

Date of meeting: 3 May 2017

Enc C3

Report to

<b>Title</b>	<b>Chief Executive Review and Way Forward</b>	
<b>Sponsoring Director</b>	<b>Michelle McKay, Chief Executive Officer</b>	
<b>Author</b>	<b>Michelle McKay, Chief Executive Officer</b>	
<b>Action Required</b>	The Board is asked to: <b>note</b> the contents of this report, and <b>endorse</b> the proposed way forward	
<b>Previously considered by</b>	Executive of the Trust	
<b>Priorities (√)</b>		
<i>Investing in staff</i>		√
<i>Delivering better performance and flow</i>		√
<i>Improving safety</i>		√
<i>Stabilising our finances</i>		√
<b>Related Board Assurance Framework Entries</b>	2678 If we do not attract and retain key clinical staff we will be unable to ensure safe and adequate staffing levels 2790 As a result of high occupancy levels, patient care may be compromised 2893 Failure to engage and listen to staff leading to low morale, motivation, and productivity and missed opportunities 2904 If there is inadequate culture and staff development for improvement, the Trust will not be able to continuously improve 3038 If the Trust fails to improve performance, strengthen governance and patient safety it will not address CQC inspection concerns 3291 Deficit is worse than planned and threatens the Trust's long term financial sustainability	
<b>Legal Implications or Regulatory requirements</b>		
<b>Glossary</b>		

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

Date of meeting: 3 May 2017

Enc C3

**WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST  
3 MAY 2017**

**1. Situation**

One month since my commencement in the role of Chief Executive Officer (CEO) of the Worcestershire Acute Hospitals NHS Trust (the Trust) on 27 March 2017, it is appropriate to provide to the Board a review of my assessment of the Trust and detail a way forward that would see the Trust in a position of success over the next two years.

The Trust has been very adversely affected by a long period of temporary and changing leadership particularly in the roles of CEO, Chief Nurse, Chief Medical Officer, Director of Finance and Chief Operating Officer which has had a widespread negative impact upon the Trust, particularly in the areas of staff recruitment and culture which are at the root of much of the poor operational performance.

This paper provides details of activities over the next few months and an early view as to subsequent strategic planning. In summary they are as follows:

**Investing in staff**

Recruitment

- Recruitment plan completed - May
- Workforce workshop with NHS Improvement – May
- Additional recruitment strategies implemented – June
- Comprehensive Workforce strategy approved - July
- Measure of success – decreasing vacancy rate from July

Staff engagement and culture change

- Initial workshop held - April
- Proposal for culture change program approved – May
- Signature behaviours agreed and communicated – June
- Board and Exec Pulse survey process commenced – July
- All staff Pulse survey process commenced – August
- Measure of success – demonstrable increase in staff engagement and safety focus from July

**Delivering better performance and flow**

SAFER

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

**Date of meeting: 3 May 2017**

**Enc C3**

- Plan for intensive Red-2-Green week approved – May
- Intensive Red-2-Green week – June
- Measure of success – attainment of key performance indicators (KPIs) as per trajectory

#### Capacity and Demand

- Proposal approved – May
- Analysis of capacity and demand – June
- Implementation of new scheduling and job planning – July
- Measure of success – attainment of KPIs as per trajectory

#### Capital works in Emergency Department

- Proposal approved by Board – June
- Measure of success – enhancement of ED streaming post construction and subsequent attainment of KPIs as per trajectory

#### **Improving safety**

##### Board Development

- 12 month board development program, with a focus on safety, determined – June
- Board development program commenced – June
- Measure of success – Board members have shared knowledge of safety, patient experience, risk etc

##### Risk Management

- Risk management strategy approved by Board – June
- Board review of strategic risks – June
- Training program for senior staff – June/July
- Refresh of divisional risk registers – July
- Measure of success – demonstrated use of risk management process informing organisational decisions

##### Quality Improvement Strategy

- Meeting with NHS Improvement (NHSI) patient experience lead – May
- Quality Improvement Strategy approved – July
- Measure of success – approach to quality aligned to 'normal business'

#### **Stabilising our finances**

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

Date of meeting: 3 May 2017

Enc C3

- Analysis of Model Hospital benchmarking data – May
- Identification of areas of opportunity – June
- Detailed plans approved – July
- Financial sustainability strategy approved - September
- Measure of success – attainment of 2017/18 financial plan

### Corporate governance

- Review and amendment of committee structure – June
- Measure of success – reduction in number of meetings and increase in meeting effectiveness and decision making

### Strategic planning

- Clinical service strategy, incorporating technology and estate planning – September
- Measure of success – clarity regarding future service configuration and cost for implementation

Details of the cost of these activities are being finalised, with the knowledge that NHSI do provide some funding to support 'special measures' trusts.

## 2. Background

The situation that the Trust is in currently is well known to members of the Board. A summary sees challenges across the spectrum of quality service provision, performance against KPIs, financial sustainability and culture. This situation is largely the result of, and exacerbating difficulties in, recruitment of medical and nursing staff, alongside significant instability within the Executive leadership team. The result of these challenges has created a lack of confidence in the Trust from regulators, funders and community and a negative culture within the Trust.

In terms of quality of service provision, the Trust has been under the 'special measures' regime since November 2015. The subsequent visit from the Care Quality Commission (CQC) in November 2016 resulted in the Trust receiving a section 29A warning notice in January 2017 which required the Trust to demonstrate significant improvement to the quality of healthcare by 10 March 2017. In addition to concerns about patient safety, the notice also raised considerable concerns about governance and risk management, with the specific comment that *'The board cannot rely on the processes in place or the information they are receiving in order to take assurance that risks are identified and actions taken to reduce the risks to patients'*.

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

Date of meeting: 3 May 2017

Enc C3

A series of unannounced and announced visits by the CQC during April 2017, while recognising some improvements, has not satisfied the CQC that significant improvement has occurred. Additionally, there has been deterioration in patient experience, as measured in the annual inpatient survey.

In terms of the KPIs, the Trust has not met the Emergency Access Standard (EAS), Referral to Treatment (RTT), Diagnostic or Cancer targets for the entire year and, in some cases, longer periods. When compared to peer trusts, the Trust ranks consistently in the lower performing three or four in respective peer groups of approximately 30 trusts.

While the Trust did achieve its financial control target in 2016/17 of a £34.6M deficit including delivery of 91% of its cost improvement target of £28M, indicating significantly improved financial control during the year, this still leaves the Trust with a significant financial deficit for the forward years. Prime drivers of the deficit include premium costs for agency and locum staff due to significant medical and nursing vacancies and non-attainment of additional revenue due to poor performance against key KPIs. Further, the Trust has very little access to capital funding resulting in an inability to invest in infrastructure to support new models of care and technology.

In terms of staff culture, the Trust has seen deterioration through the national annual staff survey. The 2016 result indicated only 48% of staff considered the Trust a good place to work against the average of all acute trusts of 62%. This was a deterioration on the 2015 result. Further only 56% of staff would be happy with the standard of care should a friend or relative require treatment against the average of all trusts of 70%. The prime reasons for staff sickness are anxiety, stress and depression.

While considerable focus has been placed on recruitment during the last year, there are 153 medical vacancies out of an establishment of 705. There has also been deterioration in this vacancy rate over the last year. Within the nursing stream, there are 164 vacancies in a 1837 establishment. The turnover rate for nursing staff has been consistent at approximately 14% over the last year. Health Education England have also expressed concern about the quality of training delivered within sections of the Trust.

The Trust is in the process of finalising recruitment to a new Board, providing substantive Executive leadership to the Trust for the first time in a number of years.

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

Date of meeting: 3 May 2017

Enc C3

### 3. Assessment and way forward

During my first month in the role, I have had opportunity to gain perspectives from a wide range of individuals and organisations. In terms of external stakeholders I have met with local members of parliament, key partner organisations such as the NHS Health and Care Trust, the Worcestershire County Council and the Clinical Commissioning Groups. The Trust currently has an Improvement Director from NHS Improvement and consultants from Accelerus, who are experienced with working with trusts in 'special measures'.

I have engaged with staff through meetings, site visits and via my weekly email messages, which has seen some 200 staff respond individually to me expressing their views. I have read numerous compliments and complaints letters from patients and their families and have attended a number of meetings with external organisations with which the Trust engages, in addition to regular engagement with NHS Improvement, NHS England and the CQC. These individuals and groups have provided a range of feedback, both formally and informally, that have assisted in forming my own views as to the assessment of the Trust.

There are many engaged, motivated and skilled staff within the Trust. In some areas, there is excellent work underway. However there is a lack of clarity in terms of the Trust's vision and priorities and there is confusion regarding the governance structure and decision making processes in the Trust which are the result of considerable turnover in the Trust's executive over the last year. There has also been a view frequently expressed that the Trust has been good at planning, but poor in delivery.

There is strong support from a number of stakeholders and regulators to assist the Trust to succeed. However, there is a clear view from those who are experienced in challenged Trusts that the depth of distress of the Trust is marked and that, while there is optimism that success is achievable, it will require significant time, focus and resource. I share this view.

There are a number of areas of attention that are required to move the Trust to success. The activities required over the next three months are discussed in some detail, with an indication of work then to have the Trust succeed over the next few years. These are addressed below under each of the Trust's priorities. This paper does not intend to describe all of the 'business as usual' work that will also be occurring but rather focus on the particular areas required to move the Trust forward.

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

Date of meeting: 3 May 2017

Enc C3

## Investing in Staff

### Recruitment

One of the prime drivers for poor patient flow, resulting in non-achievement of KPIs, is the lack of consultant acute medical and emergency physicians. Considerable evidence exists as to the criticality of early, senior decision making for non-elective patients both from a clinical outcome perspective and also from a hospital flow perspective. Until improvement is realised in recruitment into these critical vacancies, improving performance against a number of KPIs – as a measure of timely access to treatment for patients – will be challenged. While this is the area of prime focus for recruitment, there are significant vacancies across the medical and nursing streams.

While there is considerable activity underway regarding recruitment, a comprehensive recruitment plan is being developed and will be implemented immediately that sees a range of recruitment strategies underway concurrently including:

- the strengthening of relationships with local universities to maximise ‘grow your own’ outcomes through undergraduate placement programs,
- overseas recruitment initiatives,
- strengthening of relationships with Health Education England to ensure that the Trust delivers excellent training opportunities,
- consideration of joint appointments/secondment/rotational opportunities with other providers to maximise experience, and
- ensuring all staff are fully engaged to the maximum of their scope of practice and consideration of new roles to support changing models of care.

It is anticipated that the recruitment plan will be complete in May and we are planning a workshop with NHS Improvement on workforce issues, also to be held in May. While recruitment is clearly the most pressing workforce issue and the focus of the next few months, it is anticipated that a Trust workforce strategy for the 2017-2019 period will be presented to the Board in July, encompassing aspects such as recruitment, retention, new roles, organisational development, staff wellness and staff engagement.

### Staff engagement and culture

The culture of an organisation – the way we do things around here – is a critical component in any organisation’s ability to deliver its objectives.

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

**Date of meeting: 3 May 2017**

**Enc C3**

The link between staff engagement and quality outcomes is well

understood. To achieve success the Trust needs a positive, safety-focussed, patient-centred culture where every staff member is clear on their part in the Trust delivering great patient care. To achieve this substantial culture change in the current environment in the Trust requires a very intentional strategy.

Pulse Australasia offers a comprehensive cultural change program, involving every staff member. The methodology follows a systems engineered, psychological approach and has been successfully implemented inside national and international organisations. The process aligns all staff to the collective achievement of shared goals through determining the vision, priorities and signature behaviours for the organisation and then regularly having every staff member surveyed anonymously by their colleagues to ascertain their delivery of the agreed signature behaviours.

The majority of the Board and Divisional leadership teams have attended the initial workshop with very positive feedback in terms of the program's staff engagement and improvement potential. A proposal from Pulse Australasia is due this week. It is anticipated that, subject to acceptance of the proposal, this work would begin during May with agreement of the vision, priorities and signature behaviours and would continue for two years.

### **Delivering better performance and flow**

There are numerous activities underway across the Trust that are focussed on improving performance and flow, however they have been disjointed and support processes, such as effective bed management meetings, not embedded sufficiently to deliver outcomes necessary. Due to the high levels of turnover in the Executive particularly, there remains confusion about various initiatives resulting in lack of cohesion and lack of considerable improvement. This confusion also means that careful consideration needs to be given to introducing new initiatives in this area, so that staff are able to 'connect the dots'.

Given the quantum of work required in this area, the Interim COO is in the process of identifying their support needs. It is anticipated that this will be required for a number of months from senior, experienced resources to support the embedding of the necessary changes.

### **SAFER**

The SAFER bundle is a proven approach to improving safety and patient flow, and was introduced at the Trust at the end of January 2017. Since that time, there have been some improvements identified

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

**Date of meeting: 3 May 2017**

**Enc C3**

with increased discharges before midday on some wards, a reduction in the length of stay in wards using SAFER and a reduction in the stranded patient cohort. However, the application of the components of SAFER is inconsistent and often person dependant.

A six week plan, culminating in an intensive red to green week, is currently being finalised with members of the NHS Emergency Care Improvement Program team. The plan identifies an area of focus for each week, supported by a clear communication strategy. This approach will ensure that the components of SAFER are embedded within normal business and issues that are blocking uptake are identified and either resolved or mitigated. It is anticipated that the intensive week will occur in June.

Capacity and demand analysis

Work is underway on a better understanding the capacity and demand within the Trust. A significant component of the remaining work required is to better understand the scheduling complexity of theatres, staff, patients and beds to support improvement in elective work. A proposal is being developed by the Surgical Division which will be considered in May and, pending approval, begin in June.

The result of this work will be absolute clarity of what level of activity is required every day to deliver the timeliness of access to services that patients require.

Capital works to support streaming

The Trust has just been advised that it was successful in it's bid for £920k for capital works in the Emergency Department to support streaming. The detailed proposal is being developed and will come to the Board in June.

**Improving safety**

Board Development

Given that the Board is new, the Chairman is very clear that the 'tone from the top' is safety focussed, patient centred and consistent. A shared knowledge about safety will allow the new Board to ensure that it's consideration of the Trust's performance is consistently based in the arena of safety. The Advancing Quality Alliance (AQuA) offer a Board Quality and Safety Development Program – Leadership for Safety, the Role of the Board. This program would also support the development of the provision of appropriate information and data to the Board to ensure that the Board is able to be assured on Trust performance. Attachment 1 provides detail of the program for the Board's consideration.

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

Date of meeting: 3 May 2017

Enc C3

There are a range of other topics which the Board will need to focus on over the next two years including patient experience, community engagement and the role of technology in health to name a few. It is anticipated that the Board will have an area of focus each quarter at the heart of its development program, which would see external expertise providing input to the Board to support its consideration of these issues. A 12 month Board development program will be finalised in June.

Risk management

Risk management processes across the Trust are immature and not supporting adequately decision making processes within the Trust and at the Board, as evidenced through review of minutes of various committees and as identified by the CQC. Divisional risk registers are currently being reviewed. The corporate risk register has been reviewed by the Executive in the last month to ensure that high level risks have been identified and escalated.

The Risk Management Strategy is in the process of review and it is anticipated that the new strategy would be approved by the Board in June. The Board will also be reviewing the Trust's strategic risks in June.

We have appointed a fixed term contract risk specialist to support a training program for senior staff to embed knowledge of the risk management process and ensure that risks are highlighted, documented, mitigated and reviewed. It is anticipated that training and a subsequent refresh of divisional risk registers would be completed by July. The reviewed Strategy will articulate clearly the process for risk review and escalation, ensuring that risk management processes are embedded.

Quality Improvement Program

The Trust does not currently have a prospective quality improvement program and instead has been focused for the last year on action plans to address specific issues identified in the various reports from the CQC. This has resulted in these activities being seen as separate to 'normal business'. The Trust needs to develop a quality improvement program that encompasses prioritised and themed quality improvement objectives that are cascaded to division and ward level. While the current immediate focus is on the issues identified in the s29A notice, work is underway with the intent that a full proposal for a Quality Improvement Strategy will be considered by the Board in July. The strategy will also identify the improvement methodology to be employed by the Trust and quantify training requirements.

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

Date of meeting: 3 May 2017

Enc C3

Given the quantum of work required in the areas of safety and quality, the CNO and incoming CMO are in the process of identifying their support needs. It is anticipated that this will be required for a number of months from senior, experienced resources to support the embedding of the necessary changes.

### Stabilising our finances

The Trust has a financial plan for the 2017/18 year however, as discussed at the Finance and Performance Committee in April, there are significant risks to delivery. Further, the cost of interventions required to see the Trust move out of special measures has not been fully anticipated.

The Lord Carter of Coles' analysis of operational productivity and performance in acute hospitals identified that high quality clinical care and good resource management go hand in hand. Data analysis as part of this work identifies that the Trust is spending more than peer trusts across the majority of corporate indicators such as finance, HR, IT and procurement. While these issues are being considered at the whole of Sustainability and Transformation Partnership (STP) level, the Trust needs to look to what opportunities exist in this arena locally.

The Trust has a project management office focussed on the cost improvement program. This focus will now extend to the opportunities identified within the benchmarking data with a plan identifying areas of focus to come to the Board in June, followed by a detailed project plan including anticipated savings in July. A longer term financial sustainability strategy will need to be developed and considered by the Board in quarter two this year.

### Corporate Governance

The Trust has appointed a Director of Performance and the Finance and Performance Committee endorsed the Performance Management and Accountability Framework as it applies to the Divisions in April. The framework and approach will continue to be matured as it is implemented.

While the corporate governance of the Board and its key committees is clear, the Trust generally lacks a transparent approach to corporate governance. The decision making processes within the Trust, as evidenced by the committee structure, while documented to some degree, is not clear. While aspects of governance were changed through 2016 following an assessment of the prior process by the Trust's 'buddy Trust', work remains to ensure clarity across the organisation.

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay

Date of meeting: 3 May 2017

Enc C3

Many of the processes to ensure good corporate governance, including content, purpose and timely provision of papers to support good decision making, requires improvement. There are currently many meetings within the Trust that discuss many of the same topics and do not provide clear evidence of decision making and progression of issues. Rectification of these issues will require support through the engagement of a resource to assist for one month. It is anticipated that this work will be finalised and communicated by June.

### Strategic planning

There are a number of strategic pieces of work underway including the 'Future of Acute Hospital Services in Worcestershire'. The Trust is also participating in a large number of workstreams as part of the STP. This paper has identified the need for a workforce strategy, a quality improvement strategy and a financial sustainability strategy.

In addition, through quarter two, the Trust needs to further develop a clinical services strategy, supported by an Information Technology and Estates plan. Much of this work will be in partnership with key stakeholders within the health economy and must have the necessary focus.

### Summary

This paper has identified a range of activities to be undertaken over the next few months to put the building blocks into place to ensure the success of the Trust in engaging our staff and improving the safety and quality of our services. It has also provided a guide to the pieces of work required over the next six months to ensure the Trust is strategically set up to succeed. It is anticipated that a report would come to each Board meeting detailing activity and outcomes in the prior reporting period and further developing the plan for the out months/years.

## 4 Recommendation

The Board is asked to note the contents of this report, and endorse the proposed way forward.

**Michelle McKay**  
**Chief Executive Officer**

Title of report	Chief Executive Officer Review and Way Forward
Name of director	Michelle McKay