

**MINUTES EXTRACT OF RESILIENT COMMUNITIES SCRUTINY COMMITTEE MEETINGS**

**RELATING TO BLACKPOOL TEACHING HOSPITALS TRUST'S SUSTAINABILITY ISSUES**

FINANCIAL DEFICIT AND IMPACT UPON QUALITY OF CARE - 5 NOVEMBER 2016

Councillor Kath Benson, who had declared a personal and prejudicial interest in the item, left the room for the duration of its consideration. Councillor Andrew Stansfield was in the Chair.

Mr Tim Bennett, Director of Finance, Blackpool Teaching Hospitals NHS Foundation Trust advised that the Trust had a significant financial challenge that was not unique with 78 out of 83 foundation trusts' facing a financial deficit. He highlighted the key reasons for the deficit as the use of agency staff, the cost of pay awards and the increasing costs of clinical negligence.

Members queried the action the Trust would take in order to reduce the use of agency staff and increase recruitment and retention of NHS staff. Mr Bennett advised that agencies could charge a premium as demand for services exceeded supply of staff. To alleviate this pressure, a national policy had been put in place that would commence in 2016 and would limit the amount agency staff could be paid to 25% more than an NHS wage. This, in addition to the benefits of working for the NHS such as sick pay, annual leave and a pension, would hopefully have a positive impact on the retention of staff. Mr Bennett added that the Trust was also being innovative in its approach to recruitment and retention by seeking employees from outside of the UK and considering how to promote a better work life balance for current employees.

In response to further questions, Mr Bennett advised that the key reasons for employees' leaving the Trust had been identified as retirement and a desire to work more flexibly. He added that the NHS needed to be able to respond to agencies who could offer staff a working pattern that they could control.

Mr Bennett advised that the Trust was also aiming to reduce the length of stay in hospital and that Blackpool Teaching Hospitals Trust recorded a length of stay up to one and a half days longer than other trusts. He added that the Trust was hoping to achieve a reduction in length of stay through streamlining processes and ensuring patients were given an expected date of discharge upon admission, as this was proven to reduce length of stay.

In response to further questioning, Mr Bennett advised that the significant increase in the cost of clinical negligence was not due to an increase in claims, but a national policy to discontinue the 'no claims discount' previously awarded to Trusts with lower claims for negligence.

## Appendix 10 (b)

The Committee queried if the Trust had produced a plan for financial recovery that would allow Members to understand the key targets of the Trust and how it was meeting those targets. Mr Bennett agreed that he would present the recovery plan to a future Committee meeting in addition to the strategy that had also been developed.

The Committee agreed to add consideration of the financial recovery plan and strategy to the Workplan.

### ACTION PLAN AND STRATEGY FOR FINANCIAL RECOVERY - 4 FEBRUARY 2016

Mr Bennett, Director of Finance advised that Blackpool Teaching Hospitals NHS Foundation Trust had reviewed clinical and financial sustainability over the previous 12 months. He highlighted the key challenges a growing financial deficit, higher than expected mortality rates as reported by the Keogh review in 2013, lower than desired Care Quality Commission (CQC) ratings, a growing demand for non-elective services, difficulties in meeting targets consistently and recruitment and retention of clinical staff. Mr Bennett advised that in order to provide a sustainable future the challenges must be addressed.

The Committee was informed by Mr Bennett that the Trust had established a number of working groups consisting of clinical and operational leaders in order to identify ways in which to address the identified challenges. He added that the working groups focussed on six subjects including urgent/emergency care and long term conditions/out of hospital care and that potential solutions had been divided into three timeframes. It was highlighted that some solutions could be achieved by the Trust and that others required a joined up working with partners.

Mr Bennett advised that the outcome of the working groups had been translated into six ambitions, each with a key measure of success. It was noted that the first ambition was to reduce the levels of mortality from the current level of 112 to less than 100 in three years, which was the current national average. Mr Bennett reported that in addition to the six ambitions, seven work programmes had been developed including standardising care to deliver high quality to all patients and getting the most value from resources.

The Committee discussed the ambition in relation to staff satisfaction noting the considerable increase in target from 69% to 85% in five years and queried how the increase would be achieved. Mr Bennett advised that the Trust was implementing an organisational development programme to ensure that leadership was more clinically focussed and that it was envisaged that a more engaged workforce would improve patient satisfaction.

Members queried the work programme to standardise care, in particular relation to maternity services, and raised concerns that patient choice would be removed. Mr Bennett assured the Committee that standardised care would not remove patient choice

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and that the work programme related to the standardisation of outcomes and not the standardisation of the pathway.

The Committee queried how the Trust would achieve the target mortality rate whilst managing the financial pressures of the organisation. Mr Bennett advised that there would be financial consequences to achieving the target and that the predicted cost had been included in the financial plan. He added that achieving the mortality rate target would be difficult as the national average would also continue to reduce.

In response to questioning, Mr Bennett advised that the Trust was trying to address the recruitment and retention issue in innovative ways. He added that there was a national shortage of consultant in many specialties including Dermatology resulting in a need to redefine and redesign service models rather than continue to rely on consultant led services. In response to a further question Mr Bennett advised that staff turnover was comparable to other Trusts in Lancashire and that there were a number of reasons staff left the organisation including age and career enhancement.

Members discussed the timescales in relation to the targets and Mr Bennett advised that progress would be monitored on a regular basis. The Committee requested that Mr Bennett attend a future meeting of the Committee to report on progress made against the targets identified by the Trust.

The Committee agreed to request a report from Mr Bennett in approximately six months detailing the progress the Trust had made in relation to the ambition targets and work programmes.