Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

COUNCIL OF GOVERNORS
20th February 2012

TITLE	**Compliance Framework-In year Monitoring**
EXECUTIVE SUMMARY	In accordance with Monitor's Compliance Framework, the Trust has to make a quarterly submission to Monitor on the Trust's performance in both financial and operational terms. This includes performance against various national targets. As a recently authorised foundation trust we are subject to quarterly monitoring for the first two years of operation. The Trust has now submitted its Q3 return for 2011/12 with a Amber/red rating on performance and a FRR of 3. The attached report summarises the content of the return. The report also gives some background on A&E and the Deputy Chief Executive will give a brief presentation of some of the issues and actions in respect of managing patient flow across the hospital
The Council is asked to:	Note the submission
Submitted by:	Andrew Liles Chief Executive
Date:	27th January 2012
Decision:	For Noting

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1 INTRODUCTION

The Trust submitted the Quarter 3 Compliance Return to Monitor on 31st January 2012.

2 QUARTER 3 SUBMISSION

2.1 Governance declaration

The Governance declaration relates to

1. Performance against national targets and indicators
2. Provision of mandatory goods and services
3. Third parties

All targets and indicators have been achieved except for the A&E target which therefore results in a score of 1.

The Trust has been issued with a 'major concern' in a Review of Compliance Report from the CQC (January 2012). As a result the Trust scores 2 against its Governance rating.

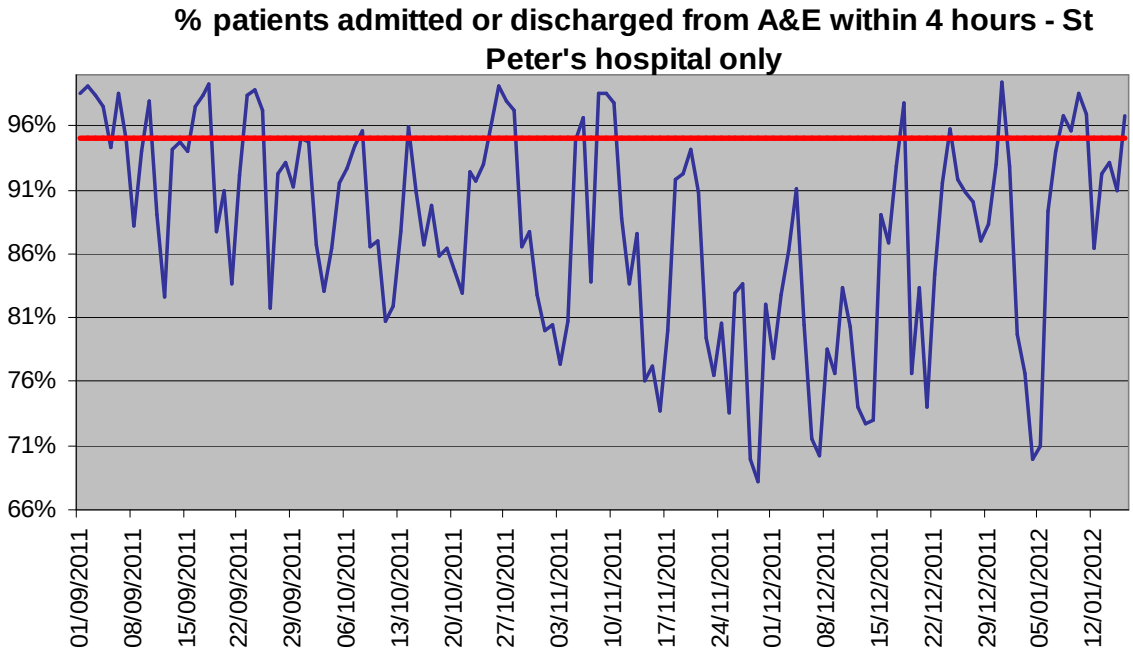
A total of 3 means the Trust Governance rating will be Amber /red.

Green=	A score of less than 0.9
Amber-green=	A score from 1.0-1.9
Amber-red=	A score from 2.0-3.9
Red=	A score of 4.0 or more

2.1.1 Commentary- A&E performance

Some information is given below with a particular focus on A&E. In addition the Deputy Chief Executive will give a brief presentation of some of the issues and actions in respect of managing patient flow across the hospital.

The graph below shows the percentage of patients that were admitted or discharged from A&E at St Peter's Hospital within 4 hours of arrival.

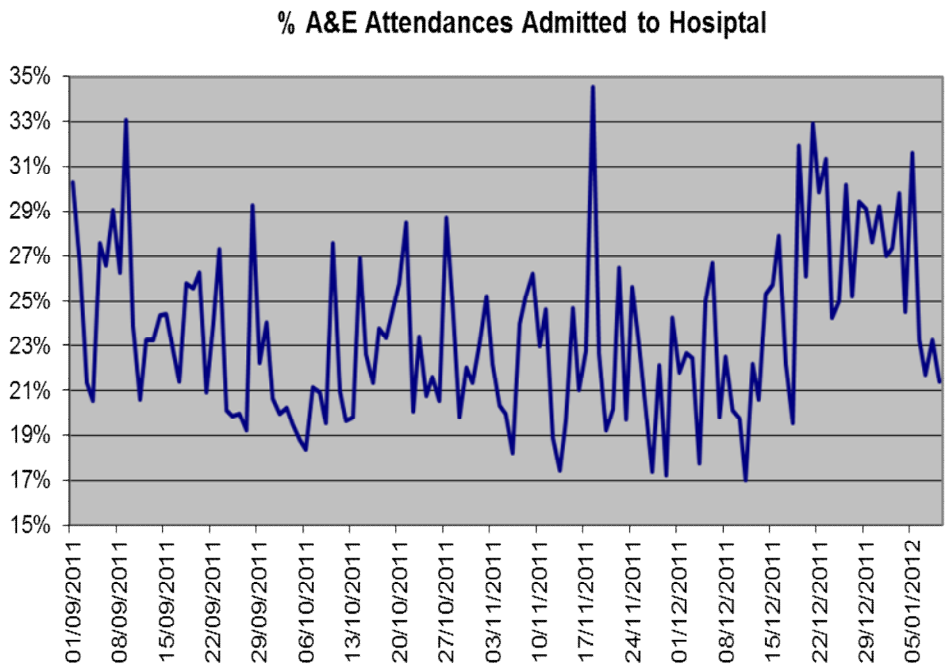


Delivering the target of a maximum wait of 4 hours for 95% of patients continues to be a significant challenge and the Trust did not achieve this in quarter 3. A formal recovery plan has been agreed to address this and work to improve patient flow is progressing through the Unscheduled Care Programme. Key activities for this month have included the opening of the Clinical Decisions Unit, the implementation of new operational standards for delivery of the 4 hour target and the introduction of STaRT (Simple Triage and Rapid Treatment) in A&E.

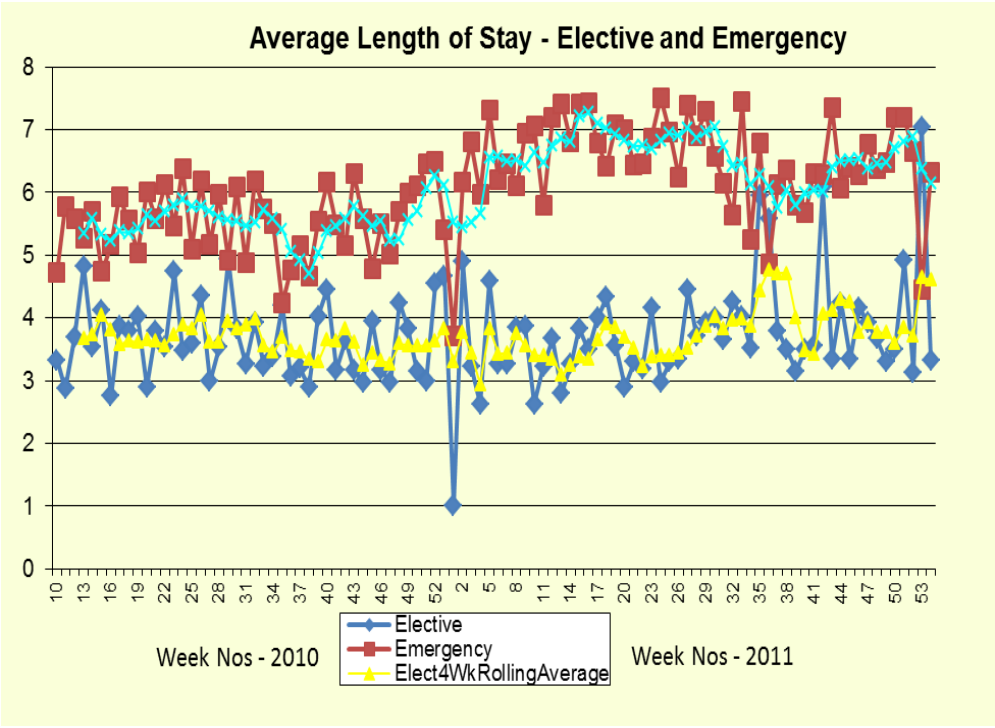
Although the 4 hour standard is still not being met at the St Peter's site there has been some improvement in performance since early January. For the Trust as a whole 92.3% of patients have been treated within 4 hours for the month to date compared with 90.4% in December. Ambulance handover times have also improved with a 50% reduction in delays of over 60 minutes in recent weeks.

Further actions, including analysis to determine whether reconfiguration of the bed stock will improve patient flow, are planned for the coming weeks and the expectation is that performance will continue to improve.

At the same time, and as the graph below shows, the percentage of patients admitted to hospital via the A&E department increased during December. Further analysis is required to understand the reason for this change (it may be , for example, the result of the opening of the Clinical Decision Unit because patients treated there are classed as admissions) and for reassurance that the measures taken to reduce the number of admissions in quarter 3 continue to have an impact.



To support delivery of the A&E standard the Trust is also actively monitoring average length of stay. The graph below shows average length of stay by week for the last 12 months. As the graph demonstrates, average non-elective length of stay has fallen in recent weeks.



2.2 Finance.

The Board agreed the content of the financial submissions and that Declaration1

> 'the Board anticipates that the trust will continue to maintain a financial risk rating of at least 3 over the next 13 months'

be submitted.

A summary financial report is attached.

3 RECOMMENDATION

The Council is asked to note the content of the Q3 submission.

Andrew Liles

07-020Monitor Compliance Framework - Governance Indicators and Financial Risk Ratings

December 2011

Safety:		11/12 Threshold	Weighting	Monitoring Period	11/12 YTD Plan	Q1	Q2	Q3	Q4	YTD
Clostridium Difficile - meeting the Clostorium Difficile objective		33	1.0	Quarterly	21	8	4	4		16
MRSA - meeting the MRSA objective		4	1.0	Quarterly	3	0	2	0		2
Quality:		**Threshold**	**Weighting**	**Monitoring Period**	**11/12 Plan**	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
All Cancers: 31 day wait for second or subsequent treatment (surgery)	Surgery anti-cancer drug treatments	94% 98%	1.0	Quarterly	94% 98%	100% 100%	98.11% 100%	100% 100%		99.36% 100%
All Cancers: 62 day wait for first treatment from urgent GP referral to treatment	urgent GP referral consultant screening service	85% 90%	1.0	Quarterly	85% 90%	90.91% 95.83%	91.61% 96.97%	93.80% 96.40%		92.21% 96.47%
All Cancers: 31 day wait from diagnosis to first treatment		96%	0.5	Quarterly	96%	98.89%	100%	99.20%		99.36%
Cancer: 2 week wait from referral to date first seen	all cancers symptomatic breast patients	93% 93%	0.5	Quarterly	93% 93%	96.75% 94.86%	97.57% 95.53%	97.90% 94.60%		97.50% 95.06%
A&E	95th Percentile (Q1) Total time in A&E (95%)	95%	1.0	Quarterly	95%	3:59:00 94.23%	96.27%	91.44%		93.95%
Stroke indicator		TBC	0.5	Quarterly	80%	86.39%	80.06%	83.78%		83.00%
Patient Experience:		**Threshold**	**Weighting**	**Monitoring Period**	**11/12 Plan**	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Referral to treatment waiting times - admitted (95th percentile)		<23 Weeks	1.0	Quarterly	<23 Weeks	25.20	21.09	19.18		21.61
Referral to treatment waiting times - non admitted (95th percentile)		<18.3 Weeks	1.0	Quarterly	<18.3 Weeks	16.49	16.25	16.23		16.32
Compliance with requirements re access to healthcare for people with a learning disability.		Annual Target	0.5	Quarterly						
Indicative Governance risk rating						A/G	G	A/R		
Financial Risk Score		**10/11 Scores**	**Weighting**	**Monitoring Period**	**Current Score**	**Q1**	**Q2**	**Q3**	**Q4**	**Yr End Forecast**
1. Underlying Performance - EBITDA Margin		3	25%	Annual	6.40%	3	3	3		
2. Achievement of Plan - EBITDA achieved		4	10%	Annual	82.50%	3	3	3		
3. Financial Efficiency - Return on Assets		4	20%	Annual	4.30%	2	3	3		
4. Financial Efficiency - I&E Margin		3	20%	Annual	0.90%	2	2	2		
5. Liquidity - Liquidity Ratio*		4	25%	Annual	25.0	4	4	3		
Weighted Average Rating		3.6				2.9	3.1	2.8		
Overall Rating		4	100			3	3	3		3

Notes:

The Monitor Compliance Framework is produced monthly, where the reporting month is not a quarterly submission date performance will be for the quarter to date.

The Financial Risk Ratings table shows the Monitor FRR at the quarter end period calculated in accordance to the Monitor guidance. For the individual ratings, the RAG is: 3,4,5 = Green and 1&2 = Red.

The Financial Risk Rating Sensitivity Matrix is also included which shows the headroom against those individual ratings. This illustrates the movement before a change in rating score would be triggered.

Governance Indicators:

The Quarter 3 A&E Indicator was not achieved for the quarter. The CQC visit identified a major concern which has resulted in the Trust Governance Rating of Amber/Red.

Financial Risk Rating Sensitivity Matrix

	Weighting	5	4	3	2	1
1	25%	11%	9%	5%	1%	<1%
2	10%	100%	85%	70%	50%	<50%
3	20%	6%	5%	3%	-2%	<-2%
4	20%	3%	2%	1%	-2%	<-2%
5	25%	60	25	15	10	<10

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Month 9 Finance Report for the Council of Governors

2011/12 Trading Position

Month 9 Income and Expenditure

	YTD Actual £m	YTD Budget £m	YTD Variance £m
Clinical Revenue	154.8	151.5	3.3
Other revenue	12.5	12.6	(0.1)
Total Revenue	**167.3**	**164.1**	**3.2**
Pay costs	(104.9)	(102.0)	(2.9)
Non-pay costs	(51.7)	(49.1)	(2.6)
Total costs	**(156.6)**	**(151.1)**	**(5.5)**
EBITDA	**10.7**	**13.0**	**(2.3)**
Depreciation & Amortisation	(5.8)	(6.2)	0.4
Impairments	(1.2)	(1.7)	0.5
PDC Dividend	(3.6)	(3.6)	0.0
Other	0.0	(0.5)	0.5
Net Surplus/(Deficit)	**0.1**	**1.0**	**(0.9)**

Clinical income was £3.3m ahead of budget. Activity is down on plan on day cases and emergency work, but more complex cases and a prudent approach to setting the income budget led to a favourable income variance. This is after allowing for the first £2m of over performance which NHS Surrey will retain.

Additional staff costs have been incurred due a number of factors, including escalation beds being opened to meet demand. In addition high cost medical agency is generating an overspend in the Trust's Accident & Emergency department. The Trust has spent £0.6m less on pay when compared to the same point in 2010/11.

Cost saving targets which are budgeted at £12.0m for the full year yielded less than planned in the first nine months which is one of the factors behind expense overruns.

EBITDA was £2.3m behind target as the expense overshoot was more than the additional income. However some compensating underspends on below the line (post EBITDA) costs saw the surplus £0.9m behind target at month 9.

The Trust is forecasting a surplus of £1.0m at the year-end compared to its plan of £2.1m. This will still deliver a Financial Risk Rating of 3 as shown below.

Monitor Financial Risk Ratings

				FRR Score	
Monitor Metrics	**Weighting**	**Current**	**Forecast**	**Current Score**	**Forecast Score**
EBITDA Margin	25%	6.4%	6.6%	3.0	3.0
EBITDA % of Plan	10%	82.5%	84.8%	3.0	3.0
Return on Capital Employed (%)	20%	4.2%	4.5%	3.0	3.0
I&E Surplus Margin (%)	20%	0.7%	1.0%	2.0	2.0
Liquidity Ratio (days)	25%	25	20	3.0	3.0
	Weighted Total Score			**2.8**	**2.8**
	Capped Total Score			**3.0**	**3.0**

The Financial Risk Rating (FRR) is a composite financial indicator used by Monitor as an overall measure of a Foundation Trust's financial health. Scores are in the range 1 (poor) to 5 (very good). If the score falls below 3, Monitor considers this to be a risk and may require a series of "remedial" measures to be put in place.

Whilst the ratings were lower in earlier months of the financial year due to the seasonal profiling of income and the impact of cost overruns, the FRR has since recovered to 3. Note that financial information is reported to Monitor on a quarterly basis.

John Headley
Director of Finance and Information
January 2012