

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**REPORT TO: BOARD OF DIRECTORS MEETING – 26 June 2015****REPORT FROM: FINANCE & INVESTMENT COMMITTEE– 23rd June 2015****PURPOSE: Information****SUMMARY OF KEY AGENDA ITEMS AND BUSINESS:**

The meeting reviewed the following matters

Performance matters from the corporate scorecard and activity report were discussed. The key points were:

- There was No MRSA in May and C-Dif cases are 7 for the year.
- Mortality is rising for RAMI and slightly for SHMI but is low/stable for crude and HSMR.
- Blood culture training metric needs re-assessment as it is high when the junior doctors come in and then is low the rest of the year
- Readmissions continue to drop slowly.
- 4 hour standard was 88.4% for May, is currently 88% for June, 89% for quarter.
- Ambulance handovers validation has been raised through the Performance meeting as SECAM have stop validating the number
- FNOF 36 hours is volatile, low in May but not a statistical breach.
- Sickness rates are very low compared to peers,
- The current un-validated position for May 2015 shows non-compliance against the 62 day GP cancer standard, 31 day first treatment & 31 day subsequent surgery standards. All other performance measures have been met.
- This is the fifth month of non-compliance against the 62 day standard. Urology pathway continues to see delays with diagnostics. Current action plan for urology has a trajectory for return to compliance in late Q2. Until then this target will remain non-compliant.
- May performance against the 2014/15 standards was; non-admitted care 94.1%, (95%) admitted care 81.0% (90%), incomplete pathways 88.4% (92%) and there were five patients who were waiting 52+ weeks as at the end of May.
- The Trust backlog position remained relatively static throughout May decreasing marginally by 36 in month. Whilst the Orthopaedic backlog continues to reduce (-61), exceeding their trajectory, backlog growth occurred in General Surgery (+19), ENT (+18) and Dermatology (+9).
- Issues in ENT are related to a change in casemix, planned additional lists are now being filled with complex cases severely impacting the numbers of activity undertaken.
- Slow start to 15-16 continues compared to plan. Referrals are in line with plan but activity is significantly below. All points of delivery are behind plan - daycases is expected to catch up during the year but the others may not.
- Acuity of patients is rising which is making it difficult to effect LoS. In particular for example we are seeing high numbers of majors at A&E at Ashford.

- Finance Performance for period ended December:-
 - I&E Performance ytd is a £6.2m deficit.
 - Month 2 EBITDA is £1.4m adverse to plan driven by ward and A&E staffing costs, continuing Aseptic stock write offs and CIP shortfalls.
 - Bottom line is also £1.4M 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.
 - Gain on the East Kent CCG contract is £2.4M to AP2 due to low activity.
 - CIPs delivery is a £1.2M shortfall to plan in year and plans are being delayed somewhat by the CQC revisit.
 - Cash is above plan by £4M due to early CCG payments and an early VAT reclaim.
 - Cash forecasts indicate that the revised I&E forecast of £35M would lead to a cash deficit by the start of quarter 4
 - Capital will need to be further restricted from plan to assist with the cash challenge.
 - 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.
 - Monitor's review of the Trust Plan was discussed and the review meetings to be held at a Director level
 - Pharmacy stock and invoice issues on homecare drugs was raised.
- The business case for engaging management consultant help on re-planning/forecasting for the revised 15/16 financial position for the Trust was presented to the FIC for approval. This case has been lodged with Monitor. A discussion occurred about how to benchmark productivity as a Trust. The business case was supported. The need to use SLR information to inform decision making was also discussed.
- Improvement Efficiencies Update:- Jacqui Horne presented on 15/16 CIP progress. The Amber/Green Schemes were now set at £9M and £6.8M of red schemes as at mid June. The CIP status reports now include legacy non recurrent schemes which need to be made recurrent. Opportunities on schemes such as vascular theatres reviews, Medicines Management, Dover Business case and workforce schemes on agency staff were reported. Opportunities, in terms of asset sales and looking at zero valued assets were flagged. Service Level Agreement reviews and the process for QIAs on CIPs were also discussed.
- There was a review of potential commercial tenders in the region and their impact on the Trust. Opportunities in ophthalmology were discussed. The Status of the trust Laundry and potential contracts was also mentioned.
- The FIC discussed the post implementation review of approved business cases. It was agreed that business cases should contain metrics in the for measuring success and these must be clear. The FIC would like to understand if recent significant staff investments have been successful both clinically and financially.

- The Financial policies for Business Cases and Overseas Visitors were reviewed and minor changes noted. These amended policies were approved, the latter is recommended to the Board for approval.

BOARD ACTION REQUIRED

To endorse ratification of the Overseas Patient Policy on recommendation from the Finance and Investment Committee, subject to the policy be formatted in line with the Trust's Policy on Policies.