East Kent Hospitals University NHS

NHS Foundation Trust

Corporate Performance Report 2013/14

May 2013

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**

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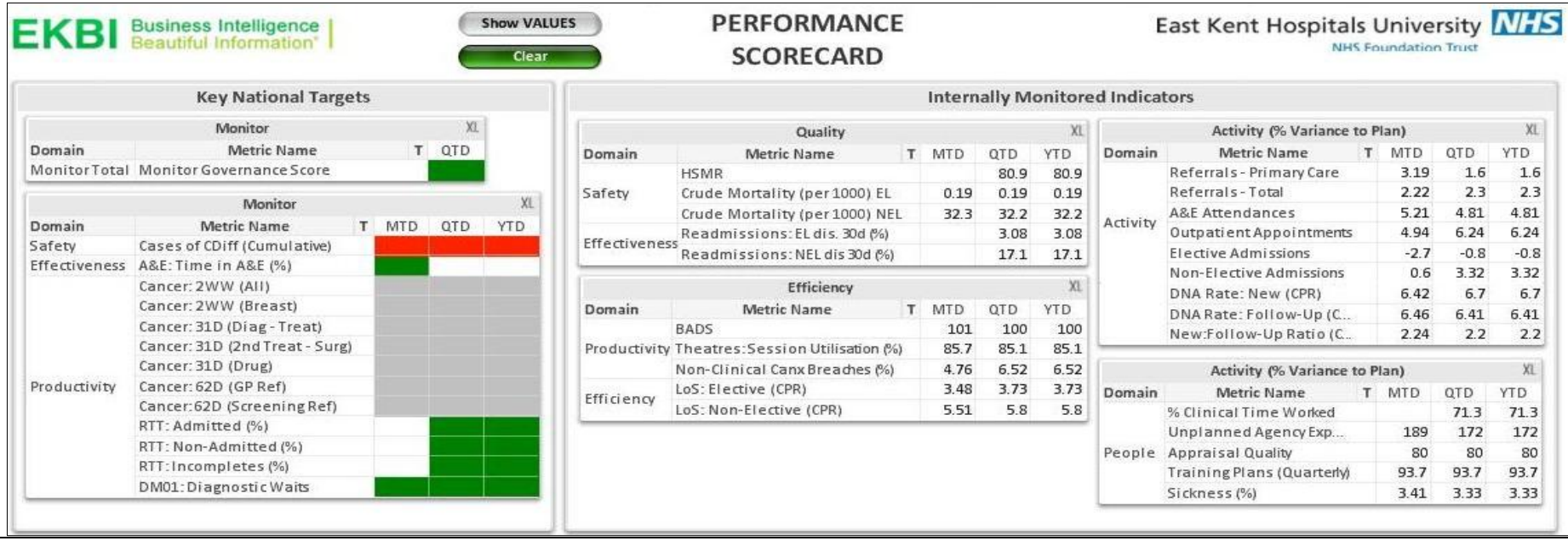
Julie Pearce
Chief Nurse and Director of Quality and Operations

Jeff Buggle
Director of Finance and Performance Management

Putting patients first



Historic Issues/Updates:

- 2013/14 activity will be monitored against the EKHUFT business plan and, as previously reported, against last year actuals. A number of changes to the Plan have been made from the 12/13 position. Most pivotal is the change in contract between CCGs (previously PCTs), Specialised Commissioning and Local Authority Commissioning. All of which will be explored further throughout the year.
- Activity is up in month for all POD's with the exception of Elective admissions. An area of noticeable fluctuation is Primary Care Referrals, which are now over performing in month, YTD and against last year.
- When compared to last year, activity variances are noticeable in Outpatients and Day Case activity predominantly. Outpatient increases are largely due to an increase in Telephone appointments in Clinical Oncology due to the new reporting of CNS telephone appointments. The new Maternity Pathway has also reduced OP attends in PbR tariff activity. Whereas Day Case activity has changed due to the definition of Chemotherapy for 13/14 explaining the increase against last year.

Referrals (Primary & Non-Primary Care)

- Primary care referrals are over performing by 3% in month and have increased by approx 400 referrals since April. There is currently no indication of commissioning intentions taking effect at a corporate level in 13/14.
- Non-primary care referrals have continued over performance in month, achieving +1% variance against plan in month, and are also at +3% variance YTD. Focus on reducing Consultant to Consultant referrals remains and is evidenced in year by -1% variance against last year.
- Notable areas of fluctuation in Primary Care Referrals occur due to overachievement against plan in UC&LTC. Rheumatology, in particular, has over achieved by +42% due to colder climate and the delay in planned Commissioning Intention schemes.

Outpatient Activity (New & Follow Up)

- Outpatient New attendances, have significantly over-performed in month. Activity is ~5% over plan in month. UC&LTC, Specialist and Surgical Divisions have all maintained their over performance in month. Increased activity in UC&LTC has been planned to improve the waiting list position and locum consultants have been brought into Neurology and Rheumatology to assist in this continued reduction of the waiting list.
- Follow-up attendances are 2% over plan in month. This is a drop in 5% variance since last month but YTD variance is still +7%. This drop in variance is mainly due to the Surgical division, and in particular Maxillo Facial which has decreased by -28% against plan in month. However, this is balanced by Ophthalmology's over-performance due to additional clinics to bring long waiters down.

Admitted Activity (Elective & Non-Elective)

- Day Case activity has slightly under performed against plan at -1% in month, but 0% variance YTD. Over performance in UC&LTC has balanced out under performance in Surgical.
- Inpatient activity, which again has dropped slightly from the ~1,400 average monthly spell admissions, is now significantly under plan in month (-9%). This drop in activity is directly linked to Trauma & Orthopaedics under performance, which has not hit plan due to consultant absences, high patient cancellations and limited resource availability.
- Non-elective admissions YTD are over achieving (+3%), which is linked to an increase in A&E attends as discussed below. It should be noted that the overall NEL position looks to have increased since last month but this is due to the introduction of the Maternity Pathway and the re-classification of birthing episodes, which are now included back within the PbR tariff in 13/14.
- A&E attended activity has over performed significantly to a positive variance of +5% in month but down against last year, however there is no clarity yet if this is due to Commissioning Intentions. There continues to be a shift towards the majors stream which in turn is resulting in more admissions, as demonstrated in the non-elective over performance.

Balanced Scorecard Metrics

- A&E Indicators - the Trust met the 4 hour standard in May 97.31%, after the poor start to the quarter (in April with a position of 91.1%) the Division has worked hard on promoting good practice across the Emergency Departments.
- The number of Serious Incidents reported via STEIS has dropped from 3 in April to 1 in May. Non-Clinical Incidents is also show compliant positions for April and May.
- Validated cancer metrics for April show that with the exception of the 2ww Breast target, all targets were met The 2ww Breast metric achieved 91.7% against a target of 93%. This target was also non-compliant last month achieving 90.8%.

FINANCIAL COMMENTARY - MAY 2013

East Kent Hospitals University NHS
NHS Foundation Trust

Overview of Trust Financial Performance

Trust Key Performance Indicators (£m)	Annual target	Year to date Plan	Year to date Actual
Total operating income	496.6	83.4	85.5
CIP savings	30.0	3.5	3.4
EBITDA	31.3	5.7	7.1
I&E net surplus	5.4	1.5	2.9
Cash balance	48.1	50.2	53.6

Monitor Financial Risk Rating	Annual target	Year to date Plan	Year to date Actual
Overall Financial Risk Rating	**3.45**	**3.65**	**4.25**

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.

Note: Detailed financial tables are on page 3

Statement of Comprehensive Income (Income and Expenditure)
In month 2 the Trust achieved a surplus on income and expenditure of £2.1m (£2.9m for the year to date). A Trust Statement of Comprehensive Income is shown on page 3.
- Trust income is £2.1m above plan: continuing high numbers of A&E patients and non-elective admissions are the main factors but outpatient activity in some areas is also above plan. Staff costs are £1.0m above planned levels due to measures taken to sustain quality and service delivery.
- The subsidiary company (Healthex Limited which runs the Spencer Wing at QEQMH) is reporting a balanced position at the end of May.

Improvement Programme
Savings to the value of £2.2m were delivered in May (£3.4m so far this year) as shown on page 4. There is a marginal shortfall compared to the plan, mainly due to activity pressures, and this is expected to be recovered in future months.

Statement of Financial Position (Balance Sheet)
The Trust Statement of Financial Position and Cash summary are set out on page 3.
- The Trust has £34.8m of net current assets at the end of May, and total net assets of £302.0m. The closing cash balance of £53.6m is £3.4m higher than the plan.

Capital Expenditure Programme
The table on the next page summarises £2.2m of expenditure on capital projects so far this year.

Performance Indicators and Financial Risk Rating
The Trust Financial Risk Rating for the first two months of the year is 4.25, which is 0.6 better than plan due to the favourable income and expenditure surplus.

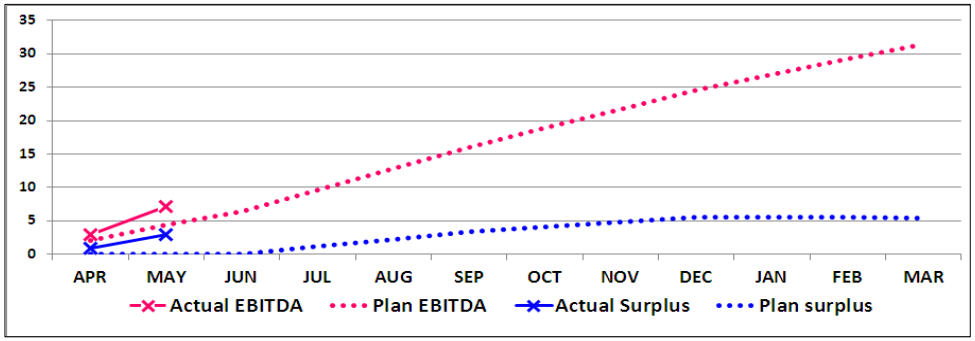
Identified Financial Risks
The principal risks to achievement of the 2013/14 annual financial plan are considered to be the following:
- Potential fines (especially for healthcare acquired infections) and other challenges from commissioners during the year affecting income for activity performed.
- Increased costs due to continuing high levels of emergency and non-elective activity, putting pressure on beds and disrupting elective work.
- Savings not achieved to the level assumed in the annual plan (£30m).
- Increased costs associated with implementing the recommendations of the Francis Report.

How financial risks are being addressed
The following actions are in place to mitigate the risk of non-achievement of the 2013/14 financial plan:
- Performance management arrangements with the new commissioners are being developed; the Trust seeks to resolve any challenges as quickly as possible.
- Regular performance meetings are held with Executive Directors where issues are aired and recovery plans agreed when required.
- Divisions have quarterly savings targets they are committed to achieving. Discussions are ongoing to finalise savings plans that cross divisional boundaries.

FINANCIAL PERFORMANCE MAY 2013

East Kent Hospitals University NHS
NHS Foundation Trust

Trust Statement of Comprehensive Income	Year to date £000
SLAs & Corporate Income	79,755
Other Income	5,766
Total Income	**85,521**
Pay	49,452
Non-Pay	28,976
Total Expenditure	**78,428**
EBITDA	**7,093**
Less: Depreciation	2,772
Less: Dividend Payable	1,433
Less/ (add): Other	(44)
Funds Available for Investment	**2,932**



Trust Capital Expenditure to 31 May 2013	Year to date		
	Budget £000	Actual £000	Variance £000
Endoscopy Upgrade - WHH	250	261	(11)
CT Scanner - WHH	0	0	0
CT Scanner - QEQM	540	443	97
Replacement Cath Lab - WHH	3	259	(256)
Car Parking Improvements	200	219	(19)
Energy Schemes	56	6	50
Buckland Reprovision	196	191	5
Replacement Medical Equipment	150	33	117
IT Strategy	50	183	(133)
Patient Environment Investment	0	23	(23)
Other	400	581	(181)
Total Expenditure	**1,845**	**2,197**	**(352)**

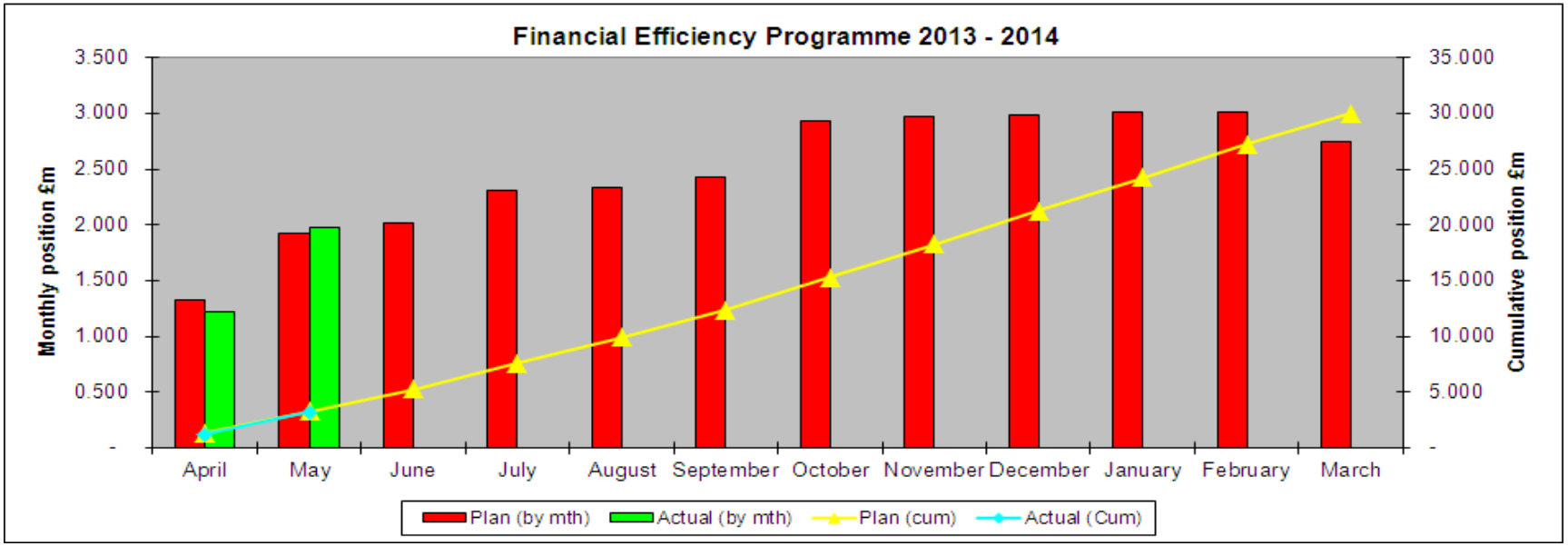
Trust Statement of Financial Position as at 31 May 2013	Opening balance £000	Closing balance £000
Non-Current Assets	**269,239**	**269,379**
Current Assets		
Inventories	7,377	7,277
Trade and Other Receivables	23,714	21,609
Cash and Cash Equivalents	60,647	53,551
Total Current Assets	**91,739**	**82,437**
Current Liabilities		
Payables	(25,045)	(24,648)
Accruals and Provisions	(33,888)	(23,006)
Net Current Assets	**32,806**	**34,783**
Non-Current Liabilities	(2,211)	(2,211)
Total Assets Employed	**299,834**	**301,952**
Financed by Taxpayers Equity		
Public Dividend Capital	189,525	189,525
Revaluation Reserve	63,924	63,924
Retained Earnings	46,386	48,503
Total Taxpayers' Equity	**299,834**	**301,952**

Trust Cashflow Statement as at 31 May 2013	Current month £000
Opening Bank Balance	60,647
Receipts	
Main CCG SLAs	21,450
All Other NHS Organisations	14,164
Other receipts	2,249
Total Receipts	**37,862**
Payments	
Payroll	13,714
Creditor (including capital) payments	21,067
Other Payments	10,177
Total Payments	**44,958**
Closing Bank Balance	53,551

FINANCIAL PERFORMANCE REPORT

May 2013

Efficiency programme : Trust summary position



The Trust's net financial efficiency plan for the 2013-14 financial year is £30.0m.

Savings delivered in the month of May were above plan, recovering some of the shortfall in April. The position is reflective of continuing significant operational pressures impacting on planned pay savings.

PERFORMANCE REPORT - MAY 2013
GLOSSARY OF TERMS

Abbreviation	Definition
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
CaP	Contracting and Procurement – A team, working for the local PCTs, which provides them with financial and contract management in the 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
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 – A payment framework established to make a proportion of healthcare providers' income conditional on making 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
FRR	Financial Risk Rating - Monitor's scorecard of 5 key financial metrics combined into an overall score or risk rating. This is used to monitor and compare all FTs financial performance.
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.