

Paper for submission to the Board of Directors

On the activities of the Finance & Performance Committee

TITLE	Finance & Performance Committee meetings held on 26 th September 2013		
AUTHOR	Paul Assinder	PRESENTER	David Badger
CORPORATE OBJECTIVE: S06 Enabling Objective			
SUMMARY OF KEY ISSUES:			
<ul style="list-style-type: none"> • The Trust has generally continued to perform well against the long list of access and waiting target set by the NHS nationally and locally. • Financially the Trust has performed well in the first weeks of the year and at the end of August, recorded a small surplus of £0.8m. • However the Committee noted with some concern some early slippage on CIP schemes. 			
IMPLICATIONS OF PAPER:			
RISKS	Risk Register	Risk Score	Details:
		Y	<p>Risk to achievement of the overall financial target for the year</p> <p>Failure to achieve the 4 hours A&E target in Q4 & Q1</p> <p>Financial deficit now forecast</p>
COMPLIANCE	CQC	N	Details:
	NHSLA	N	Details:
	Monitor	Y	<p>Details:</p> <p>Monitor has rated Trust at 'Amber/Green' for Governance & '3' (good) for Finance at Q1. The Trust remains on quarterly monitoring by Monitor.</p>
	Other	N	<p>Details:</p> <p>Some exposure to performance fines by commissioners</p>

ACTION REQUIRED OF BOARD:

Decision	Approval	Discussion	Other
			X

NB: Board members have been provided with a complete copy of agenda and papers for this meeting.

RECOMMENDATIONS FOR THE BOARD:

The Board is asked to note the Committee's intention to refer the increase in C Difficile numbers in Q2 for consideration by the Clinical Quality Safety and Patients Experience Committee.

Report of the Director of Finance and Information to the Board of Directors

Finance and Performance Committee Meeting held on 26th September 2013

1. Background

The Finance & Performance Committee of the Board met on 26 September 2013. The Committee considered in some detail the performance of the Trust against its financial, access, waiting and other clinical and operational targets and standards for the period and considered forecast year end performance reports. The Committee noted in particular the following matters:

2. Cost Improvement Programme – Directorate of Specialist Medicine

The Committee considered a detailed report on the Trust's £12.4m Cost Improvements Programme (CIP). To date savings of £4.4m have been actioned. However this is already £1.8m behind plan. Particular problem areas are the Directorate of Surgery, where savings have not yet been identified; Trust wide schemes, where declared schemes are not delivering savings to timescale; and Medicine, where schemes have been declared but have a high risk of failure due to workload pressures. There has also been delay in approving schemes due to the unavailability of the medical and nursing directors (who have to personally 'sign off' schemes).

The Committee received a presentation from the General Manager of Specialist Medicine on that Directorate's CIP Programme, totalling £1.5m. This is currently forecasting a shortfall of £741,000.

A total of 17 Directorate projects have been developed and the Directorate is £165,000 behind its year to date plan.

The Directorate was asked to undertake a service by service analysis to establish profit and loss making services and to make proposals for improving service profitability. Further the Directorate was asked to report back on non recurrent CIP opportunities this year.

3. Bowel Cancer Screening services at Russells Hall

The Committee received a report from the Director of Operations on the programme of capital works and service development to establish bowel cancer screening at RHH.

Current completion is scheduled for end of February but Mr Cattell was asked to investigate if this could be brought forward.

4. Workforce KPIs

The Committee received a report from the Director of Human Resources, noting the following:

- a. Absence
The Trust absence rate for the month of July is 3.47 %, the lowest in recent memory (3.84% in June) and was 4.02% in 2012. The 2013-14 target is 3.50%.
- b. Turnover
Turnover continues to remain consistent and within target at 7.80% (7.81% in June)
- c. Pre-employment Checks
Pre-employment checks managed through the Centralised Recruitment Department perform at 100%, together with 84% for Medical Workforce recruitment.
Staff bank also performed at 75% (81% previously).
- d. Mandatory Training and Appraisals
The compliance rates for Mandatory Training has shown a small increase on previous months to 70.7%.
Appraisals have increased again this month to 85.6% (83.5% in June).
- e. Professional Registration
100% of Professional registrations checks have been performed.
- f. Vacancies
The current live vacancy rate has increased significantly to 326 FTE due to widespread nurse recruitment to the graduate and novice programmes.
- g. Employment Tribunal Summary
The Committee noted that the Trust had 6 live ET cases submitted during the year.

5. Financial Performance for Month 5 – August 2013 (Appendix 1)

The Trust made a small trading deficit of £0.3m in August, was marginally better than Plan, due to receiving additional trading income from CCGs.

For the 5 months period in total the Trust is now recording a small surplus of £0.8m.

However, due to a number of factors the forecast for the year in total is broadly to break even compared with an initial plan for £0.5m surplus.

Principle factors are:

- Continued confusion in the NHS commissioning landscape with outstanding sign off of additional payment for extra activity still outstanding.
- Significant slippage on the Trust's CIP programmes delivery.
- A significant worrying trend in the 'run rate' of Trust spending, particularly on bank and agency nurses.

The Trust's balance sheet and liquidity position remains strong, however the Committee noted, with concern that NHS debtors had increased significantly this year due to major changes to commissioner organisations. The Committee asked that where contractually available, interest should now be charged on the late payment of outstanding amounts.

Capital spending is now below phased plans due to slippage on IT and medical equipment programmes and a revised profile has been submitted to Monitor.

6. Performance Targets and Standards (Appendices 2 & 3)

The Committee noted that the Trust had met or exceeded all targets for access and waiting set for Acute providers in August. In addition the Committee noted the following matters:

a) A&E 4 Hour Waits

The percentage of patients who waited under 4 hours within A&E for August was 96.3% and the Trust remains on schedule to meet the Quarter 2 target.

b) Diagnostic 6 week waits

The Trust has achieved this performance target to date but fell marginally short in July and August (98.1% & 96.1% of patients seen within 6 weeks compared with a 99% target). This was reported to be the result of increased rates of referrals coupled with staff sickness and leave. This is a notoriously difficult profession to recruit to due to a national shortage of trained staff.

c) Never Events

The Trust had no 'never events' in August.

d) C Difficile Infections

The Trust had 2 C. Diff infections in August and is within trajectory. The Committee has expressed concern about the ambitious nature of this target in 2013-14 and wishes to refer the increase in C Difficile numbers in Q2 for consideration by the Clinical Quality Safety and Patients Experience Committee.

e) Referral to Treatment target waits (18 weeks)

The Committee heard that unusually there had been 2 RTT 18 week breaches in the specialty of Neurology and the Director of Operations was asked to investigate and report back to the Committee on this issue.

f) Mortality Indices

The Committee noted that all current reported mortality indices are within expected ranges:

Standardised Hospital Mortality Indicator (Dept of Health)	1.08
Hospital Standardised Mortality Ratio (Dr Foster/HED)	99
CHKS Risk Adjusted Mortality Index (CHKS)	96

The Committee noted that the Medical Director will prepare detailed reports on mortality to the Board and Clinical Quality Committees.

g) Commissioner Performance Fines (Appendix 4)

The Committee noted with concern, the significant range of performance penalties and fines that exist in the NHS Standard Acute Contract, to which all providers of care to the NHS now have to work. The Trust is exposed to a wide range of significant penalties, often for delays etc which are caused by third parties eg excess numbers of ambulance conveyances to Russells Hall. These are noted at Appendix 4.

7. CQC New Surveillance Model

The Committee was briefed on the CQC's new Surveillance Model, including Trust specific risk profiling.

8. Monitor Q1 Performance assessment

The Committee noted the confirmation of Monitor of the Trust's self-assessment ratings :

Financial risk rating of '3' and
Governance rating of 'amber/green'.

9. Matters for the attention of the Board of Directors or other Committees

The Board is asked to note the Committee's intention to refer the increase in C Difficile numbers in Q2 for consideration by the Clinical Quality Safety and Patients Experience Committee.

**PA Assinder
Director of Finance & Information
Secretary to the Board**

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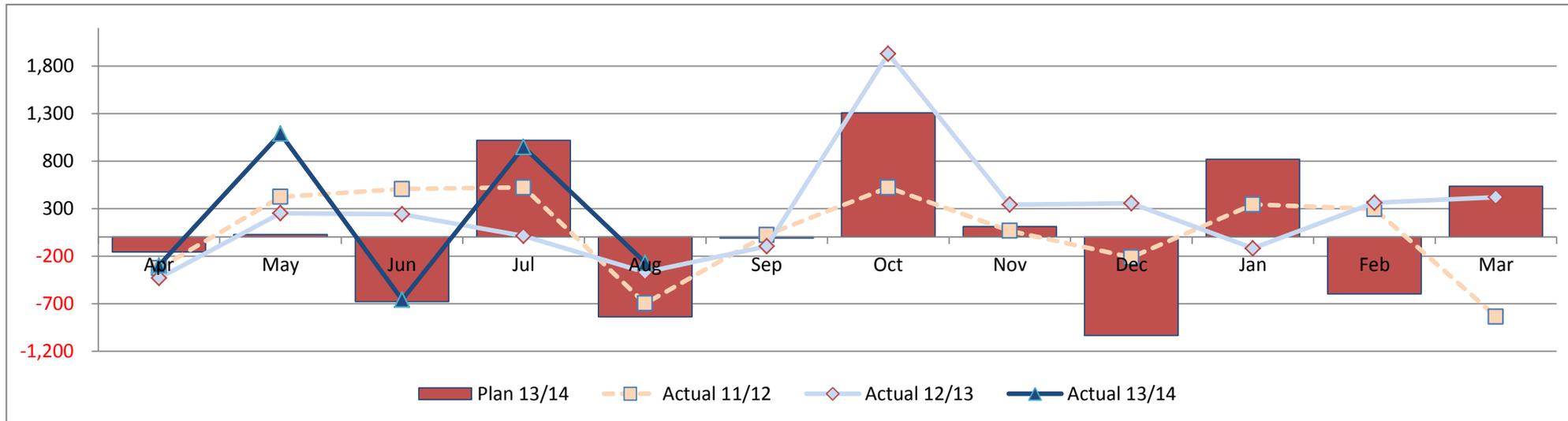
FINANCIAL SUMMARY

AUG 2013

	CURRENT MONTH				CUMULATIVE TO DATE				YEAR END FORECAST					
	BUDGET £000	ACTUAL £000	VARIANCE £000		BUDGET £000	ACTUAL £000	VARIANCE £000		BUDGET £000	ACTUAL £000	VARIANCE £000			
INCOME	£24,683	£25,580	£898	●	INCOME	£127,352	£129,194	£1,841	●	INCOME	£304,083	£308,436	£4,353	●
PAY	-£15,382	-£15,345	£37	●	PAY	-£76,818	-£75,876	£942	●	PAY	-£184,449	-£182,183	£2,266	●
CIP	£584	£0	-£584	●	CIP	£2,361	£0	-£2,361	●	CIP	£8,082	£0	-£8,082	●
NON PAY	-£8,817	-£8,598	£219	●	NON PAY	-£44,015	-£43,090	£925	●	NON PAY	-£104,368	-£103,317	£1,051	●
EBITDA	£1,068	£1,637	£569	●	EBITDA	£8,880	£10,227	£1,347	●	EBITDA	£23,348	£22,936	-£412	●
OTHER	-£1,905	-£1,906	-£1	●	OTHER	-£9,507	-£9,416	£90	●	OTHER	-£22,848	-£22,745	£103	●
NET	-£837	-£269	£568	●	NET	-£627	£811	£1,437	●	NET	£500	£191	-£309	●

NET SURPLUS/(DEFICIT) 12/13 PLAN & ACTUAL

AUG 2013



Key Comments

£269k deficit in August (£568k above plan). Cumulatively this gives a £811k surplus (£1.437m ahead of planned deficit of £627k). The income position to August is £1.841m ahead of plan. Includes CCG transitional support of £1.25m offset by a risk reserve of £1.714m. However, the position may be further distorted by the impact of the maternity pathway tariff, resulting in a position that seems more positive than the reality. Pay costs are below budget in August by £37k and cumulatively under by £842k. Non pay spend in August is £219k below budget and cumulatively under by £925k. Following the increasing expenditure trend seen in previous months, the spend in August has reduced by £606k. The current positive position is due to the performance in May and a lower deficit than planned in August. Other months are in line with plan. Forecast now revised to a £191 surplus but is predicated on receiving payment for a significant level of contract over performance.

APPENDIX 2

Page	Area	Breach Consequence	Measure	Month Actual	Month Target	Monthly Trend	Year End Forecast
4	A&E	2% of revenue derived from the provision of the locally defined service line in the month of the under-achievement	A&E 4 hour wait	96.3%	95%	↓	●
5	Cancer		14 Day – Urgent GP Referral to Date First Seen	96.6%	93%	↓	●
5	Cancer		14 Day – Urgent GP Breast Symptom Referral	99.4%	93%	↑	●
5	Cancer		31 Day – Diagnosis to Treatment for All Cancers	100%	96%	→	●
5	Cancer		31 Day – 2 nd /Subsequent Treatment – Anti Cancer Drugs	100%	98%	→	●
5	Cancer		31 Day – 2 nd /Subsequent Treatment – Radiotherapy	-	-	-	-
6	Cancer		31 Day – 2 nd /Subsequent Treatment – Surgery	100%	94%	→	●
6	Cancer		62 Day – Referral to Treatment after a Consultant upgrade	100%	85%	→	●
6	Cancer		62 Day – Referral to Treatment following National Screening	100%	90%	→	●
6	Cancer		62 Day – Urgent GP Referral to Treatment for All Cancers	89.2%	85%	↓	●
8-9	Diagnostics		Percentage of diagnostic waits less than 6 weeks	96.1%	99%	↓	●
-	MSA	Retention of £250 per day the patient affected	Mixed Sex Sleeping Accommodation Breaches	0	0	→	●
7	RTT	Deduction of 0.5% for each 1% under-achievement, to a max of 5%*	Admitted % Treated within 18 Weeks	95.3%	90%	↓	●
7	RTT		Non-Admitted % Treated within 18 Weeks	99.2%	95%	↓	●
7	RTT		Incomplete % waiting less than 18 Weeks	97.9%	92%	↓	●
	RTT	£5,000 per patient	Zero tolerance RTT waits over 52 weeks	1	0	↓	●
	A&E	£1,000 per breach	Trolley Waits in A&E >12 hours	0	0	→	●
-	Compliance	Retention of up to 1% of all monthly sums payable under clause 7 (Prices and Payments)	Failure to publish a Declaration of Compliance of Non-Compliance pursuant to clause 4.24. <i>Retention of monthly sums will continue for each month or part month until either a Declaration of Compliance or Declaration of Non-Compliance is published.</i>	Annual – Trust Compliant			●
-	Compliance		Publishing a Declaration of Non-Compliance pursuant to clause 4.26.				●
4	HCAI	Lesser of 1.5% of inpatient revenue or £50,000 per case above 38 threshold.	C Diff – Post 72 hours (77 breaches allowed)	2	3	↑	●
4	HCAI	Non-Payment of inpatient episode	Zero Tolerance for MRSA	0	0	→	●
10	Never Events - Recovery of costs of procedure and no charge to the commissioner for any corrective procedure.			0			
11-13	Monitor Summary Report			Governance Risk Rating		0	
14	Mortality Reports			2012/13 Qtr 3 SHMI		1.08	↓
15-17	CQC Surveillance Model						

One month behind

 Position Deteriorating
  Position Improving
  Position Unchanged
 Within Target
  Outside Target
 Position Unconfirmed

NEVER EVENTS

Description	Q1	Q2	Q3	Q4	YTD
<u>Never Events : In hospital maternal death from elective caesarean section</u>	0	0	-	-	0
<u>Never Events : Inpatient suicide by use if no collapsible rails</u>	0	0	-	-	0
<u>Never Events : Intravenous administration of mis-selected concentrated potassium chloride</u>	0	0	-	-	0
<u>Never Events : Misplaced naso- or oroqastric tube not detected prior to use</u>	0	0	-	-	0
<u>Never Events : Retained Instruments Post Operatively</u>	0	0	-	-	0
<u>Never Events: Air embolism</u>	0	0	-	-	0
<u>Never Events: Entrapment in bedrails</u>	0	0	-	-	0
<u>Never Events: Escape of a transferred Prisoner</u>	0	0	-	-	0
<u>Never Events: Failure to monitor and respond to oxygen saturation</u>	0	0	-	-	0
<u>Never Events: Falls from unrestricted windows</u>	0	0	-	-	0
<u>Never Events: Inappropriate administration of daily oral methotrexate</u>	0	0	-	-	0
<u>Never Events: Intravenous administration of epidural medication</u>	0	0	-	-	0
<u>Never Events: Maladministration of Insulin</u>	0	0	-	-	0
<u>Never Events: Misidentification of Patients</u>	0	0	-	-	0
<u>Never Events: Opioid overdose of an opioid-naïve Patient</u>	0	0	-	-	0
<u>Never Events: Overdose of Midazolam during conscious sedation</u>	0	0	-	-	0
<u>Never Events: Severe scalding of Patients</u>	0	0	-	-	0
<u>Never Events: Transfusion of ABO-incompatible blood components</u>	0	0	-	-	0
<u>Never Events: Transplantation of ABO or HLA-incompatible organs</u>	0	0	-	-	0
<u>Never Events: Wrong gas administered</u>	0	0	-	-	0
<u>Never Events: Wrong Implant/Prosthesis</u>	0	0	-	-	0
<u>Never Events: Wrong route of Administration of Chemotherapy</u>	0	0	-	-	0
<u>Never Events: Wrong route of administration of oral/enteral treatment</u>	0	0	-	-	0
<u>Never Events: Wrong Site Surgery</u>	0	0	-	-	0
<u>Never Events: Wrongly prepared high-risk injectable medication</u>	0	0	-	-	0

Never Event consequence (per occurrence)

In accordance with applicable guidance, recovery of the cost of the procedure and no charge to Commissioner for any corrective procedure or care.

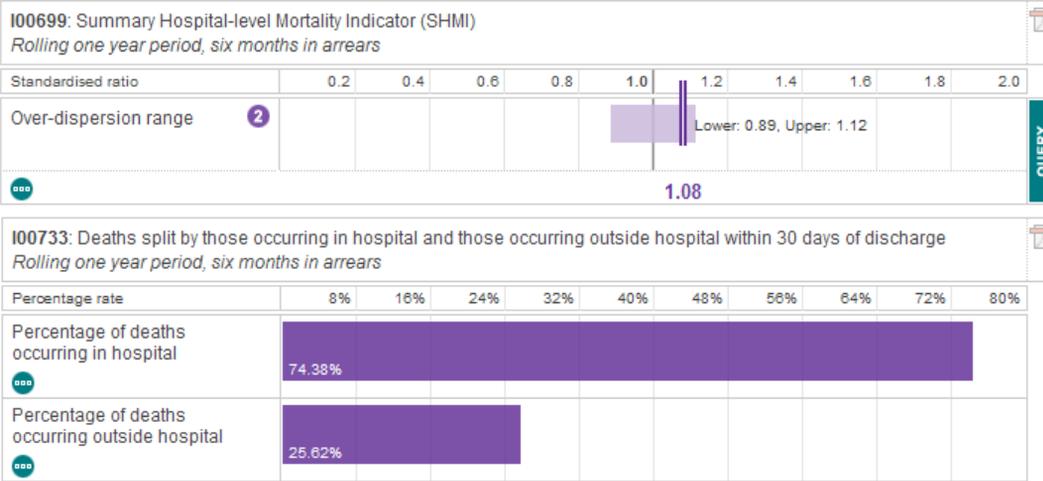
Method of Measurement

Review of reports submitted to National Patient Safety Agency (or successor body)/Serious Incidents reports and monthly Service Quality Performance Report.

Dudley Group FT MORTALITY - SHMI Quarterly KPI Report

SUMMARY HOSPITAL-LEVEL MORTALITY INDICATOR - No update since last meeting

Main SHMI value • January 2012 - December 2012



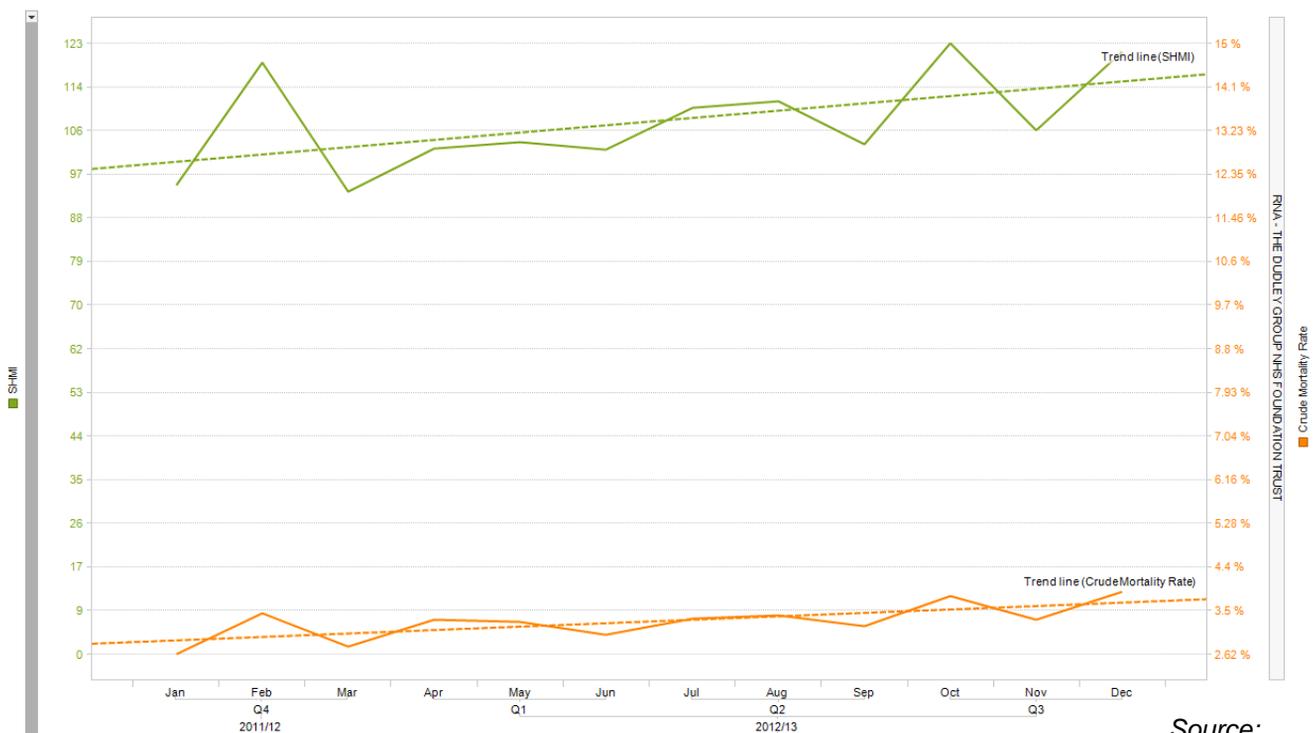
Source:
NHS Choices

SHMI	Source	2012/13 Q1	2012/13 Q2	2012/13 Q3
	NHS Choices	1.04	1.04	1.08

- Within over dispersion range
- Within both Poisson and over dispersion range

The next set of experimental SHMI data will be published by the NHS Information Centre in October 2013.

SHMI and Crude mortality rate



Source:
HED

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CONTRACTUAL FINES NOTIFIED as at AUG 2013

	Q1	Jul	Aug	Sep	Q2	Q3	Q4	Cumulative	
National Quality									
MRSA >0	£0				£0			£0	●
C Diff >38	£0				£0			£0	●
RTT wait > 52 weeks	£5,000				£0			£5,000	●
Ambulance Handover >30 Mins	£0				£0			£0	●
Ambulance Handover >1 hour	£77,000	£12,000			£12,000			£89,000	●
Trolley Waits in A&E >12 hours	£0				£0			£0	●
Urgent operation cancelled >1	£0				£0			£0	●
Failure to publish Formulary	£0				£0			£0	●
Duty of Candour	£0				£0			£0	●
Operational Standards									
RTT Admitted > 18 weeks (90%)	£11,312				£0			£11,312	●
RTT Non Admitted > 18 weeks (95%)	£0				£0			£0	●
RTT Incomplete > 18 weeks (92%)	£0				£0			£0	●
Diagnostic Waits > 6 weeks (99%)	£0	£2,058			£2,058			£2,058	●
A&E Waits > 4 hours (95%)	£50,563				£0			£50,563	●
Cancer outpatient >2 weeks (93%)	£0				£0			£0	●
Breast Symptoms >2 weeks (93%)	£0				£0			£0	●
Cancer first treat >31 days (96%)	£0				£0			£0	●
Cancer subseq surgery >31 days (94%)	£0				£0			£0	●
Cancer subseq drugs >31 days (98%)	£0				£0			£0	●
Cancer subseq radio >31 days (94%)	£0				£0			£0	●
Cancer GP to treat >62 days (85%)	£0				£0			£0	●
Cancer screen to treat >62 days (90%)	£0				£0			£0	●
Cancer Cons. to treat >62 days (85%)	£0				£0			£0	●
Mixed Sex Accommodation >0	£0				£0			£0	●
Cancelled Ops re-book >28 days	£0				£0			£0	●
TOTAL FINES	£143,875				£14,058	£0	£0	£157,932	