partners to deliver integrated care	No
To ensure clinical and financial sustainability	Yes – to support the Trust’s obligation to manage its affairs in a way that ensures the Trust remains a ‘going concern’, and has access to sufficient cash and other liquid assets to meet its financial obligations. A key element of this is having an effective policy for Treasury Management in place.
<b>Risk and Assurance</b>	N/A
<b>Legal/regulatory implications</b>	The report does not highlight any legal/regulatory implications for the period. NHS Improvement requires Trust’s to have a Treasury Management Policy in place.
<b>Action Required by the Board of Directors</b>	
The Board of Directors are asked to <b>approve</b> the Treasury Management Policy.	

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## TREASURY MANAGEMENT POLICY

Version	Date	Purpose of Issue/Description of Change	Review Date
1	June 2005	Initial Issue	June 2006
2	May 2006	12 month review of Policy	June 2007
3	May 2007	12 month review of Policy	June 2008
4	Aug 2008	12 month review of Policy	June 2009
5	Sept 2009	12 month review of Policy	August 2010
6	Sept 2010	12 month review of Policy	August 2011
7	Sept 2011	12 month review of Policy	August 2012
8	Sept 2012	12 month review of Policy	August 2013
9	Dec 2013	12 month review of Policy	November 2014
10	Sept 2014	12 month review of Policy	August 2015
11	Sept 2015	12 month review of Policy	August 2016
12	Sept 2016	12 month review of Policy	August 2017
<b>Status</b>		Open	
<b>Publication Scheme</b>		Document Library>>Policies	
<b>FOI Classification</b>		Release without reference to author	
<b>Function/Activity</b>		Treasury Management	
<b>Record Type</b>		Policy	
<b>Project Name</b>		<b>N/A</b>	
<b>Key Words</b>		Treasury, Management, Policy, Finance	
<b>Standard</b>		<b>N/A</b>	
<b>Scope / Location</b>		Trust-wide	
<b>Author</b>		Head of Financial Accounts	<b>Date</b>
<b>Approval and/or Ratification Body</b>		Board of Directors	May 2005
		Board of Directors	May 2006
		Board of Directors	May 2007
		Board of Directors	Sept 2008
		Board of Directors	Sept 2009
		Board of Directors	Oct 2010
		Board of Directors	Sept 2011
		Board of Directors	Oct 2012
		Board of Directors	Feb 2014
		Board of Directors	Jan 2015
		Board of Directors	Oct 2015

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## 1 INTRODUCTION

NHS Foundation Trusts are required to manage their affairs in a way that ensures they remain 'going concerns' and have access to sufficient cash and other liquid assets to meet their financial obligations. A key element of this is having an effective policy for Treasury Management.

Treasury Management includes the management of:

- Cash flow (monitoring and forecasting).
- Working capital management.
- Banking.
- Money and capital market transactions.
- Optimising returns through investment.
- Reducing financial transaction and borrowing costs.
- Minimising financial and corporate risk.

Donated funds are regulated by the Standing Financial Instructions and other guidelines relating to Charitable Funds and decisions on investments are made by the Trust's Charitable Funds Investment Panel.

## 2 AIMS AND OBJECTIVES

The Treasury Management Policy aims and objectives are:

- To apply and develop professional standards and disciplines to the Treasury management function.
- To identify, manage, reduce and eliminate where possible, financial risk arising from operational and treasury management activities.
- To support the delivery of the Trust's objectives by ensuring short and long term availability of liquidity.
- To minimise costs by borrowing on flexible and competitively priced terms.
- To manage HDFT's liabilities and investment assets prudently ensuring commitments can be met as they fall due.

## 3 KEY RESPONSIBILITIES AND CONTROLS

The Chief Executive is Accountable Officer for the Trust and is charged, with the Board, in ensuring probity in the use of public money. Responsibility for the day to day management of the Trust's financial systems rests with the Finance Director.

The Finance Director is responsible for the following:

- Ensuring that controls and processes are sufficient to meet the aims and objectives of the Treasury Management policy.
- Making recommendations to the Trust Board for a system of delegated authority limits and implementing and reviewing those limits on a regular basis.

- Establishing strict limitations on the types of investments for deposits of surplus cash and the circumstances in which they may be used.
- Managing daylight exposure (a limit set by a bank on its foreign-exchange dealings in a given currency with a particular counterparty) in the use of agreed counter-party limits.
- Ensuring that all moneys due from maturing or sold assets are received on time by the Trust.

## 4 INVESTMENTS

Cash investment decisions will be aimed at ensuring security, safeguarding liquidity and maximising income to support the financial aims of the Trust.

The Trust will only invest cash in organisations or financial institutions that offer the maximum security for the investment, in line with NHS Improvement's definition of a 'safe harbour' investment. The types of organisations that can provide this are:

- UK Government Departments and Agencies (excluding those contracted out to the private sector).
- Local Authorities.
- Banks, Building Societies and any similar institutions granted permission to trade by the FSA particularly those that are unlikely to fail).
- Approved Money Market Funds.
- Open ended investments such as unit trusts or bond funds where all elements of the investment meet NHS Improvement's safe harbour criteria.
- Revenue repurchase transactions where collateral is securities backed by the UK Government and the counterparty is a permitted institution under the NHS Improvement's definition.

## 5 APPROVED INVESTMENT INSTITUTIONS

The Department of Health has changed the methodology in calculating Public Dividend Capital (PDC) dividends from 2013 onwards, by excluding cash from the calculation based on average daily cleared balances as opposed to opening and closing cash balance. This will have the effect of increasing the amount of PDC dividend paid annually. As the UK bank base rate is currently 0.25% and that returns from short term investment is very low, the cost of the extra PDC dividends far outweighs the benefit earned from the short term investment.

For example, on £5m there is a 3.5% saving on PDC dividend which totals £175,000 pa. Any investment made at the present time within this policy, and whilst the UK bank base rate is 0.25%, are unlikely to yield 3.5%. Therefore, the Trust does not intend to place any investment until UK bank base rate rises to 3.5% or above. At that time, the Audit Committee will consider the Investment Policy again. It is likely that some financial institutions, whilst meeting the current definitions outlined in section 4 of this policy, would be excluded because of individual credit ratings or other information.

The Trust will keep all of its cash with the Government Banking Service (GBS) and the National Loan Fund (NLF) until such time where base rate goes above 3.5%.

## 6 LIMIT PER COUNTERPARTY

GBS	Unlimited
NLF	Unlimited

## 7 MAXIMUM INVESTMENT PERIOD

The maximum period of 12 months will be permitted for investments. For investments with a fixed period of up to 6 months Finance Director approval is required. Board of Director approval is required for investments with a fixed period between 6 and 12 months.

## 8 DELEGATION OF RESPONSIBILITY FOR BORROWING

Post implementation of the Risk Assessment Framework the Trust no longer has a Prudential Borrowing Limit set annually by NHS Improvement. The Board will authorise the strategic use of all borrowing in advance; whilst delegating day-to-day responsibility for all borrowing to the Chairman and Chief Executive collectively.

One of any of the Non-Executive Directors can deputise for the Chairman. The Finance Director can deputise for the Chief Executive.

In order to carry out these duties, the Chairman and Chief Executive will request from the Finance Director as required reports on borrowing, including:-

- Performance monitoring.
- Review of borrowing requirements, funding plans and interest rate strategy.

The information included in the above reports will form part of the Trust's annual business planning process and the output of which will be approved by the Board of Directors.

## 9 AUDIT COMMITTEE

The Audit Committee is responsible for:

- Ensuring that public money is safeguarded and properly accounted for.
- Ensuring that the Trust's investment and borrowing strategy retains an appropriate risk profile.
- Ensuring that proper safeguards are in place for the security of the Trust's funds by agreeing the list of permitted institutions, setting investment limits for each institution and agreeing permitted investment types.
- Performing an annual review of this Policy and recommending approval to the Board of Directors.

## 10 APPENDICES

Appendix 1: Consultation Summary

### 10.1 Appendix 1: Consultation Summary

<p><b>Those listed opposite have been consulted and comments/actions incorporated as required.</b></p> <p>The author must ensure that relevant individuals/groups have been involved in consultation as required prior to this document being submitted for approval.</p>	<b>List Groups and or Individuals Consulted</b>
	Finance Director/Deputy Chief Executive
	Deputy Finance Director
	Audit Committee