

Agenda item PU2011/05		
DATE OF BOARD MEETING: 2 February 2011	Category of Paper Tick(✓)	
Executive Director Lead: John Lawlor: Chief Executive	Decision and Approval	
Paper Author: John Lawlor: Chief Executive	Position Statement	✓
Paper Title: Chief Executive's Report	Information	
	Confidential Discussion	

SUMMARY

1. The Chief Executive's report updates Board members on:
 - the appointment of joint Vice Chairs;
 - the NHS Operating Framework for 2011/12;
 - the Health and Social Care Transformation Board;
 - the Transforming Community Services agenda;
 - work with GP practices regarding Pathfinder status and Commissioning Support Units; and
 - use of the Corporate Seal.

UPDATES SINCE THE LAST BOARD MEETING HELD ON 24 NOVEMBER 2010

Vice Chair of NHS Leeds

2. The Appointments Commission recently contacted the Chair (18 November 2010) seeking clarity on the PCT's governance arrangements during this current transitional period. The Chair has agreed that both Neil Franklin and Peter Myers will act as joint Vice Chairs for the organisation.

The NHS Operating Framework for 2011/12

3. The NHS Operating Framework was published by the Department of Health (DH) on 15 December 2010. A full copy of the Framework is available at: http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_122738. It acknowledges that 2011/12 will be a challenging year for the NHS to deliver high quality care for patients, whilst starting to embed the new system highlighted in "*Equity and Excellence: Liberating the NHS.*"

4. The core purpose remains the improvement of health of the population of Leeds and the delivery of improved quality by focusing on the safety, effectiveness and patient experience of care delivered. The NHS Operating Framework sets out the national priorities for 2011/12, including maintaining performance on key waiting times, continuing to reduce healthcare associated infections and reducing emergency readmission rates.

5. 2011/12 is the first year of the new Spending Review period and the allocations given to PCTs (in light of the current economic context) represent a vote of confidence in the NHS and recognition of the pressures all NHS organisations face due to rising demand, changing demography, and new technologies. However, it is important to remain focussed on making efficiency savings to re-invest in improving quality. To this end, the NHS Operating Framework sets out how the NHS should ensure tight financial control during 2011/12 to create the right environment to support successful delivery of the reforms from 2012 – 2013 onwards.

6. NHS organisations must also make progress on developing the new health and social care system. The first wave of pathfinder GP consortia were announced by the DH in December 2010, and this will be expanded across the country during 2011/12. As you will see later in this report, three consortia in Leeds have been successful in being part of the second wave. The new NHS Commissioning Board will be created in shadow form by the end of the year.

7. On the provider side, national work has started on the completion of the Foundation Trust pipeline and to prepare for the new system of economic regulation. 2011/12 is also an important transition year for local government as the new arrangements for Health and Wellbeing Boards will be tested, along with the new public health service.

8. The NHS Operating Framework also focuses on closer integration between health and social care by focussing on discharge from hospital, reablement and additional allocations to support social care during 2011/12.

9. Clear accountability arrangements will be critical during this year, as parts of the new system come into place in shadow form. Strategic Health Authorities will continue to play a key role during 2011/12 and will remain accountable both for the delivery of high quality care and for making progress on the transition to the new system in the region. PCTs will remain statutorily accountable in 2011/12 and 2012/13. However, due to the proposed changes in the system, the drive to reduce running costs and to ensure capacity within organisations, the NHS Operating Framework sets out plans to create clusters of PCTs across the country. The plans for the cluster arrangements for Yorkshire and the Humber are still being finalised.

10. The Health and Social Care Bill was published on 19 January 2011 and further sets out the direction of travel for the NHS for the next few years. The legislation is large and complex and its passage through the parliamentary process is therefore likely to be subject to a range of amendments.

Health and Social Care Transformation Board

11. The Health and Social Care Transformation Programme is a city-wide agreement between Health and Social Care partners to work together to deliver the challenges ahead, including increasing quality and innovation and productivity. It is designed to bring key organisations together on this important task; to ensure their full engagement in identifying and delivering the most appropriate solutions to sustain quality while substantially reducing the overall cost in the Leeds health and social care economy by the end of 2014. Attached at Annex A is a communications briefing which has been shared with staff in all of the partner organisations.

Transforming Community Services

12. NHS Leeds Community Healthcare (LCH) has been approved by the Department of Health to become a Community Foundation Trust (CFT) applicant. The first step in becoming a CFT is to establish as a NHS Trust. A Transitions Team has been established to ensure the successful establishment of the new NHS Trust by 1 April 2011.

13. To establish as a NHS Trust an Establishment Order, Transfer Order and Direction (with schedules) need to be drawn up by the Secretary of State.

14. The Establishment Order details:

- the name of the new organisation (Leeds Community Healthcare NHS Trust);
- the dissolution of any previous formed organisation (not applicable);
- the functions of the new organisation;
- the date of establishment;
- the composition of the Board;
- the extent of Teaching Commitment; and
- the Accounting Date.

15. The Establishment Order must be approved by NHS Leeds Board, Yorkshire and the Humber SHA, Department of Health and finally subject to Parliamentary review. The order must be laid in front of Parliament fifteen working days prior to 1 April 2011. The draft Establishment Order was approved at the extraordinary NHS Leeds Board meeting held on 27 January 2011.

16. The Transfer Order defines the assets and agreements to be transferred to the new organisation from NHS Leeds and is supported by schedules defining these. The draft Order and appendices were approved at the extraordinary NHS Leeds Board meeting held on 27 January 2011.

17. As LCH moves towards Trust status on the 1 April 2011 we have advertised the posts of Chief Executive and Director of Finance/Resources as the two posts that need to be in place for the Trust. The interviews for the Chief Executive post are to be held on 3 February 2011 and the interview panel will include the LCH Chair designate – David Richardson, NHS Leeds' Chair – Linda Pollard, the SHA Chief Executive – Bill McCarthy, NHS Leeds' Chief Executive – John Lawlor, a PBC consortia representative – Gordon Sinclair (from H3plus), and a Local Authority representative – Sandie Keene. We hope to appoint on 3 February and following that we hope to recruit to the Director of Finance post by the end of February 2011.

GP practices regarding Pathfinder status and Commissioning Support Units

18. Leeds has been successful in becoming part of the national GP commissioning pathfinder programme, as one combined pathfinder covering H3plus, Leodis and Calibre. This pathfinder covers over 80% of the registered population of Leeds and is part of the second wave of pathfinders which was announced on 17 January 2011. There are now 141 pathfinders across England, now covering the majority of the population of England.

19. The pathfinder 'status' enables consortia to test the new commissioning arrangements at an early stage before formal transfer of statutory responsibilities in

2013 and will further support the development of shadow arrangements for non-elective care commissioning from 1 April 2011 (as previously agreed by NHS Leeds and the Consortia). The pathfinders will be testing out national policy as it is being developed with a view to sharing the learning as things progress.

20. We are also working closely with the GP consortia to develop proposals for how a Commissioning Support Unit in Leeds would work. The recently published Health and Social Care Bill confirms the statutory functions consortia will need to carry out in the future. Based on these functions, we have started to plan how some of the support services such as finance, contracting, IT and HR could be provided on a city-wide or broader basis in the future. We are also working with the GP practices not currently part of a formally recognised pathfinder consortium to help them make progress towards deciding on how they intend to become part of the revised commissioning arrangements locally, in line with the vision for commissioning set out in the White Paper.

Board Risk Profile

21. All registered risks have been reviewed and as at 26 January 2011, there are no red scoring risks on the corporate risk register. The EMT has also reviewed the assurance framework, as part of the review of effectiveness to inform the signing of the statement on internal control, and the Board are in the process of refreshing this for 2011/12.

Use of the Corporate Seal

22. The Board is asked to receive the following update on occasions when the corporate seal has been used:

OCCASION	PARTIES INVOLVED	DATE
Underlease relating to premises at Broad Lee House, Bradley Business Park, Dyson Way, Bradley, Huddersfield, HG2 1GZ – Phase 2	Kirklees Primary Care Trust and NHS Leeds	22/11/10
Lease of Land at Pharmacy at Rothwell Health Centre, Stone Brig Lane, Rothwell, Leeds	NHS Leeds Rothwell Health Centre	20/8/10
North West House – Licence to Alter	NHS Leeds	20/7/10

RECOMMENDATIONS

23. The Board is asked to:

- (a) **receive** the Chief Executive's Report; and
- (b) **note** the Vice-Chairmanship of Neil Franklin and Peter Myers.