

TRUST BOARD
26th June 2014

Paper Title:	Annual Business Plan 2014/15 : TDA Feedback and Board Assurance
Sponsoring Director:	Miles Scott, Chief Executive
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Purpose: <i>The purpose of bringing the report to the board</i>	To provide assurances against key risks related to the trust's annual business plan
Action required by the board:	Members are asked to :- <ul style="list-style-type: none"> • Note the formal approval of the financial plan. • Note the assurances against the key risks identified in the TDA feedback.
Document previously considered by: <i>Name of the committee which has previously considered this paper / proposals</i>	N/A
Executive summary <p>The Trust submitted the two year business plan covering the years 2014/15 and 2015/16 to the TDA on the 4th April 2014. The TDA has approved the Trust plan but has identified the following risks and is seeking assurance from the Trust Board that they are recognised and that mitigations and appropriate action plans are in place.</p> <ol style="list-style-type: none"> 1. The Trust to have signed contracts for 2014/15 with all of its Commissioners. We would like to see evidence of this no later than 20 June 2014. 2. An agreed and acceptable timetable for any items that are "long stopped" in the contract signature process. 3. Confirmation and agreement of all material non-recurrent income included in the Trust's 2014/15 Operating Plan. 4. The Trust to have identified and signed off at a Board meeting, recurrent cost improvement programme (CIP) schemes with a full year effect of at least £29.836m and having identified mitigating non-recurrent actions to ensure the total 2014/15 CIP value is delivered in year. Also, all schemes to have signed off quality impact assessments that demonstrate that any associated risks to patient safety are appropriately mitigated. 5. Confirmation of the timetable ahead of 2015/16 to identify and agree recurrent CIPs for that year, to the level included in the Trust's 2-year plans. 6. In respect of the Quality domains: <ol style="list-style-type: none"> 6.1 Safe: the Trust to further strengthen mortality governance by ensuring that all deaths are reviewed for sub optimal care. 6.2 Effective: the Trust to participate fully in the diabetes national audit. 	

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This paper provides the Board with assurance on each of the areas above.

Key risks identified:

Are there any risks identified in the paper (impact on achieving corporate objectives) – e.g. quality, financial performance, compliance with legislation or regulatory requirements?

Risks are detailed in the report under each section.

Related Corporate Objective:

Reference to corporate objective that this paper refers to.

All corporate objectives

Related CQC Standard:

Reference to CQC standard that this paper refers to.

N/A

Equality Impact Assessment (EIA): Has an EIA been carried out? Yes

If yes, please provide a summary of the key findings

No specific groups of patients or community will be affected by the initiatives detailed in the report. Where there may be an impact on patients then consultation will be managed as part of that specific programme.

If no, please explain your reasons for not undertaking an EIA.

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Annual Business Plan 2014/15: TDA Feedback and Board Assurance

1 Introduction

1.1 The Trust submitted the two year business plan covering the years 2014/15 and 2015/16 to the TDA on the 4th April 2014. All NHS Trusts are expected to deliver a fully integrated annual plan that:

- ensures services are safe, effective, caring, responsive and well-led;
- delivers and maintains all national standards;
- secures all of these within the available resources; and
- helps to create a sustainable organisation through sound business and financial planning of the highest quality.

1.2 The TDA has approved the Trust plan but has identified the following risks and is seeking assurance from the Trust Board that they are recognised and that mitigations and appropriate action plans are in place.

- The Trust to have signed contracts for 2014/15 with all of its Commissioners. We would like to see evidence of this no later than 20 June 2014.
- An agreed and acceptable timetable for any items that are “long stopped” in the contract signature process.
- Confirmation and agreement of all material non-recurrent income included in the Trust's 2014/15 Operating Plan.
- The Trust to have identified and signed off at a Board meeting, recurrent cost improvement programme (CIP) schemes with a full year effect of at least £29.836m and having identified mitigating non-recurrent actions to ensure the total 2014/15 CIP value is delivered in year. Also, all schemes to have signed off quality impact assessments that demonstrate that any associated risks to patient safety are appropriately mitigated.
- Confirmation of the timetable ahead of 2015/16 to identify and agree recurrent CIPs for that year, to the level included in the Trust's 2-year plans.
- In respect of the Quality domains:
 - Safe: the Trust to further strengthen mortality governance by ensuring that all deaths are reviewed for sub optimal care.
 - Effective: the Trust to participate fully in the diabetes national audit.

1.3 This paper considers each of the areas above in turn.

2 Signed contracts with all commissioners by 20th June 2014

2.1 The status of the commissioner contracts as at 18th June 2014 is as follows :-

- CCG contracts to the value of £307m. The contract was signed by lead commissioner (Wandsworth CCG) and the Trust on 2nd June 2014. This includes

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the community services contract. Some issues have been long-stopped and these are considered in section 3 of this paper below.

- NHSE contract to the value of £238m (includes Specialised services, Public Health, Dental and Offender Health). This remains unsigned as at 18th June but the contract values for each service have been agreed. The Trust understands that most / all acute NHSE contracts remain unsigned and that the Trust is not an outlier. There remains work to be done to finalise CQUINs but we anticipate receiving a full set of documentation to sign by 30th June.
- Local Authority contracts to the value of £3.5m. This contract remains unsigned as at 18th June. The Trust understands that many Local Authority contracts remain unsigned and that the Trust is not an outlier. There remains work to be done to finalise the GUM and Sexual Health service specification and to finalise the GUM tariff and contracts (the GUM values still sit with CCGs and will be subject to a contract variation after Q1). We have received the contract from Wandsworth Local Authority and expect to sign the contract in early July.

3 An agreed and acceptable timetable for any items that are “long stopped” in the contract signature process.

3.1 The following issues are long-stopped and are expected to be concluded as shown below :-

All long stopped items to be agreed and finalised by 30th June:

CCGs

18 week model – to be inserted into the Activity Planning Assumptions
 Audit framework – community services division audits to be agreed
 SL CSU Principles OP Unbundling – baseline value to be inserted
 Local prices 14/15 – additional non PbR prices to be agreed & included in contract
 Duty of Candour – to be updated by the Trust
 Outpatient procures in daycase setting – to be finalised
 Workforce related KPIs – to be agreed
 CQUINs – Heart Failure (cohorting), Maternity, Paediatric ED Non Accidental Injury,
 Community Shadow Tariff still to be finalised & agreed
 Service Development and Improvement Plan – to be finalised and agreed
 Data Quality Improvement Plan for Community – to be included

NHSE

CQUINs – still to be finalised and agreed

4 Confirmation and agreement of all material non-recurrent income included in the Trust's 2014/15 Operating Plan.

4.1 The material items of non recurrent funding included in the 2014/15 plan are as follows :-

- Project diamond funding £1.9m.
- Transitional funding from HESL for the impact of education tariff £5.4m.

4.2 Project Diamond funding has been received each financial year by a group of London Teaching & Specialist hospitals to support the additional costs associated with delivering complex and specialist activity. It has historically been linked to two

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streams of funding. £40m associated with research and development (inherited by the DH) and £60m associated with underfunded complex activity (now sitting with NHSE). The position of the DH and NHSE on these funding streams for 2014/15 is as follows :-

- 4.3 “The DH approach to R&D funding is fair to all trusts across the country, so Project Diamond funding provided by the Department of Health will end in 2014/15. This has been communicated to the relevant Chief Executives and they have had the opportunity to discuss this with Chief Medical Officer”. DH are bringing this component of Project Diamond funding to an end from 2014/15 because they believe the way R&D is funded is fair and enables providers the opportunity to price their costs into their bids.
- 4.4 “NHS England are working with Monitor to improve the tariff for specialised providers, and are still providing part of the Project Diamond funding while this work is ongoing.”
- 4.5 St George's can therefore be confident that the specialist and complex element of Project Diamond funding from which we benefit will continue into 2014/15.
- 4.6 Transitional funding is provided by Health Education South London to support the impact of changes to the way education is funded on providers over a 5 year period from 2013/14 through to 2017/18. The move to education tariffs and away from historical levies has an adverse impact to St George's of an estimated £9.2m. Losses on the Medical & Professional Education and Training (MPET) funding streams are capped each year and transitional support is provided to ensure that the losses are phased in over the 5 year period. The annual loss to St George's is £1.5m. There are no risks to receiving the transitional funding but technically it is non recurrent.

5 CIP targets and mitigations

- 5.1 The Finance & Performance Committee has been regularly involved in detailed reviews of the CIP plans on behalf of the Trust Board. The Finance & Performance Committee went through the full CIP pack in late November ahead of submission to the TDA and again in March ahead of the sign off on the 14/15 plan. A further review of the detailed plans will take place at the Finance & Performance Committee on the 25th June. The outcome of this review will be reported to the Board on the 26th June.
- 5.2 Members will know the CIP plans are constantly being reviewed, assessed and updated on a weekly cycle through the work the PMO does with the general managers and Divisional teams.
- 5.3 The table shows how the RAG rating of the plans has moved over this period. The latest position reflects the current status of the plans as we finalise them ahead of submission to Monitor. Further movement is expected and the means by which we will close gap using the mitigations identified will be included before submission. The risk (valued at red schemes plus the gap) has reduced to c£9.8m following the work with the Divisions that is being led by the CEO, DoFPI and DoDI.

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F&P PAPERS	NOV F&P m7	DEC F&P m8	JAN F&P m9	FEB F&P m10	MAR F&P m11	APR F&P m12	MAY F&P m01	LATEST m02
GREEN	3.6	16.8	20.3	13.3	13.3	13.1	14.7	18.3
AMBER	10.9	13.2	18.0	22.7	17.5	17.6	16.2	17.1
RED	30.9	15.4	6.8	6.9	10.8	9.4	6.8	3.8
	45.5	45.4	45.1	42.9	41.7	40.1	37.7	39.2
GAP	-0.3	-0.2	0.1	2.3	3.5	5.1	7.5	6.0
TARGET	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2
RISK (RED + GAP)	30.6	15.2	6.9	9.2	14.3	14.5	14.3	9.8
GREEN	8%	37%	45%	31%	32%	33%	39%	47%
AMBER	24%	29%	40%	53%	42%	44%	43%	44%
RED	68%	34%	15%	16%	26%	23%	18%	10%

- 5.4 The CEO, DoFP&I and DoDI continue to meet with the management team of each division and corporate directorate on a fortnightly basis throughout June and July to confirm plans and track progress. We will return to objective 1, 2 & 3 approach adopted two years ago in which:
- Objective 1 = planned action to meet the budget by the year end by whatever combination of recurring and non-recurring measures
 - Objective 2 = plans to meet this year's budget on a recurring basis by the end of March to ensure there are no gaps carried forward to future years
 - Objective 3 = plans to meet next year's budget (2015/16)
- 5.5 The Executive team have identified 11 key areas of work and these are considered in turn below.
- Review of cost pressure funding
 - Review service developments funding assumptions
 - Review all other budgeted reserves
 - Reprofile funding for capacity to match the actual rate of increase in activity
 - Agree run-rate expenditure controls with each budget holder
 - Reinforce the current plan. Maximise booking of clinical activity within available capacity, ensuring clear weekly activity targets for each specialty
 - Review the capital programme and timing to reduce the I&E charge and liquidity risks
 - Review downside mitigations such as changes to London weighting for new starters
 - Introduce mechanisms to support demand management of pathology and imaging
 - Bring forward CIPs from 2015/16
 - Pursue additional workforce measures through the workforce workstream
 - Pursue specific cost reduction programmes linked to the back office modernisation programme including outsourcing and sharing
- 5.6 An updated version of the Financial Risk Assessment demonstrating the progress that is being made and the residual risk is on the June Finance & Performance Committee and Trust Board agendas to provide further assurance to the Board that the risks are being managed.

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5.7 The Chief Nurse, Medical Director and Director of Corporate Affairs review the quality impact assessments associated with each scheme through the Clinical Governance Group. These assessments are first reviewed at Divisional level. The revised plans will go through another review at the next CGG meeting on 7th July.

6 Confirmation re 2015/16 CIP plans

6.1 Board members will know the preparation of detailed CIP schemes to meet the 2015/16 target has been part of the same process as the development of the 2014/15 plans. The latest position on 2015/16 is shown below.

6.2 In line with the achievement of objective 3 set out in section 4 above, Divisions are expected to have recurrent 2015/16 CIP plans in place already and are challenged on improving and refining these plans as part of our ongoing CIP planning and review process as part of business as usual.

6.3 Plans for 2016/17 to 2018/19 will be developed as part of a piece of strategic review work for which the Trust has commissioned external support. This detailed work is under the leadership of the Director of Strategy and takes place from June 2014 through to September 2014. The outcome will be a set of granular plans for the period 16/17 onwards for 10 services as well as a methodology for St George's to continue to develop similar plans across the rest of the trust. The programme consists of two workstreams –

- *Workstream 1: 'Outside-in' strategic review (weeks 1-6).* The core objective of this stream is to help generate an aligned view on key "corporate-level" opportunities to address future challenges and capture future opportunities. The intention is to challenge and stretch current points of view with a longer term perspective. This will be done applying A.T. Kearney's Strategic Foresighting methodology, where longer-term, less certain strategic drivers and impactful long- and mid-term trends will be considered, and options and solutions will be defined to address an agreed set of scenarios for 2016/17 to 2018/19.
- *Workstream 2: 'Inside-out' clinical engagement (weeks 6-13).* The core objective of the second stream is to help clinical teams undertake similar longer term considerations for their service areas, and identify options and solutions to strengthen their overall market performance for 2016/17 to 2018/19. In the stream, A.T. Kearney will guide clinical teams through templates, coaching and facilitated working sessions to consider their services from a future market perspective, and define growth and improvement actions, in the context of the scenarios defined in Workstream 1, plus those uniquely relevant for the clinical services in question. The work will build on work already done to date by the Trust's clinical teams and strategy team, to avoid any duplication of efforts.

7 Trust to further strengthen mortality governance by ensuring that all deaths are reviewed for sub optimal care

7.1 St George's is committed to further strengthening mortality governance and a number of actions to achieve this are led by the Mortality Monitoring Committee (MMC).

7.2 The MMC carries out independent review of all deaths following elective admission and oversees investigation of mortality alerts derived through internal benchmarking

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using Dr Foster tools, which includes examination of individual cases. In addition high level review of other indicators from Dr Foster ('Deaths after surgery' and 'Deaths in low-risk diagnosis groups') and the National Quality Dashboard ('Amenable mortality') are managed by the MMC.

- 7.3 The group is driving the proportionate review of all deaths and improved governance of mortality at care group level. Full implementation of the record of death form, which includes an assessment of whether death was potentially avoidable, will allow services to identify cases where further scrutiny is required, improving the opportunity to learn from incidents of suboptimal care. To further support this the MMC has obtained agreement that the casenotes of deceased patients will be scanned and made available electronically. Improving access to documentation will allow timely local review and enable independent scrutiny.
- 7.4 We remain fully engaged in the evolving national strategy for the measurement of mortality and are participating in the PRISM2 study of avoidable mortality, which involves external independent review of 100 randomly selected deaths. To date half of our cases have been examined and initial feedback about the quality of care has been positive.

8 The Trust to participate fully in the diabetes national audit

- 8.1 The National Diabetes Audit (NDA) covers a growing number of distinct areas of diabetes care, treatment and outcomes. Presently, we participate in the annual national diabetes inpatient audit (NaDIA) and also the National Pregnancy in Diabetes (NPID) audit. We have also registered for the National Diabetes Footcare Audit (NFDA) which is expected to launch in July 2014.
- 8.2 However, the Trust recognises the requirement to participate in the core aspect of this audit programme and the Interim General Manager for Specialist Medicine is leading the a project working group to achieve this. Due to the size of the audit (both population and dataset) manual data collection is not viable, therefore the service is investigating both procurement of specific software and development of an in-house solution. Various demonstrations have been received by the service and a preferred provider identified. A gap analysis is currently being conducted to inform the decision regarding an in-house solution, and possible solutions are being explored in liaison with the Head of Performance. There is a long-term goal to work towards an integrated pathway and when clinical documentation goes live it will be determined how this can be structured in an acute setting. The interim plan is to develop an electronic form that records all data, including that required for the NDA. The service anticipate that an IT solution will be in place and training will begin in October so that data is collected as part of day to day clinical activity from January 2015.