COUNCIL OF GOVERNORS
6th June 2018

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 quality, operations and finance. The report seeks to provide assurance that activities within the Trust are focused on the delivery of excellent care and achievement of the constitutional standards.

The Council is asked to:
Note and review the report.

Submitted by:
Suzanne Rankin, Chief Executive

Date:
June 2018

Decision
For assurance
1 INTERNAL FOCUS

1.1 On 22nd May we had a fantastic day at both Ashford and St Peter’s Hospitals launching our new strategy with colleagues. The Trust’s vision for the next five years (2018-2023) is to provide an outstanding experience and the best outcome for patients and the team. The strategy outlines the vision, aims and five strategic objectives which will help us achieve this.

Large numbers of colleagues, from different teams and specialties across the Trust, attended events on both sites. We played a new film about a patient’s journey, showcasing the enormous contribution of each member of Team ASPH, shared information about our new strategy and treated colleagues to some well-deserved refreshments and giveaways (water bottles and badges). This represented just the start of a larger engagement campaign to roll out the new strategy to all colleagues, partners, patients and stakeholders.

Key to our new strategy is our mission, vision, values and aims which have been developed through extensive consultation with colleagues internally and externally.

**Our mission** – is to ensure the provision of high quality, sustainable healthcare services to the community we serve.

**Our vision** - is to provide an outstanding experience and the best outcome for our patients and the team.

**Our values** – our 4Ps stay the same, as they are well embedded and loved across the Trust; Patients first; Personal responsibility; Passion for excellence and Pride in our team.

**Aims** - by achieving our aims every patient will say:
- I was treated with compassion;
- I was involved in a plan for my care which was understood and followed; and
- I was treated in a safe way, without delay.

And every member of our team will feel able to give their best and feel valued for doing so.

To achieve our vision we have set five strategic objectives that form the pillars of our strategy.

**Quality of Care**: Creating a learning organisation and culture of continuous improvement to reduce repeated harms and improve patient experience.

**People**: Being a great place to work and be a patient, where we listen, empower and value everyone.

**Modern Healthcare**: Delivering the most effective and efficient treatment and care by standardising the delivery outcome and clinical services.

**Digital**: Using digital technology and innovations to improve clinical pathways, safety and efficiency, and empower patients.

**Collaborate**: Working with our partners in health and care to ensure provision of high quality, sustainable NHS to the communities we serve.

Our revised strategy sets out a five year timeframe and we will reflect and update this each year through our annual business planning cycle. We will continue to embed the new strategy with colleagues, teams and external partners and stakeholders over the coming weeks and months.
Please find attached booked on Trust Strategy 2018/23.

1.2 Best Outcomes

Stroke Transformation Project

Work continues on the West Surrey Stroke Transformation Programme, to improve care for stroke patients across Surrey by saving lives and improving the long term outcomes for patients and their families/carers. There are now three Hyper-Acute Stroke Units (HASUs) in Surrey and one of these is St Peter’s Hospital. HASUs provide fast diagnosis and treatment initiation to patients, which is crucial to both save lives and minimise the level of brain damage suffered as a result of a stroke. Patients then progress to the Acute Stroke Unit (ASU) until they are ready for rehabilitation, either in hospital in our stroke rehab beds or at home with the Early Supported Discharge (ESD) stroke team who provide rehab therapy at home. ASPH is co-locating all of its inpatient stroke care at St Peters site, to minimise patient transfers (which hinders recovery) and to increase the amount of time our stroke specialist staff can spend with patients.

Progress to date:

- Cedar Ward is now for stroke patients, with HASU, ASU and rehab beds.
- Wordsworth Ward rehab beds at Ashford Hospital will be relocated to Cedar by the end of May. Since 14th May no new patients have been transferred to Wordsworth Ward and proactive discharge work by the team has already enabled most patients to be discharged, with only 6 patients now remaining, who we expect to be safely discharged in the coming week.
- A new rehabilitation room at St Peters is now ready for group and therapy use near Aspen Ward, to add to the rehab gym already at St Peters. So rehabilitation activities can continue as they were done at Ashford Hospital previously.
- Wordsworth therapy and nursing staff are moving over to St Peters site or to the ESD team.
- Currently we are receiving 40-50 stroke patients per month, equating to 500 – 600 pa, but we are expecting this to rise from April onwards as SECAmb have taken action to embed the instructions to ambulance crews to bring patients from Guildford and North Surrey to ASPH.
- Patient flow through Cedar will be critical to the success of the co-located stroke services. Actions in place to empower Cedar team to optimise patient flow.
- Pathway agreed with consultants to use A/E as an arrival portal on route to the scanner, thus delivering Direct Access with the safety of A/E around the patient if the stroke team is unable to meet the patient promptly at the door.
- The ESD service now covers the whole of Surrey with a team manager in post who is bringing the previous NW and SW teams into one. Work underway to better align ESD with rapid response, reablement services, primary care and local authorities, and recruitment in progress for more therapists and therapy assistants to increase ESD capacity.
- Workshops taking place with St Peters stroke team and Bradley Unit and ESD, to implement smooth transfers of patients along the whole pathway.

Named as CHKS Top Hospital 2018

The Trust was recently named as one of the CHKS Top Hospitals 2018, the award is made on the basis of an analysis of over 20 indicators including; clinical effectiveness, health outcomes, efficiency, patient experience and quality of care.

We are even more delighted this year to receive this prestigious award, as for the first time, the
award considers all Trusts in England, Wales and Northern Ireland. This means Trusts do not have to be a CHKS client to be eligible for a Top Hospitals Award.

1.3 Excellent Experience

Improvements to the children's ward

The play and sensory rooms on the children’s wards has recently been refurbished and now looks bright and welcoming with clear divided areas for the older and younger children from new born babies right through to 18 year olds. The sensory room, used for one-to-one sessions with children features a soft play area and a beautiful star light projector. The playroom, which was designed to suit a teenage audience, includes an arts and crafts area and a gaming station.

Our thanks to local children’s charity Momentum and Berkeley Homes who made it possible.

1.4 Skilled, Motivated Teams

Pride in Nursing Day

We celebrated our amazing nursing and midwifery staff at our annual Pride in Nursing and Midwifery Day (PINM) (11th May), which also marked International Nurses Day (12th May). This was our first PINM with our new Chief Nurse, Sue Tranka, at the helm. The event was not only attended by nursing and midwifery colleagues, but by people from across our organisation and partners too. The theme this year was the importance of being kind to one another and how that creates a caring culture in our organisation, helping colleagues to feel nurtured and supported and ultimately making ASPH a great place to work as part of our ongoing recruitment and retention drive. The team were also out in force during the week delivering cupcakes as part of the celebrations for all nursing and midwifery staff in all areas across the Trust.

Time to Change Employee Pledge – Mental Health Awareness Week

As part of Mental Health Awareness Week (14th – 20th May) which included a number of talks, mindfulness sessions and information stands, the Trust signed the Time to Change Employee Pledge committing to enabling the kind of working environment that safeguards and promotes physical and mental health and well-being. This is an important element of the work being done to address resilience and promote well-being.

1.5 Top Productivity

End of year position / surplus

The Trust reported a particularly successful year-end financial position seeing the Trust in a strong surplus position. This position reflected an operational surplus with nationally awarded sustainability funding supported by system wide collaborative working. This is a significant achievement and testament to the hard work of teams across the Trust and puts us amongst the top hospital Trusts in the country. It also puts us in an extremely positive position for this coming year and will enable us to invest in much needed capital schemes for the benefit of patients and the team. This also gives the Trust the opportunity to undertake much needed backlog maintenance and to invest in other local improvements taking suggestions made by colleagues forward.

Dragon's Den Event

The Trust will be holding its own special Dragon's Den event on Friday 22nd June in the Post Graduate Education Centre at St Peter's Hospital. This is a chance for colleagues to bid in a
‘Dragons Den’ style for small projects (between £500 and £1000 each) that the Trust can invest in for an improvement project in their area. Thus far lots of interesting ideas have been proposed so it should prove to be a very interesting and productive event.

**eRS Update**

The Trust is continuing with the soft launch of the new Electronic Referral System (eRS). From 1st July, all referrals will need to be made electronically with full implementation necessary by October. My thanks to the team for all their hard work in making this first phase of the project so successful.

**Collaboration**

One of the key themes in the new strategy is collaboration and how we work with external partners. The Trust continues to be a key partner within the overall Surrey Heartlands Health and Care Partnership, continuing to lead on a number of important areas. In addition, Surrey Heartlands – as other areas across the country – are developing three local alliances known as Integrated Care Partnerships which cover the existing CCG boundaries. These are alliances of both the local health and care organisations and importantly include other partners such as the borough councils, and local voluntary and community organisations and will focus on delivering improved services at local level. The Trust is a key partner within the newly formed North West Surrey Health and Care Partnership which this year is focused on developing better out of hospital services and developing the urgent care pathway.

**Local Audit Indicator for Testing 2017/18**

The data below represents performance against the metric for 2017/18.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Apr-17</th>
<th>May-17</th>
<th>Jun-17</th>
<th>Jul-17</th>
<th>Aug-17</th>
<th>Sep-17</th>
<th>Oct-17</th>
<th>Nov-17</th>
<th>Dec-17</th>
</tr>
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<tbody>
<tr>
<td>% of discharge prescriptions completed in pharmacy under the 120mins (2hr) target</td>
<td>38.22%</td>
<td>31.60%</td>
<td>31.81%</td>
<td>28.98%</td>
<td>39.15%</td>
<td>36.89%</td>
<td>33.15%</td>
<td>39.32%</td>
<td>46.71%</td>
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<table>
<thead>
<tr>
<th>Average time spent per discharge prescription (mins)</th>
<th>144</th>
<th>162</th>
<th>155</th>
<th>164</th>
<th>149</th>
<th>148</th>
<th>147</th>
<th>139</th>
<th>135</th>
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<tbody>
<tr>
<td>Metric</td>
<td>Jan-18</td>
<td>Feb-18</td>
<td>Mar-18</td>
<td></td>
<td></td>
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<tr>
<td>% of discharge prescriptions completed in pharmacy under the 120mins (2hr) target</td>
<td>43.13%</td>
<td>39.63%</td>
<td>51.70%</td>
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<tr>
<td>Average time spent per discharge prescription (mins)</td>
<td>140</td>
<td>149</td>
<td>132</td>
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</table>
We had an external audit (KMPG) review the indicators and performance results in March/April 2018, and are working to address gaps in data capture.

2 PERFORMANCE

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

2.2 2017/18 Financial Position - Month 12 Outturn

2017/18 was another tough year for all NHS providers who again faced sustained operational, workforce and financial challenges. Increasing emergency demand put even greater pressure on NHS trust finances, raising spending whilst at the same time reducing income due to elective inpatient operating restrictions. Similar supply and demand pressures also affected our wider system partners leading to challenges generating sufficient patient flow through our hospitals.

The Trust’s financial performance was heavily influenced by these trends, but our continued focus on delivering the highest quality care within a constrained financial environment enabled us to maintain our strong underlying financial performance.

We know that high quality care delivers better value and this is borne out in our year-end financial position, an outstanding £18.9 million surplus the main drivers of which were as follows:

- £1 million of operational surplus, as a result of all our continued hard work and commitment to high quality care and treatment, efficiency, savings opportunities and sensible financial housekeeping;
- £12 million sustainability and transformation funding (for meeting and over-performing on our operating and financial plan and for winter pressures) which was higher than we were expecting;
- £5 million of local system funding which has been enabled by our commitment as an organisation to collaborative working and building strong, trusted partnerships.

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

- Clinical income increased by £10.5m (4.0%) year on year. The largest increase in the year arose from the full year impact of the new iMSK contract across all of North West Surrey. In addition the Trust received £4.0m of new income following the transfer in of the Bradley Neuro-rehabilitation Unit, Early Supported Discharge teams and Parkinson nurses. Finally the changes to the national tariff also increased income by a net £3.6m in 2017/18.

- Non-clinical income increased by £7.8m (28.6%) year on year. The main reason for this was the increased Sustainability and Transformation Fund allocation that the Trust earned for the delivery of financial and operational performance targets. The Trust received £11.1m as a result of meeting these targets compared to £6.3m received in 2016/17.

- Pay costs were only £1.8m (1.0%) higher than 2016/17, despite funding increases of 2.1% for pay awards, incremental draft and the introduction of the Apprenticeship Levy (the latter £0.7m). In addition, the Trust took on the Bradley Neurorehabilitation Unit at Woking Community Hospital and Early Supported Discharge teams in the community. However, recruitment and retention was a big issue for the Trust during the year which led to a large volume of vacant posts and, as a result, a lower pay bill. Year on year our agency costs reduced by £4.5m and were contained within NHSI’s expected levels.

- Non-pay costs were £4.4m (4.8%) higher than 2016/17 which was mainly spent on £3.2m of additional sub-contracted activity linked to the full year impact of the iMSK contract. This was paid to the other existing local providers of this service, both NHS and non-NHS. The Trust also saw an increase of 40% (£2.0m) in its contribution to the Clinical Negligence Scheme for Trusts, which was in excess of the national average of 17.5%. Drug costs decreased by £2.5m (10.3%), partly following the transfer out of Sexual Health services during the year; this drugs expenditure reduction was largely matched by reduced income.

- The above, combined with cost improvements of £11.3m, drove an increase in our EBITDA performance of £12.1m (60.5%) year on year, largely due to the additional income from the Sustainability and Transformation Fund. The Trust’s EBITDA margin was 10.5%, or 7.1% after stripping out the Sustainability and Transformation Fund income, compared to 7.0% and 4.9% respectively in 2016/17.
The Trust’s cost improvement programme (CIP) saw delivery of £11.3m of savings in 2017/18 against a plan of £10.5m. Early slippages in the programme were compensated by replacement schemes later in-year. This compares to CIP savings of £10.3m in 2016/17 and continues our strong delivery record.

The main elements of the 2017/18 capital programme of £7.4m included:

- The continued implementation of our electronic medical record system;
- The completion of a three storey courtyard infill to create additional endoscopy capacity and to enable the relocation of the neurophysiology department;
- Backlog maintenance works to Maple Ward;
- Improvements to A&E and the Urgent Care Centre; and
- Purchase of £1 million of medical equipment.

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 (ii) received a Public Dividend Capital allocation of £0.6m towards A&E and Urgent Care Centre works.

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 £25.1m which was partially aided by slippage in the capital programme.

The Trust’s financial performance for the whole of the 2017/18 financial year was given an overall finance score of 1, against a plan of 1. The finance score forms part of the Finance and Use of Resources theme in the Single Oversight Framework, and is scored between 1 and 4, where 1 is ‘low risk’.

2018/19 Financial Position - Month 1 Position

The month 1 financial position showed a breakeven position against budget, with the table below setting out the key metrics:
### Finance Scorecard

<table>
<thead>
<tr>
<th></th>
<th>Annual Plan (Incl STF)</th>
<th>Forecast (Incl STF)</th>
<th>YTD Plan (Incl STF)</th>
<th>YTD Actual (Incl STF)</th>
<th>YTD Variance (Incl STF)</th>
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</thead>
<tbody>
<tr>
<td>NHSI Finance Score Rating</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td>1</td>
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<tr>
<td>Total income excluding interest (£000)</td>
<td>£304,886</td>
<td>£304,941</td>
<td>£24,753</td>
<td>£24,729</td>
<td>(£24)</td>
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<tr>
<td>Total expenditure (£000)</td>
<td>£280,106</td>
<td>£280,206</td>
<td>£23,367</td>
<td>£23,326</td>
<td>£41</td>
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<td>EBITDA (£000)</td>
<td>£24,781</td>
<td>£24,736</td>
<td>£1,386</td>
<td>£1,403</td>
<td>£17</td>
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<td>I&amp;E net operational surplus/Deficit (£000)</td>
<td>£13,043</td>
<td>£13,043</td>
<td>£283</td>
<td>£297</td>
<td>£14</td>
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<td>Month end cash balance (£000)</td>
<td>£31,095</td>
<td>£31,095</td>
<td>£26,907</td>
<td>£23,206</td>
<td>(£3,701)</td>
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<tr>
<td>Capital Expenditure Purchased (£000)</td>
<td>£19,360</td>
<td>£19,360</td>
<td>£170</td>
<td>£224</td>
<td>£54</td>
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<tr>
<td>CIP Savings achieved (£000)</td>
<td>£10,500</td>
<td>£9,656</td>
<td>£795</td>
<td>£605</td>
<td>(£190)</td>
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<td>STF Funding within income (£000)</td>
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<td>£539</td>
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<td>CQUINs (£000)</td>
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<td>Joint Delivery Plan with CCG (Income Only)</td>
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### NHS Improvement "Finance Score Rating"

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<th>Weighting</th>
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<th>Current Score</th>
<th>Forecast (incl STF)</th>
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<tr>
<td>Capital Service Cover</td>
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<tr>
<td>Liquidity</td>
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<td>20.8</td>
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<td>23.3%</td>
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<tr>
<td>I&amp;E Margin</td>
<td>20%</td>
<td>1.12%</td>
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<td>I&amp;E Margin Variance from Plan</td>
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<td>0.09%</td>
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<td>0.00%</td>
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<td>Agency</td>
<td>20%</td>
<td>17.71%</td>
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Finance Score Rating 1 1