

Action required by the Board of Directors

To receive and note the financial report and associated appendices.

Amy Whitaker
Deputy Director of Finance

14 September 2013

August Reports Month 05 2013/14

2013/2014 Governance Standards Quarter 2 Position (As at August)

Domain	Targets – weighted 1.0 (National requirements)	Threshold	Current Position/Projection
Safety	Clostridium Difficile – Meeting the Clostridium Difficile objective	DH allocation 9 Contract de minimis 35 Monitor de minimis 12	4
Safety	MRSA – Meeting the MRSA objective	DH allocation 0 Monitor de minimis 6	0
Quality	All cancers: 31-day wait for second or subsequent treatment	94% Surgery 98% Drug	100% 100%
Quality	All cancers: 62-day wait for first treatment	85% Referrals 90% Screening	92.4% 100%
Patient Experience	Maximum time of 18 weeks from point of referral to treatment in aggregate (Measured each individual month)	90% Admitted 95% Non-Admitted 92% Incomplete	92.2% / 90.9% 95.4% / 95.3% 92.2% / 92.9%
Quality	A&E - maximum waiting time of four hours from arrival to admission/transfer/discharge	95%	97.3%
Effectiveness	Community Services Data Completeness	50% Referral to Treatment 50% Referral 50% Treatment Activity	100% 92.0% 99.9%
Domain	Targets – weighted 0.5 (Existing healthcare targets)	Threshold	Current Position/Projection
Quality	All cancers: 31-day wait from diagnosis to first treatment	96%	100%
Quality	Cancer: two week wait from referral to date first seen	93% Referral 93% Breast	98.8% 98.5%
Overall Rating			GREEN

Performance Report August 2013

1. Introduction

The attached Performance Report shows the position to August 2013 for the Monitor Compliance Framework requirements for Service Performance as part of the Foundation Trusts quarterly Governance declaration.

Performance is shown against the required threshold or trajectory for each indicator assessed as part of the framework.

Key messages to August 2013 include;

- The Monitor Compliance Framework Quarter 2 rating for Service Performance is Green.
- Following the pressures experienced over the previous nine months, the Quarter 2 position for patients being admitted, treated or discharged within 4 hours of arriving in A&E is currently achieving the required 95% threshold.
- The A&E 4 hour waits standard however continues to be a declared risk, particularly for Quarters 3 and 4 as a result of the potential impact of the winter months and the start of the A&E redevelopment capital project. Significant mitigation work has taken place, however the Trust Board of Directors have left this as a declared risk with Monitor until the impact of the above is seen.
- The number of Clostridium Difficile infections for Quarter 2 to date is 1 case and year to date is 4 cases. As this is below the de minimis of 12 applied in the Compliance Framework, no penalty points are applied.
- Achievement of the Clostridium Difficile threshold for 2013/2014 however remains at risk and this was declared to Monitor in the Annual Plan submission in May. The risk is based on the low centrally set target of 9 which, despite having reduced the number of infections from 235 to 18 over the previous six years, the Board of Directors do not feel is achievable in the current year.
- All other standards are achieving the required thresholds or within de minimis limits, however close monitoring is taking place to ensure continued delivery of these.

Key performance highlights include;

- There were no MRSA bacteraemias during Quarter 1. The year to date total is 0 and Monitor apply a de minimis of 6 before any penalty points apply.
- Referral To Treatment - The Foundation Trust is projecting to achieve the aggregate admitted, non-admitted and incomplete pathway requirements of this standard for each month in Quarter 2.
- The Quarter 2 performance for all of the cancer standards is currently projected to be above the required thresholds or within de minimis limits. There are some pressures around the 62 day standard, but current projections are that the threshold should be achieved.

Risk Assessment Framework

From Quarter 3, Monitor's new Risk Assessment Framework shall be used to assess Foundation Trusts' Service Performance and therefore overall Governance rating. This replaces the Compliance Framework and focuses on both current performance as well as reviewing the potential risks when looking forward.

From Quarter 3, Foundation Trusts' overall Governance ratings shall be categorised as either;

- Green (No issues identified)
- Issue Identified (Description of status and action being taken where issue(s) are identified)
- Red (Formal enforcement action being taken)

The main amendment regarding the standards being assessed is that MRSA shall no longer be part of the quarterly declaration from Quarter 3 onwards.

In line with the Compliance Framework, should any of the standards fall outside of the required threshold, Monitor shall assess if further requirements are needed for assurance purposes. These could include;

- Exception Reports and Action Plans to be forwarded against which progress shall be monitored.
- Requirement to seek or report on external support for correcting the position (e.g. Intensive Support Teams, Consultants etc).
- Possible escalation

Red Rated Governance Over Rides

In the same way as with the Compliance Framework, Monitor may through the Risk Assessment Framework 2013/2014 apply a Red Governance risk rating and consider a Foundation Trust for investigation if the Trust fails to meet standards on a consistent basis.

There are currently two areas where our recent performance or identified risks could potentially have this applied;

- Breach of the annual target of 9 (de minimis of 12) for Clostridium Difficile;
- Breach the A&E indicator in any two quarters over a twelve month period and fail the indicator in a quarter during the subsequent nine month period or the full year.

Summary

The Trust Board of Directors is asked to receive the August 2013 Performance Report and note the areas where targeted actions are planned to maintain and/or improve performance.

Stuart Shaw
Head of Planning and Performance
September 2013

FINANCE REPORT FOR THE BOARD OF DIRECTORS FOR THE PERIOD ENDING 30 AUGUST 2013

Financial Performance Summary

Area of Review	Key Highlights	Year to date Monitor Financial		
		August Plan	August Actual	Q2 plan
Financial Summary ~ Overall Risk Rating	<p>As at month 5 the overall position is a surplus of £475k against a planned surplus of £597k, £122k worse than expected.</p> <p>The EBITDA is below plan by £304k. Income over trades have reduced in month which gives rise to the deteriorating position. Expenditure in Theatres has improved, which would be expected based on the reduced income position, however high pay costs in Medical and Surgical specialties have continued. CIP continues to make up a significant proportion of the adverse position. The CIP gap is £1,368k at month 5. A full review of the CIP will have been completed for the next Board.</p> <p>The FRR is 3.10 which is below the plan of 3.65 due to the adverse EBITDA position driven by failure to deliver CIPs.</p>	3.65	3.10	3.45
Operational Performance EBITDA Margin %	<p>* At month 3 the EBITDA has a 4.79% margin which is lower than the plan of 5.51%.</p> <p>* Income over trades have reduced significantly and costs have not reduced by the same amount due to the gap in CIP.</p>	3	2	3
Operational Performance EBITDA % Achieved to plan	The EBITDA achieved is 90.31%, which is worse than planned 100% achievement.	5	4	5
Liquidity	* The liquidity ratio shows that working capital (cash + debtors- Creditors) is able to cover 35 days of the Trust's operating expenses, which is in line with plan. Cash was £11.8m which is better than plan driven by capital slippage.	4	4	4
Use Of Assets (Return on Finance)	* The Trust's Return on Assets is 2.16% against a plan of 2.65%. The deficit in month has led to a deteriorated position.	4	4	4
Income & Expenditure Position	The Income and Expenditure Margin is 0.81% against a plan of 1.05% driven by the deteriorated performance in month.	3	2	2

