

**MONITOR RISK ASSESSMENT FRAMEWORK 2014/15
QUARTER FOUR (JANUARY 2015 – MARCH 2015)**

1. Continuity of Services (COSRR)

1. At the end of Quarter 4 the consolidated position for the Trust and its subsidiary is an EBITDA of £18.4m (£12.0m below plan) and a £7.8m net deficit which is £7.0m below plan.
2. Risk Rating performance is shown in the following table:

CoSRR (Cumulative)	Target	Q4 actual
Capital service cover	3.5	1.8
Capital service cover rating	4	3
Liquidity metric	11.2	-4.9
Liquidity rating	4	3

3. Total Operating Revenue for the year is £533.5m which is £3.8m below plan. Patient-related NHS income was £2.7m below plan. The main driver is the delay in the commencement of KPP offset by funding for Winter Pressures and pass through Drugs and Devices over performance. The position also takes account of the latest offer from NHSE for RTT work and includes provisions for known disputes and challenges. Variance analysis by point of delivery has been provided in the templates.

Private Patient Revenue was £0.5m below plan. Other Operating Revenues were below plan by £0.9m mainly driven by the delay in the SACP development and Revenue from Grants and Donations were £0.3m above plan.

4. Operating Expenses within EBITDA amount to £515.1m which is £8.2m above plan. This consists of Pay £8.1m and Non Pay £0.1m.

The Pay variance is driven by the net impact of excess agency, bank and overtime costs (incurred mainly in connection with Winter Pressures and RTT initiatives), non delivery of Trust wide CIP's and delays in the KPP service development. Divisions continue to review agency staffing, to remove them or justify continuing use.

Although Non Pay is largely on target, this is represented by the net of £7.0m of Drugs (largely on Aseptic Suite Drugs write-off, Pass Through and Homecare Drugs). There is also a £0.8m overspend on Secondary Commissioning of Mandatory Services (mostly T&O). These variances are offset by underspends across all other non pay categories (mainly due to delays in SACP and KPP commencement).

5. The £26.8m CIP annual target comprises £6.1m of Income Opportunities and £20.7m for Cost Reductions. Actual performance against these targets was; Income Opportunities £0.4m below plan, and Cost Reductions £7.1m below plan. The latter has been principally driven by non delivery of Trust wide schemes, including Workforce terms and conditions, Planned bed closures (the

Patient Pathway Scheme) and Service Line Reporting. The shortfall has been mitigated in part through non-recurrent measures.

6. The General Contingency of £6.5m has been utilised to cover the above CIP shortfalls and agreed CQC expenditure of £0.7m (primarily external review costs).
7. Below EBITDA performance was £5.1m favourable to plan including Impairments £3.3m (mainly driven by the delay in opening of the new Buckland Hospital), £1.3m Depreciation (in year slippage in capital schemes) and Dividends Payable £0.4m (high bank balances).
8. Capital expenditure for the year was £29.9m, £0.2m above plan and forecast.
9. Closing cash balances of £31.5m were higher than expected by £4.0m, largely due to the net impact of receipts in advance from NHSE and from two of the four East Kent CCG's, offset by increased payments in expenditure.
10. The Trust continues to work with Maidstone & Tunbridge Wells Trust on the implementation of the Kent Pathology Partnership joint venture project.

2. Summary and Conclusion

At the end of the year the I&E deficit of £7.8m is £7.0m lower than plan.

Excess premium costs have been incurred to manage Winter Pressures, improve RTT performance and maintain safe and effective services and all of these in addition to CQC pressures have impacted on the savings position which is 28% below plan.

EBITDA performance has also deteriorated due to the Aseptic Suite Drugs write off and unallocated General Contingency has been used to support EBITDA performance.

The Below EBITDA surplus has been predominately driven by the delay in the opening of the new Buckland Hospital which has led to the planned impairment now falling into 2015-16.

3. Recommendation

It is recommended that the Board of Directors, on assuring themselves of the evidence, declare that the Continuity of Services Risk Rating for Q4 is confirmed as:

- Rating : 3
- The Board anticipates that the Trust will operate under a Continuity of Service. Risk Rating of 2 over the next 12 months.

SECTION 2 – GOVERNANCE RATING**PERFORMANCE AGAINST STANDARDS AND INDICATORS****Referral to Treatment Waiting Times**

This target is reportable to Monitor on a quarterly basis however the Trust is required to meet the target in every month throughout that quarter. Failure in any one month represents a failure for the quarter. Failure in any month of a quarter following two quarters' failure of the same measure represents a third successive quarter failure and should be reported via the exception reporting process.

The following table sets out the Trust's quarter 4 performance;

Indicator	Monitor Threshold	Monitor Weighting	Monitoring period	EKHUFT Q2 Performance	EKHUFT Consolidated Spencer Wing Position
Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted	90%	1.0	Quarterly	78.0%	Not available at time of writing
Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted	95%	1.0	Quarterly	95.2%	Not available at time of writing
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	92%	1.0	Quarterly	86.9%	Not available at time of writing

* Data will be incorporated prior to submission to Monitor.

Standard non-compliant (Scores 2 points).

A&E 4 Hour Achievement

Indicator	Monitor Threshold	Monitor Weighting	Monitoring period	EKHUFT Q2 Performance	EKHUFT Consolidated Spencer Wing Position
A&E: Maximum waiting time of four hours from arrival to admission/transfer/discharge	95%	1.0	Quarterly	88.1%	n/a

Standard non-compliant (Scores 1 point).

Cancer Waiting Times

The Cancer position stated below is as at 14TH April, this position is not yet signed off due to the national reporting timetable. The position is therefore subject to change until the final reporting date of 6th May 2015. January and February figures are as per signed off data on Open Exeter, March is provided using local data.

The table below shows the Trusts performance in each of the standards;

Indicator	Monitor Threshold	Monitor Weighting	Monitoring period	EKHUFT Q2 Performance	EKHUFT Consolidated Spencer Wing Position
All cancers: 62-day wait for first treatment from					
<ul style="list-style-type: none">urgent GP referral for suspected cancer	85%	1.0	Quarterly	75.47%	n/a
<ul style="list-style-type: none">NHS cancer screening service referral	90%			86.61%	n/a
All cancers: 31 day wait for second or subsequent treatment comprising:					
<ul style="list-style-type: none">Surgery	94%	1.0	Quarterly	96.00%	n/a
<ul style="list-style-type: none">Anti-cancer drug treatments	98%			98.92%	n/a
<ul style="list-style-type: none">Radiotherapy	94%			n/a	n/a
All cancers: 31-day wait from diagnosis to first treatment	96%	1.0	Quarterly	97.39%	n/a
Cancer: two-week wait from referral to date first seen comprising:					
<ul style="list-style-type: none">All urgent referrals (cancer suspected)	93%	1.0	Quarterly	93.61%	n/a
<ul style="list-style-type: none">For symptomatic breast patients (cancer not initially suspected)	93%			94.99%	n/a

Standard Non-Compliant (scores 1 point).

Clostridium Difficile

Monitor will score NHS Foundation Trusts for breaches of the *C.Difficile* objectives as follows:

- Where the number of cases is less than or equal to the de minimis limit, no formal regulatory action (including scoring in the governance risk rating) will be taken. The de minimis level for C.Difficile is 12.
- If a Trust exceeds the de minimis limit, but remains within the in-year trajectory for the national objective, no score will be applied.
- If a trust exceeds both the de minimis limit and the in year trajectory for the national objective, a score will apply.
- If a Trust exceeds its national objective above the de minimis limit, Monitor will apply a red rating and consider the Trust for escalation.

Indicator	Monitor Threshold (at year end)	EKHUFT cumulative target	Monitor Weighting	Monitoring period	EKHUFT Q2 Performance		EKHUFT Consolidated Spencer Wing Position
					Qtr	YTD	
Total C Diff: (inc cases not deemed to be due to lapses in care & cases under review)	47	47	1.0	Quarterly	5	47	n/a
*C Diff: Due to lapses in care.	-	-	-	Quarterly	0	5	n/a
C Diff: Cases under review.	-	-	-	Quarterly	2	2	n/a

Standard compliant (scores 0 points).

Access to Healthcare for People with a Learning Disability.

At the Annual Plan stage, NHS Foundation Trust Boards are required to certify that their Trusts meet the six criteria for meeting the needs of people with a learning disability, based on recommendations set out in *Healthcare for All (DH, 2008)*.

A quarterly declaration regarding continued compliance is required there after.

The Trust is compliant with the six criteria for meeting the needs of people with a learning disability, based on the recommendations set out in *Healthcare for All (DH 2008)*. A detailed report on the issue was produced by the Practice Development Nurse (for people with learning disabilities) and considered by the Clinical Management Board (CMB) on 11 June 2014. The report highlighted the significant overall progress made in supporting access for people with learning disabilities and in particular identified areas of recognised best practice in the Carers Checklist for use with learning disability patients and their carers in hospital, the Bright Future project and the Healthcare Passport. After discussion the CMB accepted the recommendation to declare compliance with this standard.

Indicator	Monitor Threshold	Monitor Weighting	Monitoring period	EKHUFT Q1 Performance	EKHUFT Consolidated Spencer Wing Position
Certification against compliance with requirements regarding access to health care for people with a learning disability*	N/A	1.0	Quarterly	compliant	n/a

Recommendation

It is recommended that the Board of Directors, on assuring themselves of the evidence, declare that not all healthcare targets and indicators have been met. However, even if the Trust had met all targets during Quarter 4, the Trust would be rated as red due to special measures.

SECTION 3 – EXCEPTION REPORTS

Referral to Treatment Waiting Times

As highlighted in previous quarterly reports to Monitor ('section 5 – Risks to Compliance Moving Forwards') the Trust continued its non-compliant position with the admitted RTT standard through Q4 2014/15. This is in line with the utilisation of resilience funding from NHS England to treat long waiting patients and the Trust Board endorsement to fail the standard and treat the longest waiting patients.

Demand for elective care has remained high in many areas however some progress has been made in Orthopaedics which was one of the highest pressured areas. Joint work between the Trust and Commissioning colleagues has resulted in a reduction in the numbers of referrals into secondary care during January and February however there appears to be evidence in March of increases in certain CCGs. The progress of these schemes continues to be monitored closely and information shared with commissioners at regular intervals in order to highlight any increases.

A trajectory has been developed for 2015/16 which allows non-compliance with the admitted standard until each specialty area is in a sustainable position and can achieve the standard consistently. Currently this trajectory suggests a return to 90% aggregate Trust compliance by January 2016. This demonstrates the worst case scenario and plans are being worked up to pull this forward to October 2015.

Key areas of risk are Orthopaedics and Dermatology where the current trajectory relies on demand into both services reducing.

A&E 4 hour wait standard

The Trust was non-compliant with the 4 hour A&E standard in Q4 2014/15 at 88.1%. A&E attendances levels continue to over-perform both the 14/15 contracted levels and the 13/14 actual performance, this is prevalent across all acute sites but more marked at the WHH and QEQM sites. The growth appears to be across all Clinical Commissioning Groups (CCGs), although South Kent Coast remains a significant outlier in the terms of growth from last year. Variation in the number of attendances and the profile of presentation throughout the day continues to cause pressure in the departments. The conversion rate from attendance to admission has not increased however this may be due to new pathways for emergency patients who are admitted directly to short stay areas on the emergency floor.

The main reasons for failure of the 4 hour access standard were;

- Reduced bed capacity due to increased LOS and high number of Delayed Transfers Of Care
- Increase in numbers of high acuity patients resulting high number of admissions
- Delays to be seen in ED due to congestion within the department; affecting either the time for patients to be seen or a clinical decision made, or the time before patient is referred for specialty opinion
- Delays in specialty review in ED

Further actions being taken to improve performance are as follows;

- The Emergency Access Programme Board (EPPB) is being established and will focus on redesigning and improving the top 10 emergency care pathways
- Emergency Pathways Service improvement Lead has been recruited to support the EPPB and ensure that the pathways are effective

- An external company has been contracted to support staff development and improve processes within ED both at WHH and QE
- Two Acute Medical Nurse Consultants have been recruited to support improvement of pathways across the emergency floor, provide expert clinical leadership to the teams and facilitate optimisation of ambulatory care. The QE postholder has started and is currently being inducted. The WHH postholder commences on 1st April
- ECIST to review all three sites (in May) to review internal ED processes and facilitate improved working with external partners to address current capacity issues
- Meeting held between UCLTC divisional medical director, QE Geriatrician and Thanet GP lead to discuss increased attendances of GP expected patients between 4-6 which is having a significant impact on bed capacity particularly as it coincides with surges in attendances in the ED. The result of this is increased crowding in the ED which in turn impacts negatively on the efficiency within and effectiveness of the teams in department and results in multiple breaches occurring in a short space of time.
- Similar meeting to be held with Ashford GP Lead and responsible commissioning representative
- The UCLTC division is currently working with the information team to design a mobile app for recording telephone interactions between the Acute Physician of the Day and GPs to enable the Trust to record activity data and feedback to practices on reasons for contact and outcome

Cancer Standards

Quarter 4 14/15 has continued to be a challenging period with regards to cancer waiting times for the Trust. The current *un-validated* position for quarter 4 shows non-compliance against the following;

- 62 day GP standard
- 62 day screening standard

All other performance measures have been met.

Failure of the 62 day screening standard was due solely to poor performance in January 2015 which meant we were unable to recover the position despite being compliant with this standard for February and March. There are no known risks to achievement of this standard moving forward into 2015/16.

The 62 day treatment standard has failed to meet the 85% target for the last three consecutive quarters. The waiting time for key investigations in Urology and Lower GI are the main causes for this failure and current trajectories suggest quarter 1 will not be compliant with quarter 2 at high risk. Action plans to recover performance are in place and will be monitored, by exception report, through the weekly operational KPI meetings to ensure sustained compliance from quarter 3.

SECTION 4 – ADDITIONAL BRIEFINGS**Invited Review – Royal College of Surgeons
High Risk and General Emergency Surgery**

Three emergency surgeons posts will be recruited, one appointment commences in July and the further two have been with interviews in May 2015. It is anticipated a full complement of staff would be in place by September 2015. Three emergency surgeons are to be appointed at QEQM with recruitment plans in place. The model is currently using existing staff. To complement the model, funding has been secured for two Advanced Practitioners and two surgical nurse practitioners. A surgical emergency assessment unit has been established at WHH to support the emergency model of care with an established emergency ward and review clinics to support reduced admissions.

CQC Visit

The Trust has implemented a, Improvement Plan Delivery Board (chaired by a clinical lead, David Hargroves) to oversee embedding of the CQC Action Plan with engagement from staff and active support and challenge from Sue Lewis, Improvement Director. The Board of Directors continue receive monthly reports at public meetings, together with updates on progress with the cultural change programme led by the Director of HR, a key element of the CQC action plan.

The Trust had commenced preparations for the CQC re-visit in July 2015, monitored by the Improvement Plan Delivery Board.

Monthly performance meetings continue with Monitor to review progress against implementation and to discuss other compliance challenges.

Board of Director Changes

Chris Bown joined the Trust as Interim Chief Executive from 1 April 2015.

The Chairman tendered his resignation for 30 April 2015, ahead of term.

The Council of Governors Nominations and Remuneration Committee is leading the recruitment of the Chair and two Non-Executive Director vacant positions. The process was due to conclude at the end of April 2015.

Council of Governor Changes

Elections were conducted in line with the Model Election Rules in line with the Trust's Constitution. UK engage was commissioned to conduct the Elections on behalf of the Trust.

Terms of office for the Nominated Governor composition expired on 28 February 2015. An exercise was undertaken inviting our stakeholders represented on the Council to review their positions.

A full list of the current Governor Composition is below:

Constituency	Name	Term of Office ends
Ashford Borough Council	Junetta Whorwell Jane Burnett Chris Warricker	28/02/2017 28/02/2018 28/02/2018
Canterbury City Council	Philip Wells Brian Glew Vacancy	28/02/2017 28/02/2018 (Re-elected 03/15) Subject to by-election 2015/16
Dover District Council	Carol George Sarah Andrews Vacancy	28/02/2017 28/02/2018 Subject to by-election 2015/16
Shepway District Council	John Sewell Philip Bull Susan Seymour	28/02/2017 28/02/2018 28/02/2018
Swale Borough Council	Paul Durkin Matt Williams	28/02/2018 (Re-elected 03/15) 28/02/2018 (Appointed 07/14 and Re-elected 03/15)
Thanet District Council	Reynagh Jarrett Marcella Warburton Roy Dexter	28/02/2018 (Re-elected 03/15) 28/02/2017 28/02/2017
Staff	Mandy Carliell David Bogard Vikki Hughes Vacancy	28/02/2017 28/02/2017 28/02/2017 Subject to by-election 2015/16
Rest of England and Wales	Eunice Lyons-Backhouse	28/02/2018 (Re-elected 03/15)
University Representation (Joint appointment by Canterbury Christ Church University and University of Kent)	Debra Teasdale	31/10/2017 (Joined 01/11/14)
Local Authorities	Cllr Jane Martin	28/02/2018
South East Coast Ambulance Services NHS Foundation Trust	Geraint Davies	28/02/2018
Volunteers working with the Trust	Michael Lyons	28/02/2018

The by-elections for the three vacant public governor positions has commenced and was anticipated to conclude in mid-May 2015.

SECTION 5 – RISKS TO COMPLIANCE GOING FORWARD

The following areas of risk to on-going compliance have been identified for Q1 2015/16.

18 weeks – Referral to Treatment standard – A trajectory has been developed for 2015/16 demonstrating that by continuing to book in strict chronological order the Trust will return to organisational compliance by January 2016. Divisional teams are working on improving pathways over the next six months in an attempt to bring this compliance forward to October 2015. The trajectory is predicated on a continued reduction in Orthopaedic referrals from primary care therefore continued collaboration with CCG colleagues is imperative to its success.

A&E 4 hour standard – The risk around achievement of the A&E four hour wait target remains high and is dependent on the whole system delivery of the improvement plan supported by the surge resilience funding received by the system. The main focus is as follows;

- to reduce the number of patients admitted to hospital
- manage more patients through ambulatory and short-stay pathways
- make the best use of step-down capacity
- reduce the number of delayed transfers of care.

Key actions to improve performance have been detailed in Section 3 of this paper.

Cancer waiting times – The following tables highlights the predicted performance for all Cancer metrics for 2015/16. As demonstrated there are a number of risks, details of which are described below.

Standard	Target	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16
2ww	93%	94.0%	94%	93.5%	93.5%
Breast Symptomatic	93%	94.0%	94.0%	94.0%	94.0%
31 Day	96%	94.0%	96.5%	96.5%	96.5%
62 Day	85%	78.5%	81.5%	85.5%	86.0%
31 Day Subsequent Surgery	94%	92.0%	94.5%	94.5%	95.0%
31 Day Subsequent Drug	98%	98.5%	98.5%	98.5%	98.5%
Screening	90%	91.0%	91.0%	91.0%	91.0%

31 day Q1 non-compliance explained

Due to the current 2 month waiting time for Robot prostatectomy within the Trust this target is at risk for Q1 and Q2. It requires additional capacity to reduce waiting time for this procedure over Q1 & Q2 to gain compliance for Q3 & Q4.

Risk to standard calculated by:

- Average number of 31 day breaches in a quarter = 14 (based on 14/15 performance)
- Average number of treatments = 768 (based on 14/15 performance)
- Currently 17 Urology (31day) breaches already known for Q1 15/16. Add to this the average of an additional 14 breaches = worst case scenario.
- Performance Q1 15/16 = 95.64% non-compliant (96% = compliance).

31 day Subsequent Surgery Q1 15/16 non-compliance explained:

Due to the current 2 month waiting time for Robot prostatectomy within the Trust this target is at risk for Q1 and Q2.

Retirement of an H&N Surgeon in Q1 may also affect Skin subsequent surgery performance. Reduction in waiting time for this procedure over Q1 & Q2 should ensure compliance for Q3 & Q4.

Risk to standard calculated by:

- Average number of 31 day subsequent surgery breaches in a quarter = 7 (based on average for each quarter 14/15)
- Average number of treatments = 132 (base on average for each quarter 14/15)
- Currently 6 Urology known 31day breaches for Q1 15/16. Add a further 7 breaches predicted = worst case scenario.
- Performance Q1 15/16 = 90.5% non-compliant (94%)

62 day standard – Non – compliance (85%)

Risk to standard calculated:

- All tumour sites will be contributing to the standard close to expected levels (please see table on next page) with the exception of Urology & Lower GI (colorectal)
- Tolerance for trust compliance is around 465 treatments with only 66 breaches per quarter to be complaint at 85%
- Current number is 25 Lower GI and 53 Urology per quarter.
- Urology & Lower GI have to deliver 33 breaches or less between them to be compliant. This equates to 4 Lower GI and 7 Urology breaches per month
- (This assumes that there are no more than 33 breaches per Quarter from other tumour sites – as shown in the table below)
- This is why we need to resolve Lower GI and Urology issue as priority
- Performance Q1 15/16 = 78.5% non-compliance (85%)

Finance

The work on compliance will result in a financial impact on the Trust as the full funding of RTT work originally expected has not been supplied by NHSE. The best forecast of the impact has been included in the above financial results. In addition national pressures on A&E are impacting local costs for staffing to a level not covered by available funding. The Trust is having to rationalise additional costs to try and control the deficit it is now seeing develop in its finances.

Prepared on behalf of:

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April 2015