Ashford and St. Peter's Hospitals
NHS Foundation Trust

COUNCIL OF GOVERNORS
5th June 2019

TITLE	**Assurance Report**
EXECUTIVE SUMMARY	The Assurance report gives an overview of some of the key areas of internal focus for the Trust and areas of performance in terms of its five strategic objectives: 1. Quality of Care 2. People 3. Modern Healthcare 4. Digital 5. Collaborate As well as operations and finance. The report seeks to provide assurance that activities within the Trust are focused on the achievement of the Trust vision and mission as well as the achievement of the constitutional standards.
The Council is asked to:	Note and review the report
Submitted by:	Suzanne Rankin, Chief Executive
Date:	June 2019
Decision	For assurance

1 INTERNAL FOCUS

1.1 #RightCulture

We recently announced the end of year financial position and most importantly, the 'once in a generation' opportunity it provides going forward to transform services and facilities for the benefit of patients and the team.

It has to be acknowledged that 2018/19 was another really tough year, during which time we have continued to focus on providing the highest quality of care within a constrained financial environment. However, we've had some very exciting developments in the way of three land sales, completed in the final quarter of 2018/19 – the St Peter's west site to Cala Homes, the St Peter's residential land to Optivo and the Ashford estates yard to Spelthorne Borough Council. Overall these land sales boosted the end of year financial position to a spectacular surplus of £46.9m and means we have now secured over £60m to invest in the ASPH Transformation Programme.

This is an extraordinary position to be in and a result of incredible hard work and commitment by the team. It makes the future very exciting with huge opportunities ahead and we are encouraging all colleagues to not let the opportunity pass them by and engage in the chance to improve our collective working experience and that of patients using the hospitals.

1.2 Quality of Care

Taking Pride in Nurses and Midwives

We've had two fantastic days in the past month, dedicated to celebrating the incredible work of nurses and midwives. On 7th May I was delighted to join members of the maternity team to mark International Day of the Midwife, as well as the fifth anniversary of the Abbey Birth Centre.

Later the same week, on 10th May, I was privileged to join colleagues for Pride in Nursing and Midwifery Day, an inspiring day of talks, poster competition and awards. We had some fantastic internal and guest speakers, all offering different experiences and insight around the theme of 'Health for All'.

I'd also urge to watch this video: https://www.youtube.com/watch?v=gEhOEvqg064 by Research Nurse, Megan McGee, reading her 'Proud of my Profession' poem. Megan read her poem at the start of the event and it's incredibly powerful and moving – well worth a watch.

Exemplar Status for Interventional Radiology

Congratulations to the Interventional Radiology department based at St Peter's Hospital who have been awarded renewal of their Exemplar Status in April 2019 by the British Society of Interventional Radiology Quality Initiative (BSIRQI) – an accolade only achieved by 33 NHS Trusts in the country. Exemplar sites are departments that have demonstrated a commitment to the development of high quality Interventional Radiology Services, have enrolled in the BSIRQI programme, and fulfilled the current criteria for award of exemplar status, so this is a great achievement.

Celebrating Operating Department Practitioners

On 14th May our Operating Department Practitioners (ODPs) were out in force to showcase and celebrate all they do as an essential part of the theatre team. ODPs have been working within the NHS for over 50 years (with varying titles) and their role helps to provide individualised and skilled care for patients at all stages of their operation – from arrival in the operating theatre to discharge from the recovery room. It was great to see this important group of colleagues sharing their passion and enthusiasm with the team, patients and visitors.

1.3 People

Improving Personal Resilience

I wanted to share a message: https://www.youtube.com/watch?v=gEhOEvqg064 I sent to colleagues on 17th May, the end of Mental Health Awareness Week and Learning at Work Week,

around a mutual theme of personal resilience. I talk about the duty we have at ASPH and as part of the wider NHS to support colleagues doing difficult jobs in challenging situations and the tools and initiatives we have available to encourage health and wellbeing at work.

Alongside this I describe the importance of learning at work; providing us all with the skills and training we need to do our jobs to the best of our ability, at the same time increasing our personal resilience when things feel difficult or go wrong.

Writing this message was real food for thought; it's great to see mental health issues, in particular, come increasingly into the open and be de-stigmatised. We've done a lot of work to support this at ASPH and encourage personal growth amongst colleagues, but of course there is more to do.

Providing a Positive Place to Live and Work

One of the ways we try to attract and support colleagues to work at the Trust is the provision of good quality affordable accommodation on site and locally and we've been doing a lot of work to improve that offering. We all know how expensive it is to live in the South East so we need to find new and innovative ways to help colleagues, particularly those coming from overseas, to feel welcome and settled.

I've talked about the sale of residential land at St Peter's to Optivo; they are the provider of onsite accommodation and have exciting plans to redevelop and upgrade the housing available, beginning with the Parklands area. Whilst modernisation is much needed and will transform the living environment for colleagues, it will cause short term disruption for some and we are supporting those affected to find alternative accommodation during the building works.

Longer term we know demand for onsite accommodation will outstrip supply in the coming years so we are also looking at what we can do locally. We've had positive conversations with three local councils about key worker housing opportunities and how we can join forces to address some of the issues we jointly face in making Surrey an attractive and affordable place to live. One of the more immediate things we are looking at is a Trust wide 'rent a room' scheme which we hope will prove beneficial to both those with spare rooms and those who are seeking accommodation.

Rounders' Update

On 16th May some of the executive team with the support of one or two colleagues stepped up for the first (and last!) rounders' match of the season. Playing as part of the 'Tough at the Top' team against 'Knocked out the Park' – the consultant anaesthetists we lost on our first outing. It's always good fun and this year was no exception so we are sad not to be playing again but wish good luck to all the teams left to play.

Tough at the Top vs Knocked out the Park

Health and Care Women Leaders' Event

On 21st May I was pleased to attend an NHS Confederation and NHS Employers Health and Care Women Leaders Network dinner in London. This was an opportunity for senior leaders across the NHS, including the new Chief People Officer for NHS England and Improvement, Prerana Issar,

NHS Confederation Chief Executive, Niall Dickson and Chief Executive for NHS Employers, Danny Mortimer to come together to discuss and reflect on the role gender plays within the workforce, share experiences and consider approaches to deepening understanding of the issues and implications.

It made me reflect on my own experiences and about areas within Team ASPH where we need to do more to enable and encourage balance; more men in nursing, more female clinical leaders, more LGBT+ representation in senior leadership roles and so on. We have more thinking to do but importantly seeking the experience and views from colleagues across the organisation through surveys and conversations is an important next step.

1.4 Digital

Electronic Patient Record Update

We are continuing apace with the procurement of the electronic patient record. We are currently in discussions to agree the contract and final costs. The final business case is on the agenda for the June Trust Board and we are working we partners Cerner and the Royal Surrey County Hospital to shape up both the governance arrangements but also the approach to this huge transformation programme

Wi-Fi Services

At ASPH, we want to ensure we have the right infrastructure in place to implement advances in technology. We certainly appreciate the importance of Wi-Fi, which is why we have completely replaced our previous installation with a market leading solution to ensure reliable coverage across the estate.

As part of the project, the free Wi-Fi service, currently called “TempPublicInternet”, is soon to be replaced with a new solution which will be called ‘NHS Wi-Fi’. This is part of a national initiative to provide a common, branded and trusted method for NHS patients and visitors to access Wi-Fi across the entire NHS estate. Each Trust has been tasked with implementing this. We believe this sort of investment is key and central to our digital strategy. The NHS Wi-Fi will invite users to register and they will then be presented with a landing page which encourages healthy living, provides downloadable health apps and will give news about our Trust. In addition, we will be rolling out NHS Staff Wi-Fi to give colleagues their own faster and more reliable connection.

1.5 Modern Healthcare

Improving Psychological Support to Patients

We are working closely with Surrey and Borders Partnership NHS Foundation Trust to find ways to enhance the provision of psychological therapist support to patients in the Emergency Department and some wards within the Trust, particularly to help colleagues manage challenging patients.

Equally, we are also discussing how we can better support the management of physical health needs for patients in the mental health unit at Surrey and Borders.

Both strands of this project are about treating patients as a ‘whole’; bringing together physical and mental health support to address conditions and symptoms together and providing better, individualised, care.

1.6 Collaborate

Appointment of new NW Surrey ICP Director

I was delighted to be part of the recruitment panel to select the new Director for North West Surrey Integrated Care Partnership. After a very thorough and robust recruitment process we appointed Jack Wagstaff into the role. Jack is currently the Deputy Managing Director at North West Surrey

Clinical Commissioning Group and will bring a wealth of experience to the role, which will help drive the transformation of the local health system. I'd like to congratulate Jack on his new position and look forward to working with him closely.

SECAMB Handover Task and Finish Group

Since June last year I've been chairing the South East Coast Ambulance Service (SECAMB) Handover Task and Finish Group. SECAMB is a vital partner of the Trust and the group was established in light of the where SECAMB received an overall rating of 'Requires Improvement' and coordinated their response through a detailed action plan.

One of the issues flagged was around handover times; that ambulance crews were being delayed in handing over their patients to hospital colleagues upon arrival at A&E, which in turn delayed the crew in getting 'back on the road' to deal with other emergencies, affecting their response time and the level of service provided.

Clearly this is a 'system' issue and not something any one organisation can address in isolation. I've been really pleased to chair this group, which meets monthly to share best practice, monitor performance and seek assurance progress is being made. It is a great example of collaborative working in action and I'm pleased to report that we've seen great results.

Across Kent, Surrey and Sussex in the financial year 2018 /19 the programme reduced ambulance hours lost at hospitals (due to handover delays) by 17% (12,000 operational hours) compared with the previous year. The number of patients who waited over 60 minutes for a handover at hospitals was reduced by 34% and those that waited between 30 and 60 minutes for a handover at hospital reduced by 17%.

There is more to do and the next step is to look at ways of localising the work, which until now has taken place right across SECAMB's 'patch' of Kent, Surrey and Sussex. We need to look more specifically at what will work locally and how we can engage the relevant teams in implementing those positive changes.

Development of Well North Relationship

Following my briefing in the last Board Report, we have now formally entered into a contract with Well North to complete a piece of work to engage with colleagues, local people and key organisations (both public and private sector) to understand how the Trust can become a 'public asset' for the whole community. The work will help us shape the vision for the investment in our buildings and facilities and also to have a clearer understanding of our future role as a positive 'anchor organisation' within the local area.

The work will take place in three stages. Phase one is May to August 2019 and the Well North team will build on the engagement work already undertaken and facilitate meetings, workshops and other conversations to understand the views, ambitions and readiness for change. The second 'immersion' phase during October will include a two day workshop with 12-14 leaders and influencers to develop plans specifically for ASPH with an agreed shared vision. We will then take a view about how to move this work forward in the best way.

This investment in Well North marks a significant change in the role we want to play in ensuring our local community is a dynamic, thriving and healthy place to live and work. It also supports the view of Simon Stevens, Chief Executive NHS England, who said in a speech on 21 May to the Royal College of Medicine that NHS organisations have an important role as 'anchor institutions' in their local area.

2 PERFORMANCE

2.1 Details of our operational performance including A&E are included in the separate report – Paper 7.2.

2.2 2018/19 Financial Position - Outturn

2018/19 was another really tough year, during which we have continued to focus on providing the highest quality care within a constrained financial environment. We faced sustained operational, workforce and financial challenges with increasing emergency demand in particular, putting ever greater pressure on our systems, raising spending whilst at the same time reducing income due to the knock on effect on elective capacity. Similar supply and demand pressures also affected our wider system partners leading to challenges generating sufficient patient flow through our hospitals. Despite this our continued efforts to deliver high quality, efficient and effective care really made a difference and as a result we have continued to maintain our strong financial position.

Crucially, we also embarked on a number of strategic initiatives intended to fundamentally redesign our offering to both the public and staff. Over the final quarter of 2018/19 we completed three major land sales, the St. Peter's Hospital west site to Cala Homes, the St. Peter's Hospital residential land to Optivo, and the Ashford estates yard to Spelthorne Borough Council. Together these realised £29.1m of capital receipts for the Trust and £21.4m for Surrey and Borders Partnership NHS Foundation Trust. Delivering on our underlying finances and generating £18.0m of land sale profits in turn secured £32.8m of Provider Sustainability Funding income from the Department of Health. These boosted our financial position to a £46.8m surplus and mean we have now secured over £60.0m for our future investment programme.

The money raised from the sales opens up some hugely exciting opportunities to transform our services and facilities at the hospitals, both for patients and the team. These include:

- **Quality of care** – the Urgent and Emergency Care development at St. Peters Hospital and the wider redistribution of services across our sites in order to improve patient safety, flow and experience;
- **People** – improved and expanded staff residential accommodation, new commercial facilities, and a new public multi-storey car park, all at St. Peters Hospital; a new staff nursery in Ashford Hospital; and improved staff parking and staff wellness facilities across both our main sites;
- **Modern healthcare** – tackling our backlog maintenance issues, investing in two additional theatres for Ashford Hospital and more beds for St. Peters Hospital;
- **Digital** – implementing the Cerner Electronic Patient Record, e-prescribing and A&E systems and, on the back of this, launching our digital transformation programme with the wider system and
- **Collaborate** - with Surrey and Borders Partnership FT over the future integration of physical and mental health services through the redevelopment of the Abraham Cowley Unit, and with our commercial partners over the wider residential developments.

The key issues underpinning our financial performance are set out in the scorecard and commentary that follows.

Finance Scorecard				
	Annual Plan (Incl PSF)	YTD Plan (Incl PSF)	YTD Actual (Incl PSF)	YTD Variance (Incl PSF)
NHSI Finance Score Rating	1	1	1	
Total income excluding interest (£000)	£323,398	£323,398	£335,282	£11,883
Total expenditure (£000)	£282,641	£282,641	£294,712	(£12,071)
EBITDA (£000)	£40,757	£40,757	£40,570	(£188)
I&E net operational surplus/Deficit (£000)	£37,043	£37,043	£46,839	£9,796
Month end cash balance (£000)	£55,095	£55,095	£43,871	(£11,224)
Capital Expenditure Purchased (£000)	£19,360	£19,360	£11,592	(£7,768)
CIP Savings achieved (£000)	£10,500	£10,500	£9,338	(£1,162)
PSF Funding within income £000)	£26,789	£26,789	£32,800	£6,011
CQUINs (£000)	£4,424	£4,424	£4,775	£351

NHS Improvement "Finance Score Rating "			
			Current Score
Capital Service Cover	20%	5.48x	1
Liquidity	20%	69.2	1
I&E Margin	20%	13.50%	1
I&E Margin Variance From Plan	20%	1.90%	1
Agency	20%	36.85%	3
Finance Score Rating			1

The key points are:-

- Clinical income increased by £11.3m (4.2%) year on year. This was a result of increased demand leading to higher activity income, combined with increases in income to cover national pay awards and increments and part of the increased contributions to the national Clinical Negligence Scheme for Trusts (£1.2m).
- Non-clinical income increased by £17.6m (50.1%) year on year. The main reason for this was the increased Provider Sustainability Fund allocation that the Trust earned for the delivery of financial and operational performance targets. The Trust received £32.8m as a result of meeting these targets compared to £11.1m received in 2017/18.
- Pay costs were £12.3m (6.9%) higher than 2017/18, of which £6.3m was for pay awards and incremental drift. However, recruitment and retention was a big issue for the Trust during the year which led to significant vacancies and, as a result, a higher temporary staffing cost. Year on year our agency costs increased by £3.7m and were outside of the target set by NHSI.
- Non-pay costs were £8.1m (8.5%) higher than 2017/18 which included £3.3m of additional sub-contracted activity (and includes the new Urgent Treatment Centre pilot which was awarded to Greenbrook Healthcare from 1st November 2018). The Trust also saw an increase of 35% (£2.4m) in its contribution to the Clinical Negligence Scheme for Trusts, which was well in excess of the national average of 17.5% (£1.2m of this was funded nationally through increased tariffs).
- The above, combined with cost improvements of £9.3m, drove an increase in our EBITDA performance of £8.5m (26.6%) year on year, largely due to the additional income from the Provider Sustainability Fund. The Trust's EBITDA margin was 12.1% compared to 10.5% in 2017/18.

The Trust's cost improvement programme (CIP) saw delivery of £9.3m of savings in 2018/19 against a plan of £10.5m. Early slippages in the programme were partially recovered during the year, but this still led to an overall shortfall. This compares to CIP savings of £11.3m in 2017/18, but nevertheless continues our strong delivery record.

The main elements of the 2018/19 capital programme of £11.9m included:

- Three MRI machines at a cost of £2.2m;
- Purchase of £1.2m of imaging equipment and £0.7m of other medical equipment;
- Significant investment in IT systems and infrastructure;
- Backlog maintenance works including the roof on Abbey Wing; and
- Decanting cost to facilitate the land sale programme.

The majority of the capital programme was funded by internally generated resources; however in addition the Trust (i) increased borrowings in the form of finance leases on our Imaging Managed Equipment Service and MRI Service, and (ii) received Public Dividend Capital allocations totalling £0.1m towards three small projects.

Cash balances fluctuated throughout the financial year as the Trust over-performed in activity terms, incurring costs, but did not receive payment for the bulk of this over-performance until the end of the financial year. The Trust ended the financial year with a cash balance of £43.9m which was partially aided by slippage in the capital programme.

The Trust's financial performance for the whole of the 2018/19 financial year was given an overall finance score of 1, against a plan of 1.

2019/20 Financial Position - Month 1

The 2019/20 budget has been set to meet the NHSI Control Total. Within this the operational budget has been set at a breakeven position.

The month 1 financial position showed a breakeven position against budget, with the table below setting out the key metrics. However there are underlying pay pressures continuing out of 2018/19 that are giving cause for concern:

Finance Scorecard					
	Annual Plan	Forecast	YTD Plan	YTD Actual	YTD Variance
NHSI Finance Score Rating	1	1	3	3	
Total income excluding interest (£000)	£326,346	£326,690	£26,030	£26,174	£144
Total expenditure (£000)	£303,606	£303,703	£25,715	£25,743	(£28)
EBITDA (£000)	£22,740	£22,987	£315	£431	£116
I&E net operational surplus/Deficit (£000)	£6,131	£6,131	(£864)	(£819)	£45
Month end cash balance (£000)	£52,869	£52,869	£44,938	£40,460	(£4,478)
Capital Expenditure Purchased (£000)	£29,688	£29,688	£518	£474	(£44)
CIP Savings achieved (£000)	£8,700	£8,302	£647	£598	(£49)
PSF Funding within income £000)	£5,469	£5,469	£273	£273	£0
CQUINs (£000)	£2,530	£2,530	£211	£211	£0

NHS Improvement "Finance Score Rating "					
	Weighting	Current	Current Score	Forecast (incl PSF)	Forecast Score (incl PSF)
Capital Service Cover	20%	0.59x	4	2.76x	1
Liquidity	20%	64.1	1	39.8	1
I&E Margin	20%	-3.10%	4	2.50%	1
I&E Margin Variance From Plan	20%	0.20%	1	0.00%	1
Agency	20%	49.80%	3	26.77%	3
Finance Score Rating			**3**		**1**