

<b>Meeting / Committee:</b>	Council of Governors	<b>Meeting Date:</b>	20 <sup>th</sup> of May 2015
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<b>This paper is for: (Only 1 column to be marked with x as appropriate)</b>	Action/Decision	Assurance	Information x
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<b>Title:</b>	Monthly Integrated Quality, Finance and Performance Report
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<b>Purpose:</b>	The purpose of this report is to inform the Council of Governors on performance against quality, finance, performance and HR targets as at the end of March 2015
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<b>Summary:</b>	The report includes an integrated dashboard showing performance across the year and by exception describes those areas which failed to achieve the required position. A forecast for Q1 2015/16 is shown on the dashboard and for each of the exceptions.
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<b>Recommendation:</b>	The Council of Governors is asked note the March 2015 position, review and support the actions being taken to address exception areas and to note the forecast for Q1 2015/16
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<b>Implications (mark with x in appropriate column(s))</b>	Legal	Financial x	Clinical x	Strategic	Risk & Assurance x
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**Integrated Quality, Finance, Performance and HR Dashboard 2014/15**

		Threshold	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Trend	Q1	Q2	Q3	Q4	Forecast
Quality Indicators	MRSA (zero tolerance)	0																		
	Clostridium difficile (cumulative position)	49																		
	Rate of falls per 1000 bed days (flag SPC)	5.1																		
	Grade 3 or 4 pressure ulcers (50% reduction)	124																		
	Medication incidents (flag SPC)																			
	% of incidents graded as moderate or above (not greater than previous year)	3.30%																		
	Rate of formal complaints per 1000 spells (flag SPC)	2.5																		
	Inpatient FFT - % highly likely or likely to recommend	90%																		
	Inpatient FFT - Response rate	25/30%																		
	SHMI (rolling 12 months)	As expected																		
	HSMR (rolling 12 months)	As expected																		
	CQUIN achievement	>95%																		
Finance	EBITDA	Per Plan																		
	Underlying surplus /(Deficit)	Per Plan																		
	CIP programme	Per Plan																		
	Cash and Liquidity	Per Plan																		
	Capital Expenditure	Per Plan																		
Monitor	<b>Continuity of Service risk rating.</b>																			
Performance	Admitted pathways - % Referral to treatment waiting times within 18 weeks	90%																		
	Non-admitted Pathways - % Referral to treatment waiting times within 18 weeks	95%																		
	Incomplete pathways - % of patients on an RTT pathway waiting 18 weeks or less	92%																		
	Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	95%																		
	Cancer waits 2 week wait target	93%																	*	
	2 week wait breast symptom referrals - % seen within 2 weeks	93%																	*	
	Cancer wait 31 day wait for first definitive treatment for all cancers	96%																	*	
	Cancer wait 31 day wait for subsequent drug treatments for all cancers	98%																	*	
	Cancer wait 31 day wait for subsequent surgery treatments all cancers	94%																	*	
	Cancer wait 31 day wait for subsequent radiotherapy treatments all cancers	94%																	*	
	Cancer wait 62 day wait for the first definitive treatment for all cancers	85%																	*	
	Cancer wait 62 day wait for first definitive treatment following consultant upgrade - please note the latest position is year to date as per local agreement	90%																	*	
	Cancer wait 62 day wait for treatment of all cancers referred from a National screening service.	90%																	*	
	HR	% sickness absence	3.90%																	
% attendance at mandatory training		80%																		
% appraisals completed		80%																		
Vacancy rate ( actual WTE vs budgeted WTE)			0.97	0.97	0.96	0.96	0.95	0.96	0.96	0.96	0.96	0.95	0.95	0.96	0.92					
Operational	Bed occupancy (average per month)	85%																		
	Delayed Transfers of care	<=4%																		
	Total outlying patient bed days		24231	25500	23760	24125	23534	23574	24543	24282	24496	25164	22897	14651						
	Closed Beds (average per month)		10	5	10	16	21	17	11	12	22	18	32	35						
	Cancelled operations		44	37	42	27	23	60	39	47	40	29	39	36						

\* = Provisional Q4 performance for cancer targets based on current information

Other significant exceptions to include CQC judgements, third party reports etc.

NONE

## **1. Executive summary**

Overall performance is variable at the end of March 2015.

In relation to quality C. Difficile continues to be a concern and the end of year position was a total of 76 cases against a target of 56. The HSMR remains high and it is of note that the forecast position is for possible further increase.

The Trust has performed well financially in 2014/15. The Trusts underlying deficit has improved against plan to (£7.0m) which is £11.4m ahead of plan.

Although the Trust has performed well and over delivered CIP, the Trust was still in deficit in 2014/15 and there needs to be continued progress with the Transformation agenda to ensure long-term financial sustainability.

The actual financial outturn position was an improvement on Month 11's forecast largely due to an increase in income. Some key items of additional income include the Trust receiving an additional £0.7m for achieving the Friends and Family CQUIN, and an additional £0.8m for delivery additional activity to reduce the historic elective backlog, the Trust also received additional income as part of year end settlement agreements

Most of the 2014/15 CQUIN targets were achieved securing >98% of the associated income which helped to support the improved end of year financial position.

Following the challenges of previous years it is very positive to note that the 18 week targets were consistently delivered throughout the year. A&E and cancer 62 day target compliance continue to be of concern.

Operational indicators show that bed occupancy has been fairly consistent across the year and although it is positive to note that the number of outlier bed days has reduced the number of beds closed has increased recently and remains high. Vacancy levels have increased slightly and at the end of March the vacancy factor was 8% despite the winter ward closing, nursing staff being deployed to fill vacancies and sickness level reducing. Further work is needed to understand this position and Centres are currently undertaking bed modelling linked to the emergency pathway work and the estate challenges relating to HCAI

## **2. Exception reporting**

### **2.1 Clostridium Difficile and MRSA**

Reported in detail in the HCAI report

### **2.2 Pressure ulcers**

Current position

During 2014/15 there has been an overall reduction of 12% in category 2-4 pressure ulcers and a 25% reduction in category 3&4 pressure ulcers. The target to reduce category 3 and 4 pressure ulcers by 50% was not met but an overall reduction in trust acquired and non-trust acquired pressure ulcers meant that the CQUIN target was achieved.

Further reduction will continue as a quality priority into next year as reducing avoidable harm by 50% over the next three years is one of the trusts key quality objectives.

A number of actions have been taken during the year including the introduction of a Director / Deputy Director of Nursing led case review for all Category 3 and 4 pressure ulcer cases, performance is also discussed at Director of Nursing led Clinical Standards meetings. Specific learning and action is assigned to the ward/department/locality involved, with themes reported to the collaborative leads to influence the action plan to be assured of wider organisational learning. Learning and sharing practice with other organisations has been a key feature of the work of the Pressure Ulcer Collaborative.

#### Forecast position

The improvement target for 2015/16 has been set at a 20% reduction over the year; this is a local CQUIN measure. It is forecast that the actions in place will support achievement of the trajectory for Q1.

### **2.3 HSMR**

#### Current Position

The SHMI for the Trust for the period October 2014 to September 2015 will be published on the 29th April 2015 and will be 103 which is well within expected limits. However, the latest HSMR, for the period February 2014 to January 2015 is 110 which is 'higher than expected'. The rolling 12 month value for the HSMR has been higher than expected in 8 of the last 12 months. The most important individual reason for this (accounting for 4-5 points) is the relatively low level of specialist palliative care coding in the Trust (an on-going review is seeking to address this issue).

#### Forecast Position

The Trust has also experienced a relatively high number of deaths this winter. Since the beginning of January 2015, there have been 18 consecutive weeks with higher than average numbers of deaths. Public health information indicates this is due to a prolonged flu season and this may be worse in the north east than nationally, and worse in Middlesbrough than in the north east. This may adversely affect our HSMR once the January to March 2015 data is included in the HSMR calculation. This is similar, though less severe, than the position experienced by the Trust in the winter of 2013-13, however the Trust has since that time commenced measurement of the delivery of a care bundle for patients with Community Acquired Pneumonia (CAP) and so will be in stronger position to evidence quality of care for this group of patients in due course.

### **2.4 Financial summary**

#### Current position

Key Issue	Year end performance	Year to date vs budget	Key updates from Month 11
EBITDA	EBITDA was £24.8m against a year end plan of £13.2m a favourable variance of £11.6m. This is an improvement of £3.2m on the month 11 forecast EBITDA value. The key driver for the plan over performance has been an over performance on income with the additional activity provided at a lower marginal cost.	G	The in month improvement in EBITDA has been driven by an increase in the forecasted income from Commissioners in Month 12. The income relates to additional contract variations, improvements in CQUIN income and additional activity.
Underlying Surplus/(Deficit)	The Trust is reporting a (£7.0m) deficit which is £11.4m ahead of the year end plan. The main drivers for the reduced deficit are: <ul style="list-style-type: none"> <li>An increase in the CIP programme.</li> <li>An increase in income from activity delivered at lower marginal cost.</li> <li>Additional contract variations agreed with Commissioners as part of year end settlements.</li> </ul>	G	The in month improvement in the underlying deficit against forecast by £3.1m has been driven by higher than expected income levels being provided by Commissioners.
CIP Programme	The Trust has achieved £26.0m CIP, £4.2m ahead of plan. The full year effect of the CIP savings is £22.5m, £0.7m ahead of plan.	G	Forecasted CIP values at month 11 were £25.4m, showing an improvement in month of £0.6m. Additional CIP has been driven by larger than expected CIP savings from workforce particular in relation to vacant posts across the Trust.
Cash and Liquidity	The Trust received £14.4m cash funding from the Department of Health in February, followed by a further £10.5m in the form of interim revolving working capital support in March. As a result of the additional support the level of cash held by the Trust as at 31 March stood at £11.1m which is £10.6m ahead of the Recovery Plan.	G	The Trust received the further drawn down of £10.5m and has repaid £3.0m of this in April to ensure the Trust only holds the cash it needs to maintain day to day operations. Once Monitor have fully reviewed and approved the Trust 2015/16 Recovery Plan it is anticipated that this revolving working capital facility will in part transfer to interim revenue support and interim capital support agreements.  The Trust is performing both weekly and monthly cash flow forecasting to clearly identify when the funding in 2015/16 will be required. After repayment of the £3.0m the Trust has carried forward a net amount of £7.5m to assist with liquidity and has identified that the remaining funding will be required in February 2016.
Capital Expenditure	Capital expenditure as at the 31 March was £23.7m against a year end plan of £22.9m. The overspend was due to the approval in March of the Clinical Noting Scheme which was not included in the original plan.	G	The Trust has set a capital programme of £26.5m for 2015/16 and is working with Monitor to gain approval for the funding that will help deliver this programme. The programme only identifies business as usual expenditure, replacing essential equipment, lifecycle works and IT.
Continuity of Service Risk Ratings (CoSRR)	The CoSRR assesses the Capital Service Cover and Liquidity Ratio to determine a final rating. The Trust's overall CoSRR rating is 2.	G	The Trust has a rating of 1 for the capital service cover and 2 for the liquidity rating. The temporary improvement in the liquidity rating is due to the receipt of the interim revolving working capital support. This is an anomaly and will not be repeated until the Trust begins to build up cash reserves after a period of financial recovery.

#### EBITDA/ Surplus

G	On or better than target
A	Between 0% and 5% below target
R	Greater than 5% below target

#### CIP Programme

G	On or better than target
A	Between 0% and 10% below target
R	Greater than 10% below target

#### Capital Expenditure

G	Within 5% of target
A	Between 6% and 15% of target
R	Greater than 15% of target

#### Cash and Liquidity

G	Higher cash balance or within 10% lower than plan
A	Cash balance lower than plan by 10% up to 20%
R	Cash balance lower than plan by greater than 20%

The full detail of the financial position at the end of March 2015 is shown in the supplementary report.

Forecast position

On the basis of current information the Trust is forecasting to be on plan for the end of Q1

**2.5 18 Week Admitted Pathways**

Current position

In March the trust achieved all the 18 week targets including the admitted pathways target of 90% with a compliance rate of 92.6%. Compliance increased as predicted in March in comparison to the previous two months of quarter 4.

The table below shows that the trust has met compliance with all of the 18 week targets in Q4 and has delivered all of the 18 week targets for the full year of 2014/15.

	January 2015 (actual)	February 2015 (actual)	March 2015 (actual)	Quarter 4 (actual)
Number of completed admitted pathways	3273	3459	3758	10490
Number of over 18 week waiters seen	292	313	279	884
Admitted Target = 90%	91.1%	91.0%	92.6%	91.6%
Number of completed non-admitted pathways	9387	8991	10075	28453
Number of over 18 week waiters seen	217	196	217	630
Non Admitted Target = 95%	97.7%	97.8%	97.8%	97.8%
Number of patients on incomplete pathways	24788	24843	26997	76628
Number of over 18 week waiters waiting	1136	993	1600	3729
Incomplete Pathways Target = 92%	95.4%	96.0%	94.1%	95.1%

Further information on 18 weeks including benchmarking of all the 18 week targets across the region and nationally can be found in section 5 of the supplementary report.

#### Forecast position

On-going compliance is forecast for Q1 although the compliance in urology is deteriorating due to pressure from the increasing cancer activity.

## 2.6 A & E

#### Current position

In March the trust achieved an overall compliance of 94.9% against a target of 95%, marginally missing the target. However, compliance has improved month on month since December. Performance nationally was 92.8% against the 95% target so the trust is above the national average for the month of March.

The confirmed Q4 position for the trust is 93.6%. Nationally the quarterly compliance is 91.8% so the trust is above the national average for the Q4 period. The table below demonstrates the regional A & E performance for Q4 and shows that only two trusts achieved compliance with the target.

	Quarter 4	Regional Rank
Harrogate and District NHS Foundation Trust	96.5%	1
Northumbria Healthcare NHS Foundation Trust	95.1%	2
The Newcastle Upon Tyne Hospitals NHS Foundation Trust	94.2%	3
North Tees and Hartlepool NHS Foundation Trust	94.1%	4
Gateshead Health NHS Foundation Trust	94.0%	5
<b>South Tees Hospitals NHS Foundation Trust</b>	<b>93.6%</b>	<b>6</b>
County Durham and Darlington NHS Foundation Trust	91.5%	7
City Hospitals Sunderland NHS Foundation Trust	90.3%	8
York Teaching Hospital NHS Foundation Trust	89.0%	9
South Tyneside NHS Foundation Trust	84.2%	10
North Cumbria University Hospital NHS Trust	81.0%	11

A number of actions to help improve A & E performance are as follows:

- Work has begun as part of the emergency pathways improvement work to specifically review A & E processes, exit block and patient flow in the organisation
- Daily review meetings with the Managing Directors and their relevant teams are being undertaken to review the previous 24 hours in A & E. This meeting will review A & E breaches of the standard and potential issues relating to the transfer and review of patients from the AAU and short stay.
- A request for information on 2014/15 performance drivers for A & E has also been completed for submission to Monitor on 27<sup>th</sup> April as part of a piece of research

work being undertaken by Monitor with the support of the Trust Development Authority (TDA) to gain a better insight as to the factors behind the decline in national performance

- A copy of the KPI dashboard for the A & E breaches in March can be found in section 4 of the supplementary information report.

#### Forecast position

The month of April is expected to be non-compliant putting Q1 compliance of 15/16 at risk

## **2.7 Cancer Targets**

#### Current position

The trust achieved all the cancer targets in February with the exception of the 62 day first definitive treatment target and the 62 day screening target. Breaches were due to a combination of late referrals from other providers, urology surgical capacity and patient choice.

Indicative figures for March suggest that all the cancer targets will be achieved with the exception of the 62 day screening target. There were just 2 treatments of the 62 day screening target and one shared breach. The breach was due to a late referral from another local provider on day 77.

February benchmarking across the NESCN in relation to the 62 day first definitive treatment target is shown in the supplementary report. South Tees achieved a compliance rate of 82.2% against the 85% national target. Across the NESCN regional compliance was 86% and nationally compliance was 80.8%.

A meeting has been arranged with the Director of the NECSN, Newcastle and representatives from South Tees on 30<sup>th</sup> April to discuss the on-going issues with late referrals from other providers. Further updates will be provided in the May board report.

An analysis of the reasons for the 62 day breaches in February is shown in the table below:

<b>National compliance = 85%</b> <b>Feb15 compliance = 82.2%</b>	<b>Total Number of Treatments</b> <b>115</b>	<b>Total number of breaches = 20.5</b> <b>Total number of patients = 28</b>
Complex diagnostic pathway	9	Representing 32% of all breaches
Late referrals from tertiary trusts <b>after day 42</b>	5	Representing 18% of all breaches
Surgical capacity	4	Representing 14% of all breaches
Medical reason (patient poorly)	3	Representing 11% of all breaches

Late referrals from tertiary trusts <b>after day 62</b>	3	Representing 11% of all breaches
Patient choice – delays during diagnostics or after decision to treat	2	Representing 7% of all breaches
Other (1 x 23 days to be dated for Octreotide scan) and 1 x inter trust investigations (Leeds), issues with imaging	2	Representing 7% of all breaches

Actions include:

- Additional lists throughout March and April for urology cancer patients.
- A meeting is scheduled on 30<sup>th</sup> April with the NECSN Director, Newcastle FT and South Tees FT to discuss the implementation of a breach reallocation protocol
- Monthly meetings established with CDDFT and NTHFT to discuss pathway issues and late referrals
- NHS Screening patients are highlighted on all PTLs
- Weekly PTL meeting continues with the surgical centre and actions are documented, circulated with closure in 2 working days
- Weekly updates against the 62 day target in place to assist forecasting of performance
- Daily and 1-1 meetings with trackers to update on progress with potential breaches
- 

The indicative figures for March although are compliant are below the forecasted position based on historical performance although further validation may improve this position resulting potentially in overall compliance for the Q4 period. This would result in the trust delivering both the 18 week targets and the 62 day first definitive treatment target all year round, being one of only 3 trusts in the region to do both.

#### Forecast position

The 62 day targets continue to be challenging particularly in Urology where recent issues with equipment are further impacting on capacity.

## **2.8 Summary of 2014/15 Year End Monitor Compliance Framework**

In order for Monitor to formally instigate regulatory action at least one target would need to be non-compliant for 3 consecutive quarters or 4 separate targets non-compliant in any one quarter.

The performance for the year end 2014/15 is as follows:

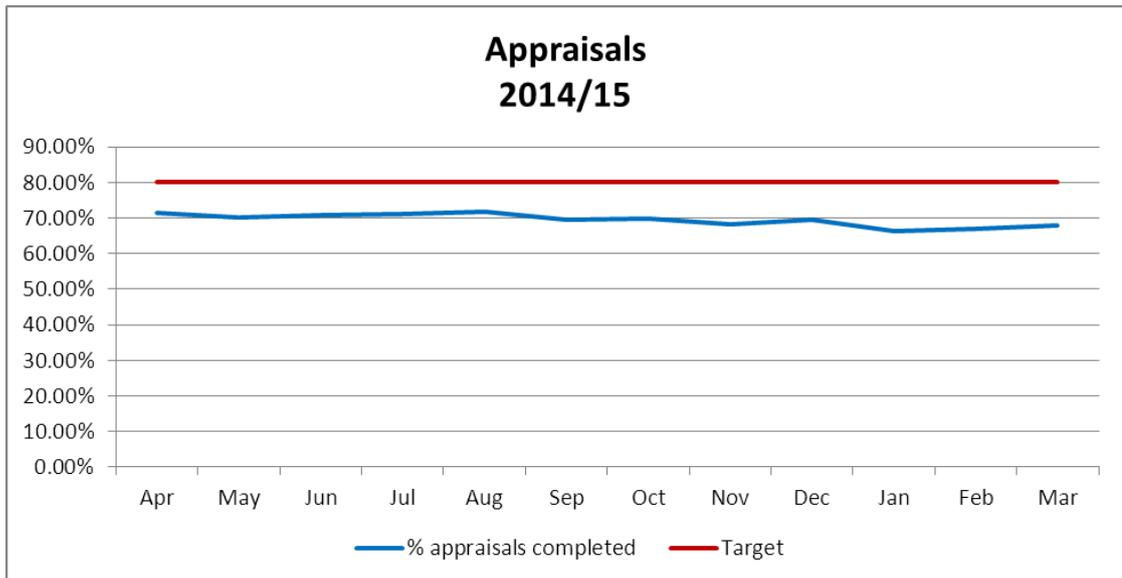
- 18 week targets compliant in Q1, Q2, Q3 and Q4.
- A & E target non-compliant in Q3 and Q4. There is also a risk of non-compliance in Q1 (15/16).
- Cancer 62 day screening target non-compliant in Q2 and Q4 but all cancer targets compliant in Q1 and Q3. The 62 day screening target remains a challenge for Q1.
- C-difficile target non-compliant at the year end.

Currently A & E is the main risk to 3 consecutive quarter non-compliance of any one target with non-compliance in Q3 and Q4. The month of April is expected to be non-compliant putting Q1 compliance of 15/16 at risk. The trust is already under investigation by Monitor for the C-difficile target and is expecting further measures to be enforced by Monitor as a result.

## 2.9 Appraisal

### Current position

The trust has failed to achieve the 80% target throughout the year. Cumulative % of SDR's completed during reporting month is shown below



The overall trust figure for the number of non-medical staff with a valid staff development review increased in March by 0.87% against the February figure and now stands at 68.01%.

### Key Action Points

- Continue with the production of activity reports to assist in the management of performance against the organisational target.

- Data accuracy reviews to continue with Divisions/Directorates to ensure the accuracy and status of data held centrally.

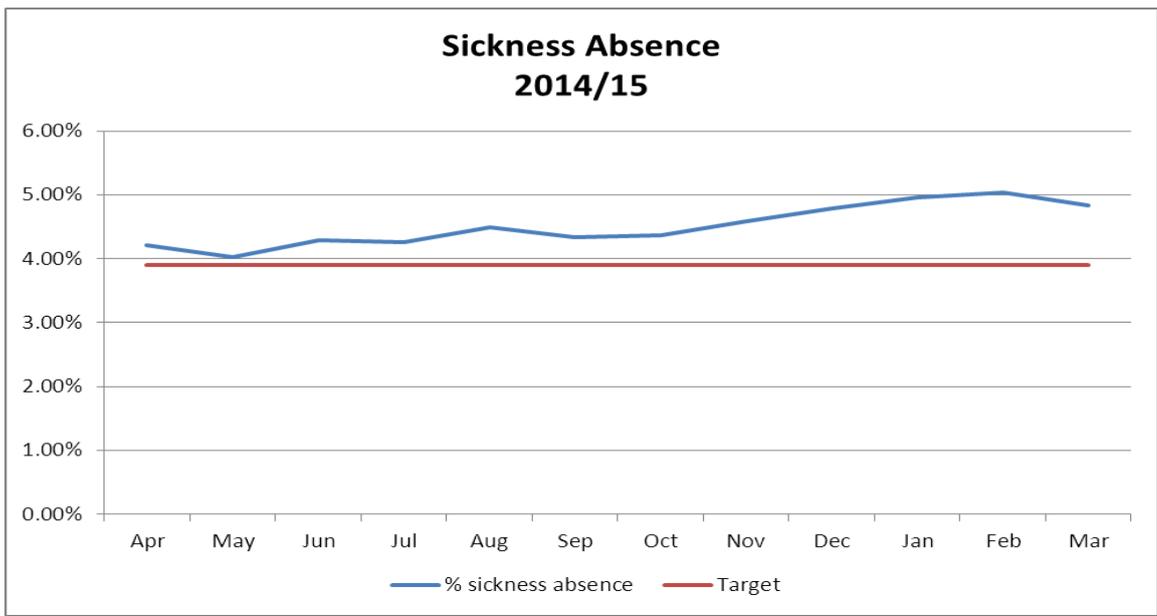
Forecast position

On the basis of historical performance the forecast position of Q1 is non-compliant. Action is needed to agree a realistic improvement trajectory and the actions which will support this so that reporting for 2015/16 is against a quarterly improvement target.

**2.10 Sickness Absence**

Current position

The sickness rate decreased in March for the first time in 6 months and now stands at 4.83%, a decrease of 0.21% on the February figure. However our rate still compares favourably with other organisations throughout the region who are all experiencing a similar rise in sickness rates.



Gastrointestinal illness was the reason which had the highest number of episodes for the month with 19%; ahead of cold/flu with 18%. Together these two equated to 474 separate episodes. These were also the most common short term sickness reasons. However Stress/anxiety, with a figure of 34.82%, continues to be the highest long term reason with a total of 86 episodes recorded for the month; 7 less than the previous month. When analysing the total FTE days lost, anxiety/stress and depression once again account for more sickness than any other reason, recording a figure of almost 28.91%. In March, this equated to 3301.6 full time equivalent days lost.

A dedicated working group continues to move forward and monitor a number of key objectives in partnership with staff side, to support improvement in the management of attendance and improve employee health and well-being.

Other key activities to date have included the enhancement of information reporting to assist managers implementation of the policy, case management reviews of long term and short term sickness absence cases; Occupational Health team, who have recently achieved the SEQOHS accreditation (Safe Effective Quality Occupational Health Service standards) and linkage with the Trust's Health Improvement team to look at the wellbeing agenda for staff, in association with the 'Health promoting hospitals' initiative.

#### Key Action Points

- Continue to monitor sickness levels & provide information to assist the management of individual cases.
- The continued focus on the management of sickness absence through the sickness absence action plan.
- Training of managers in the implementation of the revised Management of Attendance Policy
- Individual case management by Managing Directors, HR Operational teams and Occupational Health.
- Investigation into the policies and practices adopted by other organisations associated with reducing sickness absence to learn from best practice.

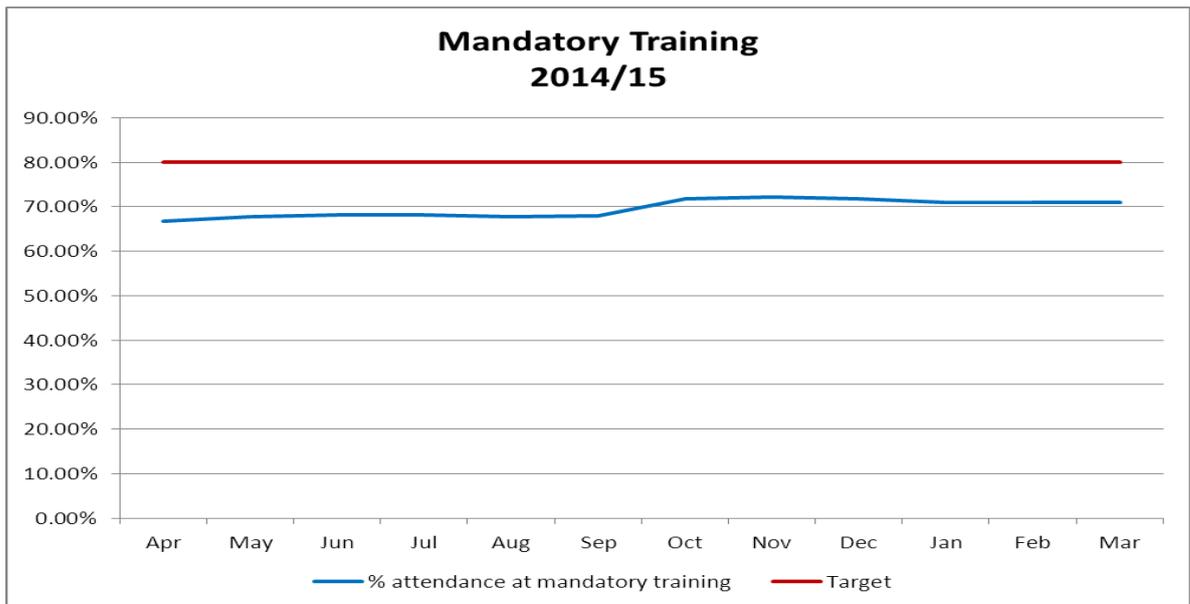
#### Forecast position

Based on the action being taken and the historical position the current downward trend is forecast to continue though it is unlikely that the trust target of <3.9% will be achieved.

### **2.11 Attendance at Mandatory Training**

#### Current position

Although slowly improving the trust has failed to achieve the local target for 80% compliance with mandatory training. This has been highlighted in the CQC inspection and by CCGs as an area of concern particularly compliance with safeguarding training which although variable across services at trust level is currently 71% compliance for safeguarding adults training, 79% compliance for safeguarding children level 1 and 60% compliance for safeguarding children level 2. One positive area was that compliance with IG training reached 90% at the end of March which meets the requirements of the IG toolkit.



#### Key Action Points

- A proposal will be presented to Board in May 2015 for a revised approach to the format, content and delivery of mandatory training
  - o Corporate Induction: New approach to deliver this as a video presentation.
  - o Local Induction: As current processes
  - o Mandatory training: The number of compulsory elements will be reduced with role specific elements monitored through the SDR process

#### Forecast position

It is expected that the improvement which will result from the revised approach if approved will be reflected in the compliance position by the end of Q2, Q1 will remain non-compliant.