

## Corporate Performance Report 2014/15

December 2014

**OUR VISION:**

To be known as one of the top ten hospital Trusts in England and the Kent hospital of choice for patients and those close to them

**OUR MISSION:**

To provide safe, patient focused and sustainable health services with and for the people of Kent. In achieving this we acknowledge our special responsibility for the most vulnerable members of the population we serve

**Contents**

1. Performance Scorecard
2. Finance Commentary and Performance Indicators
3. Finance Tables
4. Efficiency programme
5. Glossary of Terms

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Putting patients first

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December 14

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SCORES

VALUES

RESET

Activity in month 9 has performed above levels set in the 'EK Managed Contract' by ~2.9% (from -3.3% in November). YTD is still under-performing at -1.3%. The over-performance is as a result of elective PODs performance (both Outpatients and Day Case Admissions), which have previously been under-performing. Emergency demand also continues to over-perform, being 2.4% above contract across A&E Attendances and 2.7% above in subsequent emergency admissions.

Activity against the 'Other PbR Contracts' is 3.9% up against plan YTD, and 6.9% up against contract in month (-5% down last month). Last month is was noted that in month emergency demand was falling against plan, however December position shows a positive variance of 14% for Non-Elective admissions, mainly in Cardiology, General Medicine and NICU Specialised Care.

Primary care referrals, in month, are significantly above overall contract levels at +6.5%, and remain above YTD levels at +4.5%. This increase is most noticeable in UC&LTC, with the Surgical division having seen large increases previously in areas such as T&O and Colorectal, and can be seen across the division but not specific to a certain speciality.

Elective activity has over performed on contracted levels across all points of delivery, except Elective Inpatients, during December. The main driver for over performance in Outpatients is through the Surgical Division at 6.4% (both OP New and FUP), with Urology, Ophthalmology and Maxillo Facial all achieving >+10% above contract. All divisions saw increases against their contracted positions in Elective Daycases. In month, Daycases were 10.3% above contract, with a main contributor for this being Endoscopy which is 12% over plan. Over the past 6 months the Endoscopy service has struggled to keep up with demand due to reduced capacity. In November this impacted on the Trusts overall DM01 position with a peak of 130 breaches. Due to additional capacity in December the service have reported 0

Key National Targets				
Monitor				
Domain	Metric Name	MTD	QTD	YTD
Patient Safety	Cases of C.Diff (Cumulative)	1	1	1
Effectiveness	A&E: Time in A&E (%)	1	1	1
Access & Productivity	Cancer: 2ww (All)	1	5	5
	Cancer: 2ww (Breast)	5	1	1
	Cancer: 31d (Diag - Treat)	5	5	5
	Cancer: 31d (2nd Treat - Surg)	1	1	5
	Cancer: 31d (Drug)	5	5	5
	Cancer: 62d (GP Ref)	5	1	1
	Cancer: 62d (Screening Ref)	5	5	5
	RTT: Admitted (%)	1	1	1
	RTT: Non-Admitted (%)	5	5	5
	RTT: Incompletes (%)	1	5	5
	DM01: Diagnostic Waits	5	5	1

Internally Monitored Indicators				
Quality				
Domain	Metric Name	MTD	QTD	YTD
Patient Safety	HSMR			3
	Crude Mortality EL (per 1,000)	3	3	4
	Crude Mortality NEL (per 1,000)	3	4	4
Effectiveness	Readmissions: EL dis. 30d (12M%)	5	4	3
	Readmissions: NEL dis. 30d (12M%)	4	4	2
Activity (% Variance to Plan)				
Domain	Metric Name	MTD	QTD	YTD
Activity	Referrals - Primary Care	1	1	1
	Referrals - Total	1	1	1
	A&E: Attendances	5	3	3
	Outpatient Appointments	2	2	2
	Elective Admissions	1	5	5
	Non-Elective Admissions	2	3	5
Access & Productivity	DNA Rate: New	3	4	4
	DNA Rate: FUP	3	4	5
Efficiency				
Domain	Metric Name	MTD	QTD	YTD
Valuing People	Clinical Time Worked (%)	2	3	2
	Unplanned Agency Expense	1	1	1
	Appraisal Quality	5	5	5
	Training Plans (Quarterly)	5	5	5
	Sickness (%)	3	3	3
Access & Productivity	BADS	5	5	5
	Theatres: Session Utilisation (%)	4	4	4
	Non-Clinical Cancellations (%)	5	5	5
	Non-Clinical Canx Breaches (%)	5	5	5

Overview of Trust Financial Performance								
Trust Key Performance Indicators (£m)	Annual target	Year to Date Plan	Year to Date Actual		Monitor Continuity of Service Risk Rating	Annual target	Year to date Plan	Year to Date Actual
Total operating income	532.5	397.9	394.6		Continuity of Service Risk Rating	4	4	3.0
CIP savings	26.8	19.1	13.9					
EBITDA	30.1	22.0	15.6		The financial statements and summaries in this report are prepared for internal performance monitoring purposes and have not been audited. The Trust accepts no liability for any decisions made by persons external to the Trust based on this information.			
I&E net surplus	(0.9)	1.4	(4.3)					
Cash balance	27.4	29.6	30.8					
Note: Detailed financial tables are on page 3								

#### Statement of Comprehensive Income (Income and Expenditure)

The Income and Expenditure deficit for December is £(3.3)m. For the YTD the position is £(4.3)m against a surplus plan of £1.4m, resulting in an overall adverse variance of £(5.7)m.

- The subsidiary company (Healthex Limited which runs the Spencer Wing at QEQMh) is reporting a YTD surplus of £0.3m to December which is above plan and not included in the above position.

#### Improvement Programme

The Efficiency Programme for the financial year amounts to £26.8m as set out in the Financial Strategy.

Savings delivered in the month of December were £(1.3)m below target and now stands at £(5.3)m below plan for the year to date reflecting the continued pressure on operational budgets. (see page 4).

#### Statement of Financial Position (Balance Sheet)

The Trust Statement of Financial Position and Cash summary are set out on page 3.

- The Trust has £10.1m of net current assets at the end of December and total net assets of £314.2m. The closing cash balance of £30.8m is £1.2m favourable to plan for the month, due to receipts from EK CCG's were higher in the month as a payment of £4.2m was received in December for Winter Pressure Funding. Also receipts for Medway and West Kent CCG's were slightly higher than previous month £0.4k. All Other NHS Organisations were £2.6m lower than the previous month as the settlement of back to back agreements was received in November. Other NHS Trusts were slightly higher in December than the previous months £0.5k. Other Receipts were £0.7m lower than the previous month, as VAT receipts in that November also included settlement for October. Creditor payments including Capital were £2.8m higher than November. This was due predominantly to 5 payment runs in December compared with 4 in previous month but in line with the planned spend. The position remains ahead of plan, mainly due to SCG receipts relating to 2013/14, delayed in the start of KPP and SaCP, CCG's advance payment of Winter pressure monies and higher than planned VAT reclaim. However, this has been partially offset by the delay in settlement of 13/14 Contract Payments from the 4 Kent CCG's.

#### Capital Expenditure Programme

The table on page 3 summarises £22m of expenditure on capital projects in the year so far.

#### Financial Performance Indicators

The Trust is achieving the rating of 3 under Monitor's Continuity of Service Risk Rating.

#### Identified Financial Risks

The Trust is no longer in a position to recover the adverse YTD EBITDA performance.

Delivery of the currently reported Divisional forecast position due to continuing Winter Pressures above plan.

Further deterioration in the delivery of CIP's, in both Divisional and Corporate areas.

The settlement of the 2013/14 contracts with East Kent CCGs remains outstanding. Partial provisions were made in the 2013/14 accounts but are unlikely to mitigate the full volume now challenged.

Reduced payment by Commissioners in respect of Resilience Funding (RTT)

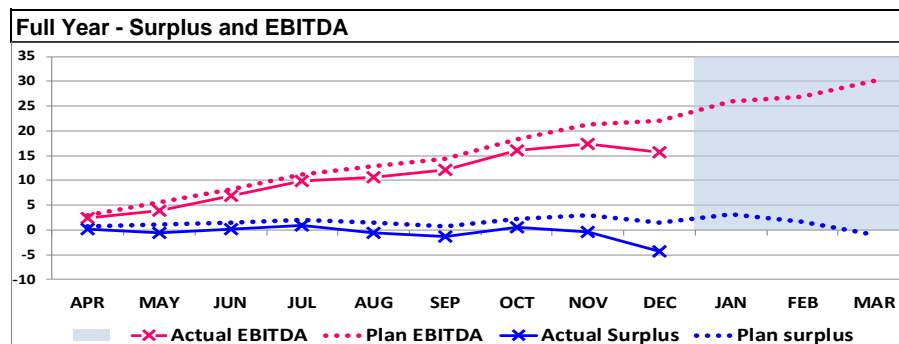
#### How financial risks are being addressed

The following actions are in place:

- Additional management effort is being put into the delivery of the savings programme to ensure that the level of savings achieved is maximised.
- Finance and Divisional teams are working together to find the most effective ways of using resources to meet the high level of operational pressure.

# FINANCIAL PERFORMANCE DECEMBER 2014

Trust Statement of Comprehensive Income to 31st December 2014	Year to Date £000
SLAs & Corporate Income	294,467
Other Income	100,166
<b>Total Income</b>	<b>394,632</b>
Pay	233,056
Non-Pay	145,934
<b>Total Expenditure</b>	<b>378,990</b>
<b>EBITDA</b>	<b>15,643</b>
Less: Depreciation	12,627
Less: Dividend Payable	7,350
Less/ (add): Other	(57)
<b>Funds Available for Investment</b>	<b>(4,277)</b>



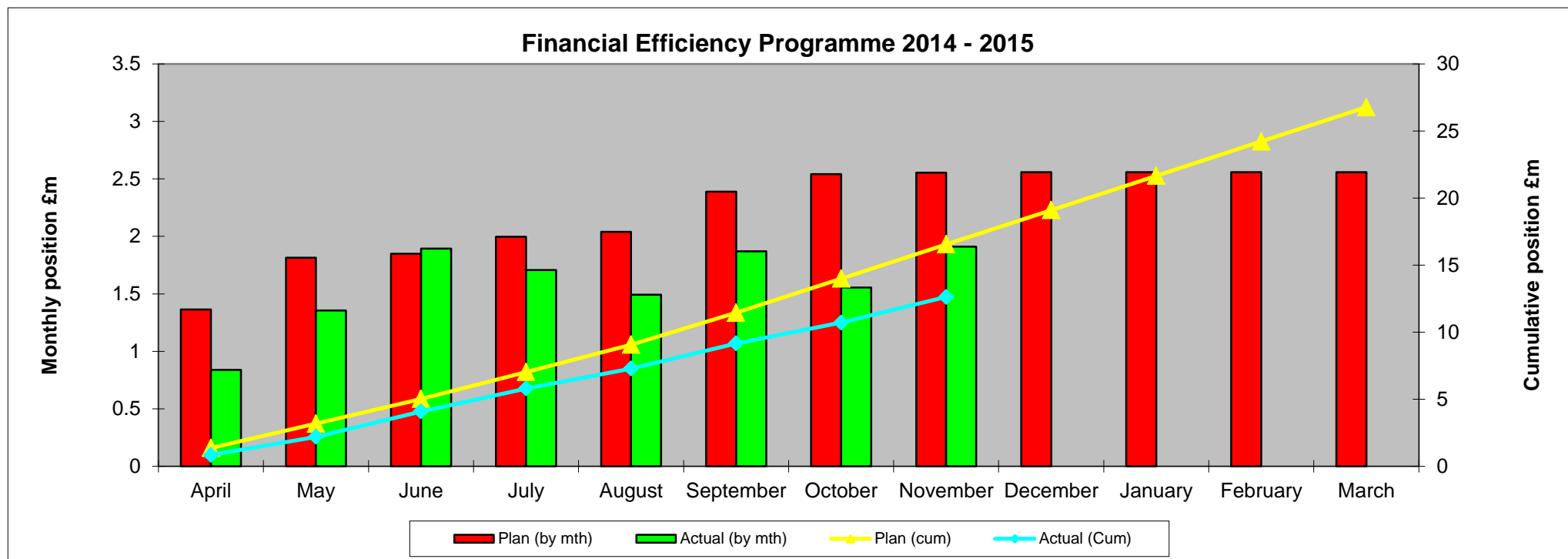
Trust Capital Expenditure to 31st December 2014	Year to Date		
	Budget £000	Actual £000	Variance £000
KCH Outpatients	1,200	992	208
KCH Theatres	1,500	4	1,496
Buckland Reprovision	11,049	11,302	(253)
Energy Scheme	1,172	644	528
Laundry	500	0	500
Telephony	800	958	(158)
Replacement Medical Equipment	1,500	2,027	(527)
Patient Environment	1,700	720	980
IT Strategy	1,100	1,867	(767)
All Other	1,655	3,444	(1,789)
<b>Total Expenditure</b>	<b>22,176</b>	<b>21,958</b>	<b>218</b>

Trust Statement of Financial Position as at 31st December 2014	Opening balance £000	Closing balance £000
<b>Non-Current Assets</b>	<b>306,693</b>	<b>306,588</b>
<b>Current Assets</b>		
Inventories	9,765	10,553
Trade and Other Receivables	37,534	34,651
Cash and Cash Equivalents	29,292	30,826
<b>Total Current Assets</b>	<b>76,590</b>	<b>76,030</b>
<b>Current Liabilities</b>		
Payables	(32,643)	(37,108)
Accruals and Provisions	(27,719)	(26,419)
<b>Net Current Assets</b>	<b>13,806</b>	<b>10,093</b>
Non-Current Liabilities	(2,390)	(2,521)
<b>Total Assets Employed</b>	<b>318,109</b>	<b>314,160</b>
<b>Financed by Taxpayers Equity</b>		
Public Dividend Capital	189,713	189,713
Revaluation Reserve	77,067	77,067
Retained Earnings	51,329	47,380
<b>Total Taxpayers' Equity</b>	<b>318,109</b>	<b>314,160</b>

Trust Cashflow Statement as at 31st December 2014	Current month £000
Opening Bank Balance	29,292
<b>Receipts</b>	
Main CCG SLAs	35,171
All Other NHS Organisations	9,581
Other receipts	1,885
<b>Total Receipts</b>	<b>46,637</b>
<b>Payments</b>	
Payroll	14,044
Creditor (including capital) payments	21,107
Other Payments	9,951
<b>Total Payments</b>	<b>45,103</b>
Closing Bank Balance	30,826

# EFFICIENCY PERFORMANCE REPORT DECEMBER 2014

## PERFORMANCE SUMMARY : Trust summary position



The Trust's net financial efficiency plan for the 2014-15 financial year is £26.8m.

Savings delivered in the month of November were £(0.6)m below target and now stands at £(3.9)m below plan for the year to date reflecting the continued pressure on operational budgets.

**PERFORMANCE REPORT - DECEMBER 2014**

**GLOSSARY OF TERMS**

<b>Abbreviation</b>	<b>Definition</b>
A&E in Dept <4 hrs	The percentage of A&E attendances who spent less than 4 hours from arrival at A&E to admission, transfer or discharge
Activity Data	Total Trust activity against the CaP Plan (a positive number shows the Trust had completed more activity than planned)
BADS	British Association of Day Surgery (Efficiency Score - actual v predicted overnight bed use)
CAMHS	Child and Adolescent Mental Health Services
IPM	Integrated Provider Management – A team providing local CCGs with financial and contract management in planning, negotiation and performance management of agreements with acute Trusts.
Cancer Targets	Specific cancer targets as identified in the Monitor Framework (2WW - 2 week wait, 31D - 31 days and 62D - 62 days)
CCG	Clinical Commissioning Group - CCGs have replaced PCTs
CDiff	Clostridium Difficile – A bacterium causing infection in the colon
CIP	Cost Improvement Programme – The programme to improve efficiency and productivity by reducing costs and/or increasing income
CoSRR	Continuity of Service Risk Rating - the way Monitor assesses the financial strength of FTs to sustain ongoing service provision (from 01/10/13). Scale of 1 to 4 (4 being the best).
CQC	Care Quality Commission – The body responsible for regulating and inspecting hospitals to ensure they are meeting government standards.
CQUINS	Commissioning for Quality and Innovation – Payment framework which makes a proportion of healthcare providers' income conditional on improvements in quality and innovation in specified areas of care.
CRU	Compensations Recovery Unit – The body which is responsible for liaising with insurance companies to recover the cost of treating RTA victims and pass the income to the Trust.
Crude Mortality	Number of in-hospital deaths per thousand discharged spells
Cum	Cumulative
CV's	Contract Variations
Diag.	Diagnosis
DM01	Reporting of Diagnostic waiting times less than six weeks - a key element towards monitoring waits from referral to treatment
DNA	Did Not Attend
DoH	Department of Health
DQ	Data Quality
EBITDA	Earnings(E) Before(B) Interest (I),Tax(T),Depreciation(D) and Amortisation on Donated Assets(A) ie Income less Operating expenses
eDN	Electronic Discharge Note
EL	Elective – Pre-arranged, non-emergency care
GUM	Genitourinary Medicine
HCOOP	Health Care of Older People
HD unit	High Dependency unit
HSMR	Hospital Standardised Mortality Ratios – This is an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than you would expect.
I&E	Income & Expenditure
LoS	Length of stay – Measurement of the duration of a single episode of hospitalisation.
Mth	Month
MRSA	Methicillin-Resistant Staphylococcus Aureus – A bacteria that is resistant to certain antibiotics.
MSSE	Medical Surgical Supplies and Equipment
NEL	Non Elective – Care which has not been pre arranged.
New to Follow Up Ratio	Ratio of attended follow up outpatient appointments compared to attended new outpatient appointments
Non Clinical Cancellations	Cancelled theatre procedures on the day of surgery for non-clinical cancellations as a percentage of total admitted patients
Non Clinical Cancellation breaches	Non-Clinical cancellations that were not rebooked within 28 days as a % of total admitted patients
PAS	Patient Administration System
PbR	Payment by Results – National pricing system designed to ensure Trusts get paid a standard price for each episode of patient care they provide.
PCT	Primary Care Trust – NHS bodies responsible for purchasing and providing healthcare for their local population.
PDC	Public Dividend Capital – Represents the funds provided by the DH since NHS Trusts were formed to enable them to own fixed assets.
POD	Point of Delivery
RAMI	Risk Adjusted Mortality Index
Readmissions	All Readmissions that are an emergency that occur within 30 days of any previous discharge (approved exclusions apply)
R&TC	Referral and Treatment Criteria – Criteria set to establish patient pathways.
RTT	Referral To Treatment
SHA	Strategic Health Authority
SLA	Service Level Agreement - Document describing the contract between the Trust and another public sector body for the provision of goods and/or services.
T&O	Trauma and Orthopaedics
Theatres Session Utilisation	Percentage of allocated time in theatre used, including turnaround time between cases, excluding early starts and over runs
UC&LTC	Urgent Care & Long Term Conditions
Uncoded Spells	Inpatient spells that either have no HRG code or a U-coded HRG as a % of total spells (including uncoded spells)
Var	Variance: the difference between budget and actual. A positive number is favourable.
VTE	Venous-Thromboembolism – A blood clot that forms within a vein.
WTE	Whole time equivalent - Expression of the number of staff based on the standard weekly hours for that staff group.
YTD	Year to date - The period from the start of the financial year (1 April) to the end of the month being reported on.