

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**REPORT TO: BOARD OF DIRECTORS MEETING – 21 MAY 2015****REPORT FROM: FINANCE & INVESTMENT COMMITTEE– 19 MAY 2015****PURPOSE: Information****SUMMARY OF KEY AGENDA ITEMS AND BUSINESS:**

The meeting reviewed the following matters

- An update on KPP was given describing an 8 week 'standstill' in KPP whilst the model is reviewed.
- Performance matters from the corporate scorecard and activity report were discussed. The key points were:
 - There were 4 cases of C Diff in April against a trajectory of 4
 - There were no cases of MRSA, the last reported incidence being in November 14.
 - Non-elective readmissions performance continues to improve, currently reporting ~15% (down from a high in Dec of ~18%)
 - A&E Performance for April was 89.32%, an improvement on 87.5% achievement in March.
 - Stroke brain scans within 24hrs remains high @ 93.6%.
 - FNOF performance improved in April achieving 88.9% of operations within 36 hours of arrival.
 - As yet CQUINs have not been agreed with CCG's
 - There were 44 patient affected by mixed sex accommodation breaches in April.
 - Cancer: the current un-validated position for April shows non-compliance against 3 standards;
 - 62 day GP (76%, 6% improvement on March. Areas of concern are Urology and Lower GI, particularly delays to diagnostics)
 - 31 day standard (94.32% vs 96% target, Urology biggest issue for elective robotic operating capacity)
 - 31 day Subsequent Surgery standards (86% vs 94% target, small number of breaches, only 2, 1 in Urology and 1 in skin).
 - RTT: Non-compliant with all standards;
 - Backlog position remained static in month @ 1,180 however key specialties such as Orthopaedics continue to reduce,
 - Primary Care referrals are on plan at Trust level. There are some fluctuations. T&O and Dermatology are broadly on plan. General Surgery has maintained the high levels of referrals.
 - Outpatient activity is broadly on plan for new attendances, slightly under plan for follow up attendances (7.1%).
 - Elective admitted activity, Non-Elective admitted activity and A&E attendances under-performed the activity plan in month.
- Finance Performance for period ended December:-
 - Month 1 EBITDA is £1m adverse to plan driven by ward and A&E staffing costs, continuing Aseptic stock write offs, Isotopes spend and

- CIP shortfalls.
 - Bottom line is also £1M behind plan as there are no significant below EBITDA variances.
 - This puts the Trusts COSRR calculation at a value of 2 which is on plan.
 - CIPs are a £0.7M shortfall to plan in year.
 - Cash is above plan by £1.8M due to an early VAT reclaim.
 - Both income and costs included in the plan for KPP and SACP are not hitting the ledger due to delays in both projects. This is distorting the financial position showing lower income but costs still appear on plan as they are higher than expected on other items of spend e.g. agency staff.
- The submitted 15/16 plan was discussed. The plan submitted was largely the same as that presented to the FIC in April at a bottom line level. The major changes to the April plan were reduction of capital to £17.4M due to a need to improve cash flow. Winter pressures funding and costs were also added at £3.8M based on a request from Monitor. Specific clarification to Monitor questions from the draft plan were included. The planned deficit is £16.7M with £32.2M of below EBITDA charges and a planned EBITDA surplus of £15.5M. The planned COSRR at year end is 2. The plan includes funding £4.8M for known CQC requirements. It was noted that the new FD, CEO and Chair all wish to review the plan given they are new to the Trust. This will occur by the end of July. Financial risks and actions were discussed. The plan will not be widely publicly circulated. The plan contains a capacity/demand review, workforce reviews and notes on strategic initiatives. It was noted Grant Thornton are to run a review of financial governance within the Trust.
- There was a discussion about a review and prioritisation of known business cases that existed in the Trust at this point. This identified how major business developments were prioritised. There was an acknowledgement that where capital slippage occurred it was likely not to be spent but used to help the cash position of the Trust. Ambulatory care was the top rated priority.
- There was a review of the Horizon scanning and commercial tenders in our region and their impact on the Trust. A new tender on integrated care was discussed.
- Improvement Efficiencies Update: Jacqui Horne presented on 15/16 CIPS. The Amber/Green Schemes were now set at £6M with a further £4M set to convert to Amber/green week commencing 25th May. The CIP status reports also now includes legacy non recurrent schemes which need to be made recurrent. There was a discussion on how difficult attaining the CIPs would be and the additional focus required and ownership by Divisions and work stream leads to deliver the plan. There was a discussion that the combination of the Aspyre system, re-launched EPR meetings and the Financial Recovery Group would ensure significantly more focus in 15/16. The need for quality impact assessments was discussed and the need for these will be flagged in Aspyre.

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