Airedale NHS Foundation Trust
Board of Directors 29 November 2012
Author: C. Miles, Director of Operations
Title: Safely Reducing Costs Report For The Period Ending 31 October 2012

Introduction

The report below provides the Board of Directors with an overview of any changes from last month in the confidence of the delivery of the cost improvement programme (CIPs) and any effects on patient safety and quality of care as a consequence of the implementation of the CIPs.

Recommendations

The Trust Board of Directors is asked to receive and note.

Position Statement

The table below indicates the summary position by group for changes in quality and risk of delivery of the CIP programme from last month.

Group	Changes in delivery from previous month	Changes in risk on quality (have any schemes changed their risk scoring)	Movement in the month of the Forecast year end Trajectory	Revised Gap from £7.3 M Target with FYE incorporated	Risk of Delivery of the Minimum Expected CIP target In year	Risk of Delivery of the Minimum Expected CIP target for 2013~14 taking FY effect into account
			£	£		
Medical	Increased procurement savings in drugs (existing schemes) mitigate delay in start date ofscheme relating to vat savings on medical agency.	No changes	(17,943)	(596,643)	There is a high risk that the group will not achieve the CIP scheme relating to closure of beds due to delays in the transform agenda; this can be mitigated partially by increased procurement savings that have materialised but this still means that the underlying position indicates the expected target will not be met.	Increased risk of not achieving expected target taking account of FY effect.
Diagnostics	Value of schemes relating to income growth have been reduced following 'price' adjustments in contracts and prudent assessment in forecast.	No changes	(19,560)	(305,962)	There is a moderate risk that the group will not achieve the income growth as expected.The growth at this stage is only linked to contract variations with Pathology Direct access.This means that there will be a shortfall from the expected target.	Again an increased risk that this will not be achieved.
Surgery	Vacancy restructure has been altered to reflect the actual savings in year, anaesthetic medical staff CIP has been moved back 2 months whilst Zero based budget exercise takes place, Bed reconfiguration has been moved back whilst rehab beds are agreed.	No changes	(32,289)	(531,303)	The expected schemes have reduced by £225k for this year, because the surgical assessment unit will not be in place until May due to the bed problems.	The FYE of schemes from 2012/13 will bring an additional CIP of £259k which will contribute towards this gap.
Childrens & Womens Services	the Mars Schemes have now been agreed and the savings are showing in the CIP tracker	No changes	23,458	(362,110)	The expected schemes have reduced by £14,851 for this year, however there are further MAR's scheme to be agreed in November which will bridge this gap in year. This is a 9.5% reduction of the expected CIP	The FYE of schemes from 2012/13 will bring an additional CIP of £185k which will contribute towards this gap, the only FYE scheme at risk is relating to the birthing numbers of £65k
Community	No change from last month	No changes	0	(264,039)	There is a signficant risk that the expected target will not be achieved in-year leaving a shortfall of £87k to be offset through non-recurrent underspends.	There is a high risk that target will not be closed off in 2013~14 as a significant proportion has been delivered through non recurrent means leaving a carry forward pressure of £136k.
Corporate	Monthly Review of various CIP Schemes which have not been achieved in month, so YTD reduced by 1/12; changed an IT scheme from Recurrent to Non-Recurrent and recognised savings in AP07.	No Changes	8,051	(305,473)	Due to Non-Recurrent underspends within the group there is a low risk of not achieving the minimum expected CIP target in year.	There is a medium risk that the FYE of CIP will be below the expected target by a minimum of £35k - although work is ongoing in the group to close the FYE gap.
Facilities	Catering CIP Plans still need to be put in place and agreed.	No changes	0	(338,205)	No change from the shortfall in delivery of the expected target	No change from the shortfall in delivery of the expected target
Total			(38,283)	(2,703,735)		

In terms of quality there have been no changes to the risk scores across any of the schemes but there has been a reduction of £38,283 in the level of savings being generated in the forecast trajectory for this year.

The Medical groups risk score has not changed this month but their overall savings value has reduced down due to the delay in expected VAT savings from medical staffing agency costs, work is on-going to finalise the savings. Some additional savings where identified in pharmacy. Despite the additional savings there is now an increased risk of not achieving the expected target plan due to the shortfall in bed reduction.

The Diagnostic level of risks on quality has not changed but the risk of not delivering the expected target has increased this month. A number of schemes are dependent on income growth and the timing of these schemes is later than expected and some pricing changes on direct access scans have reduced the impact of income growth.

The surgical group continues to undertake more elective activity than planned. This is being undertaken using current theatre and day case facilities. However the building work for the surgical assessment unit is unlikely to be started in this financial year because of the pressure on beds through the winter. Therefore the risk of delivery the expected plan this year has been increased.

There are no changes in Children’s and Women`s with regards to risks on quality. The group has now got an approved MARS scheme which should improve the overall savings position although the majority of the impact will be in 2013~14.The full year effect of these savings will reduce the risk down for the delivery of the expected target.

The Community group position has no changes in the risks on quality but the overall shortfall in the expected target has increased.

The Corporate has no significant changes this month only a marginal increase in savings.

The Facilities group is continuing with its review of delivery of CIP in catering and reviewing the ward hostess service.