

# Public Board Meeting

## Report

**Subject:** Integrated Performance Report  
**Date:** August 2016  
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**Lead Directors:** Jon Scott Chief Operating Officer, Paul Robinson Chief Financial Officer, Julie Bacon Interim Director of HR & OD, Mandie Sunderland Chief Nurse

### QUALITY AND SAFETY

The monthly report provides an update to the Board against the Trusts 3 key quality and safety priorities for 2016/17. The paper provides an overview of highlights relating to patient quality and safety and the July safer staffing position. The Quality and Safety, Safer Staffing reports should be read in conjunction with this paper.

#### Quality and safety Report

##### *Priority 1: Mortality*

- HSMR and SHIMI remain in expected position
- HSMR demonstrates a sustainable position having completed the 2015/16 year with a HSMR performance consistently below the 100 indicator.
- A mortality dashboard is currently being developed

##### *Priority 2: Recognise and respond effectively to deteriorating patients*

- This priority is monitored monthly through a variety of subgroups which report to the Deteriorating Patient Group.
- An Audit of DATIX Incidents relating to Deteriorating Patients has been carried out and was a collaborative piece of work between Sherwood Forests Hospitals and Nottingham University Hospitals with a number of key themes and trends identified. Associated improvement work is being developed and implemented.
- SFH continues to demonstrate good levels of identification and treatment of patients with sepsis. Collaborative work is being undertaken with NUH to update policies to meet the 2016 NICE guidance on sepsis and to develop an e-learning programme.

##### *Priority 3: Improve the safe use of Medicines*

- This priority encompasses a large varied number of work streams which represents the diversity of action being undertaken to improve medicines safety. The Trust continues to report no never events. Actions completed include ratification of policy for self-administration of medicines, Trustwide implementation of red 'allergy' wristbands, together with activity to improve incident reporting and share learning from incidents.

#### Safer Staffing for Nurses

- July's staffing data continues to reflect the challenge of safe staffing with 15 out of the 29 monitored areas requiring additional staffing over their plan to meet patient acuity and dependency. No areas were identified as unsafe and no increase in patient harms or nurse sensitive indicators was identified.

- Band 5 vacancies remain high across the Trust with planned recruitment activity occurring.
- A review of nurse staffing levels across all inpatient areas has been undertaken by the senior nursing team.
- Focused reviews of e-rostering with each ward manager has been undertaken resulting in improved roster structures and increased staffing availability, bringing about an improved match between planned and actual roster staffing levels.

**OPERATIONAL STANDARDS**

Cancer

The Trust met all cancer standards in Quarter 1. There remains a risk to achieving 62 day referral to treatment standard in July both due to a reduction in our denominator where patients are identified as not having cancer (which is good news) and also due to some issues with capacity. The final position will be clear on the submission date which is 5<sup>th</sup> September. All specialities areas have developed action plans to mitigate this risk.

Four hour wait

The Trust achieved 94.79% against the 4 hour target in July. This is a total of 28.3 breaches too many. However, the Trust had 1,156 more attendances at KM ED than July 2015, an increase of 11.4%, and an increase of 656 patients on June 2016.

PC24 saw 1,682 patients in July 2016, a reduction in attendances of 509 compared to July 2015; a decrease of 23.2%. However, there was a slight improvement with the number of attendances compared to June 2016 which was 1,603.

The Trust is achieving 95.2% in August as at 17<sup>th</sup> August. The rise in demand has continued with 4,945 attendances at King’s Mill ED compared to 4,496 for the same period August 2015 a 10% increase. PC24 has seen 681 compared to 1,128 in August 2015.

The ED has begun a pilot increase the number of patients being seen in PC24 with an ED nurse streaming patients at reception to either PC24 or ED as clinically appropriate.

Referral to Treatment Times (RTT)

The ‘Incomplete’ pathway (target 92%):

May	June	July
93.8%	92.56%	92.40%

The diagnostic RTT (DMO1) (target 99%):

The Trust forecast to fail in July but managed to improve the position to achieve against the 99% target.

May	June	July
99.6%	98.77%	99.02%

Endoscopy is expecting to receive JAG accreditation after the next JAG Board. However, Endoscopy failed to meet the 99% standard for July. Plans are in place to return Endoscopy performance in September.

Outpatient & Inpatient performance metrics:

- Internal Audit has given a Significant Assurance rating on our processes and improvement on the Outpatient review list and DNAs.

- Outpatient cancellations by hospital were 2.5%. July 2015 was 4.0%.
- The DNA rates - new outpatients at 7.26% (8.71% nationally) and the follow up rate of 8.36% (9.21% nationally). In July 2015 the rates were 10.18% for New appointments and 11.31% for Follow ups.
- The new to follow up ratio is 1:1.86 (July 2015 it was 1:2.04) against a national position of 1:2.0
- Cancelled inpatient operations stand at 0.6% remaining below the target of 0.8% (July 2015 was also 0.6% )
- Theatre utilisation data has not yet been completed.

### August 16/17 FORECAST RISKS

As detailed above the key risks identified are:

- DMO1 including Endoscopy
- 4 hour target
- July 62 day cancer standard

### FINANCE

All aspects of financial delivery are in line with or better than plan, with the exceptions of capital spend which is £1.5m behind plan and cash balance which is marginally less than plan due to cash in transit.

	July In-Month			Year to Date			Annual Plan	Forecast
	Plan	Actual	Variance	Plan	Actual	Variance		
	£m	£m	£m	£m	£m	£m		
EBITDA	(3.53)	(3.60)	(0.08)	(16.08)	(15.62)	0.46	(27.58)	(27.59)
Surplus/(Deficit)	(5.99)	(6.05)	(0.06)	(25.73)	(25.20)	0.52	(57.08)	(57.08)
Long Term Partnership (LTP)	(2.57)	(2.57)	(0.00)	(9.81)	(9.81)	(0.00)	(15.88)	(15.88)
Surplus/(Deficit) - Excluding LTP	(3.41)	(3.48)	(0.06)	(15.92)	(15.39)	0.52	(41.20)	(41.20)
EBITDA % of Income	(14.9%)	(15.2%)	(0.2%)	(17.0%)	(16.4%)	0.6%	(9.7%)	(9.6%)
Financial Sustainability Risk Rating YTD	2	2		2	2		2	2
CIPs	1.03	0.91	(0.12)	2.41	2.96	0.55	12.60	12.60
Capex	1.31	0.16	(1.15)	4.18	2.68	(1.50)	9.53	9.53
Closing Cash	1.45	1.43	(0.02)	1.45	1.43	(0.02)	1.45	1.45
Better Payment Practice Code - (Value / Number)		94.4% / 91.3%			93.1% / 89.9%			

- Deficit for July of £6.05m, £0.06m behind plan. YTD deficit of £25.20m, £0.52m ahead of plan. July is the first in month deficit to plan in 2016/17.
- Deficit includes Long Term Partnership costs of £9.81m, based on accruing to plan whilst discussions continue with NHS Improvement.
- FSRR is 2 against a plan of 2.
- CIP YTD delivery of £2.96m against plan of £2.41m.
- Capex expenditure position was behind plan in July with an in month spend of £0.16m. Cumulatively capex is now £1.50m behind YTD plan with cumulative expenditure of £2.68m against cumulative plan of £4.18m.
- Closing cash at 31<sup>st</sup> July was £0.02m below plan at £1.43m.
- BPPC YTD performance is 93.1% by value of invoices paid and 89.9% by number of invoices paid, within 30 days.

## OPERATING STATEMENT

We are ahead of our planned deficit by £0.52m at the end of July, due to income over-performance and early delivery of CIP. For the first time this year however, the in month position is behind plan, following an increase in medical pay spend and a decrease in income performance.

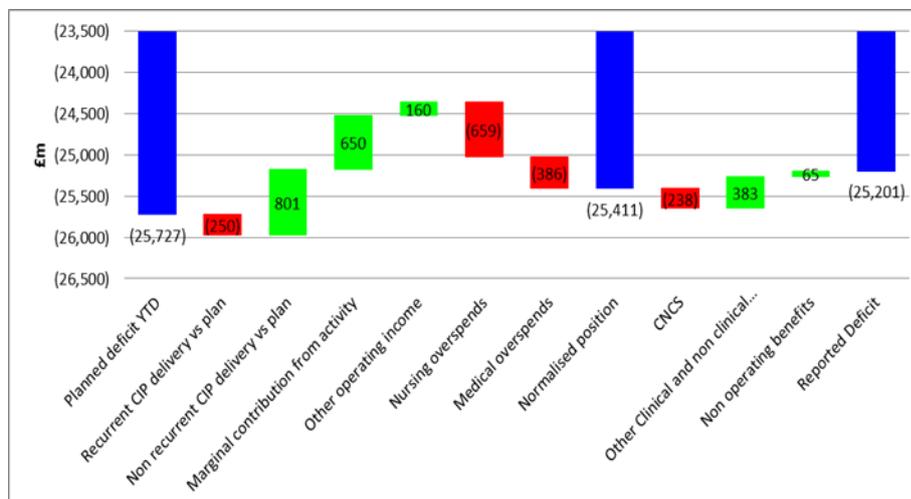
### Year to date

	July In-Month			Year to Date		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
Clinical Income	20.80	20.75	(0.05)	82.69	83.34	0.65
Other Operating Income	2.83	3.01	0.18	11.68	11.84	0.16
Total Operating Income	23.62	23.76	0.14	94.37	95.18	0.81
Pay	(16.00)	(16.47)	(0.47)	(65.83)	(66.01)	(0.18)
Non Pay	(11.15)	(10.89)	0.26	(44.62)	(44.79)	(0.17)
<b>EBITDA</b>	<b>(3.53)</b>	<b>(3.60)</b>	<b>(0.08)</b>	<b>(16.08)</b>	<b>(15.62)</b>	<b>0.46</b>
Operating Costs Excl. from EBITDA	(0.83)	(0.86)	(0.04)	(3.31)	(3.37)	(0.06)
Non Operating Income	0.00	0.00	0.00	0.01	0.01	0.00
Non Operating Expenditure	(1.63)	(1.58)	0.05	(6.34)	(6.22)	0.12
<b>Surplus/(Deficit)</b>	<b>(5.99)</b>	<b>(6.05)</b>	<b>(0.06)</b>	<b>(25.73)</b>	<b>(25.20)</b>	<b>0.52</b>
Long Term Partnership	(2.57)	(2.57)	(0.00)	(9.81)	(9.81)	(0.00)
<b>Surplus/(Deficit) - Excluding LTP</b>	<b>(3.41)</b>	<b>(3.48)</b>	<b>(0.06)</b>	<b>(15.92)</b>	<b>(15.39)</b>	<b>0.52</b>

Operating statement identifies:

- Clinical income is below plan by £0.05m in month and ahead of YTD plan by £0.65m. This is primarily as a result of continued non elective growth.
- Overall pay expenditure in July is consistent with Q1, however the budget has reduced by £0.43m, reflecting CIP. As a result pay is now overspent, £0.47m in month and £0.18m YTD. Pay run-rate has reduced in month for all categories except Medical pay. Medical pay run rate increased from £4.82m in June to £4.93m in July. Agency spend continues in excess of the ceiling.
- Non pay position is £0.26m better than plan in month and £0.17m worse than plan YTD. A full provision of £0.24m was made in June for non payment of CNCS debt.

### Normalised year to date position



Analysis of the YTD position shows a normalised deficit of £25.4m, slightly ahead of plan. Non recurrent benefits, primarily Corporate pay underspends have improved the YTD position compared to plan and these are not forecast to continue.

Key areas of challenge to the position are medical and nursing pay and CIP delivery.

## FORECAST OUTTURN POSITION

### Forecast outturn – Trust Wide

	Forecast Outturn		
	Plan £m	Actual £m	Variance £m
Clinical Income	247.05	250.19	3.14
Other Operating Income	38.34	38.20	(0.14)
Total Operating Income	285.39	288.39	2.99
Pay	(192.25)	(194.20)	(1.95)
Non Pay	(120.72)	(121.78)	(1.06)
<b>EBITDA</b>	<b>(27.58)</b>	<b>(27.59)</b>	<b>(0.02)</b>
Operating Costs Excl. from EBITDA	(9.92)	(9.92)	(0.00)
Non Operating Income	0.26	0.28	0.02
Non Operating Expenditure	(19.84)	(19.84)	(0.00)
<b>Surplus/(Deficit)</b>	<b>(57.08)</b>	<b>(57.08)</b>	<b>0.00</b>
Long Term Partnership	(15.88)	(15.88)	(0.00)
<b>Surplus/(Deficit) - Excluding LTP</b>	<b>(41.20)</b>	<b>(41.20)</b>	<b>0.00</b>

The forecast outturn identifies that delivery of the planned deficit is on track. Assumed within this is 100% delivery of CIP target of £12.6m, Alliance Outcomes and CQUIN income of £5m, full receipt of £10.3m of S&T funding, and full utilisation of the £15.9m LTP control total.

Income over-performance seen to M4 is forecast to continue with no Commissioner QIPP. Many of the non recurrent pay benefits seen in Q1 are not forecast to continue so leading to a pay overspend.

Further work to refine this forecast are ongoing, including phasing and challenging of assumptions.

### Forecast outturn – by Division

	Forecast Outturn		
	Plan £m	Actual £m	Variance £m
Diagnostic and Outpatients	(11.59)	(12.18)	(0.59)
Medicine	10.59	9.05	(1.53)
Surgery	15.10	14.31	(0.79)
Urgent and Emergency Care	5.90	4.82	(1.08)
Women & Children	11.66	11.09	(0.57)
Central Income	12.95	13.46	0.51
Corporate*	(73.34)	(69.19)	4.15
Corporate Finance	(28.35)	(28.44)	(0.09)
<b>Total</b>	<b>(57.08)</b>	<b>(57.08)</b>	<b>0.00</b>

\* NB includes central assumptions about CIP delivery

Whilst all divisions still forecast an overspend, the base forecasts are £1m improved on the forecast at Q1. Work continues with divisions to refine assumptions. Specific areas of challenge in divisions are:-

CIP delivery – full delivery of £12.6m assumed within Corporate with plans progressing as per the CIP process.

Medical pay costs within Medicine and Urgent Care particularly representing costs of cover of vacancies. Review of cover in all areas is underway to ensure grip is in place and to minimise cover costs as far as possible.

Corporate directorates are forecasting a deteriorating position compared to the YTD position. Work is ongoing with directorates.

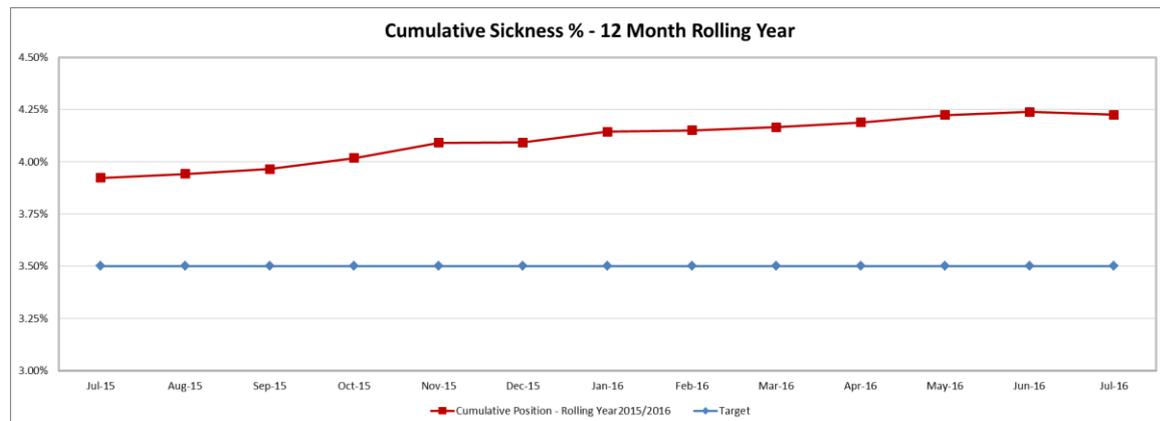
## **WORKFORCE**

NOTE: A Divisional restructure has taken place which prevents trend analysis across the Divisions prior to April 2016

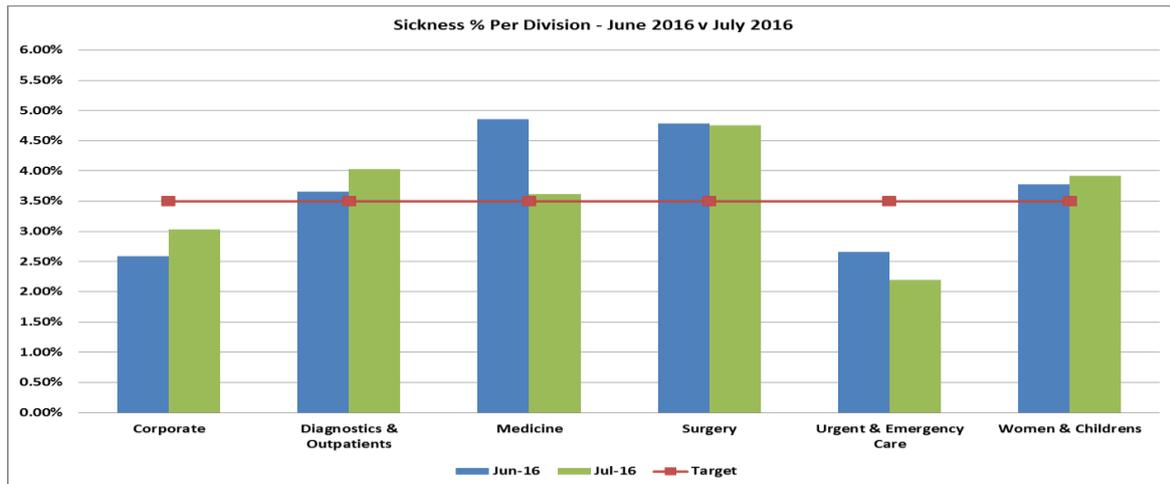
## **SICKNESS ABSENCE**

Trust wide sickness absence

Overall sickness levels have reduced by 0.16% in month to 3.80% (June, 3.96%). Short term sickness has decreased by 0.13% (2.05%) and long term sickness has decreased for the fourth month by 0.03% (1.75%)



Cumulative (12 month) sickness absence for July 2016 is 4.22% which is an increase in year of 0.32% when compared to July 2015 (3.92%). However, this is still relatively low when compared to many other Acute Trusts.



The Divisions with the highest increase are Corporate rising by 0.44% to 3.03% and Diagnostics & Outpatients, rising by 0.37% to 4.03%.

The Division with the largest reduction for the second month was Urgent & Emergency Care which decreased by an additional 0.46% to stand at 2.20%. Short term sickness decreased by 0.77% (1.13%) but Long term sickness increased by 0.34% (1.08%). Each individual on long term sickness has an individual plan for the management of their absence.

### Sickness by staff group

	Jun-16	Jul-16
Unregistered Nurse	5.08%	4.96%
Registered Nurse	5.19%	4.28%
Scientific & Professional	2.31%	4.20%
Admin & Clerical	3.35%	3.99%
Technical & Other	6.22%	3.63%
Allied Health Professionals	2.18%	2.70%
Ancillary	2.63%	1.60%
Medical & Dental	0.87%	1.19%
Trust Total	3.96%	3.80%
Band 5 Registerd Nurse	4.06%	5.42%

The most significant increase in absence by staff group is within Scientific & Professional, with the exception of Ancillary this holds the smallest headcount by staff group, 201 heads with 22 episodes of sickness absence in July 2016.

Anxiety and stress, as usual has the highest FTE days lost (1129.11) which totals 73 episodes of absence in month. The Registered Nurse staff group has the highest number of episodes in month (29) followed by Unregistered Nurse (16) and Admin & Clerical (15)

The five areas which have the top 5 highest number of staff headcount but which have had 0% sickness in July 2016 are:

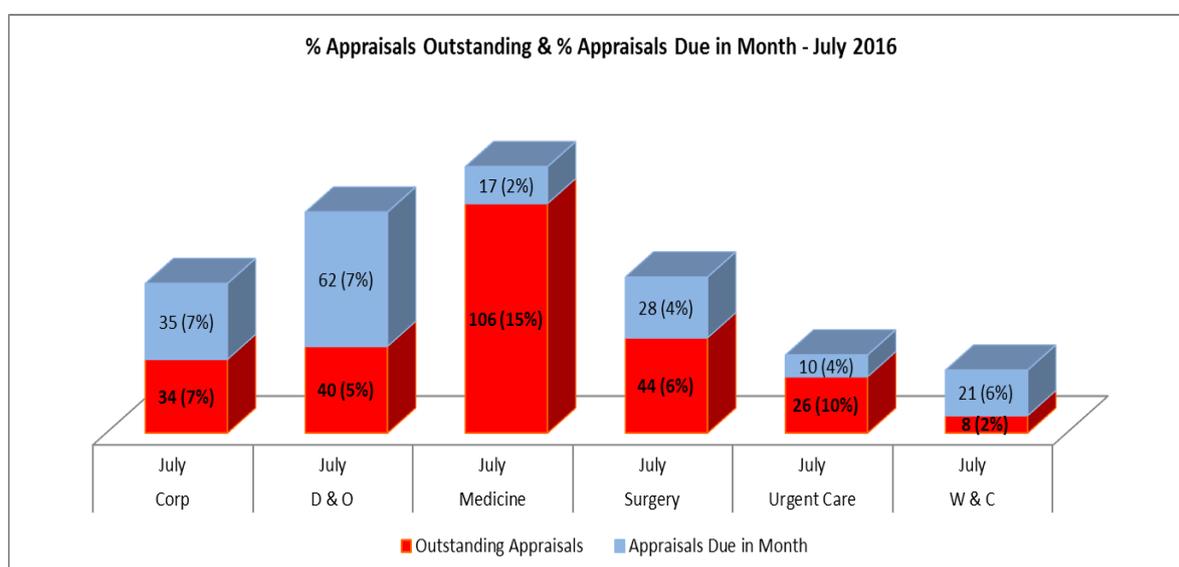
TN05725	Governance Support Unit
EH17064	HCOP Medical
PG17262	General Surgery - Medical Staff

PO17273	Trauma & Orthopaedics
WP02401	PPC Community Paediatrics

### APPRAISAL

Trust wide appraisal compliance remained static at 92%. The Trust appraisal compliance target is 98%.

There were 258 (8%) appraisals required in July to reach 100%. However there were also an additional 173 appraisals due to be completed which expired in month, a total of 431 (13%) required to be completed in July 2016. These were spread across the Divisions below.



### STAFFING

This table shows the net position with staff in post against establishment across the Trust.

	Jul-16								Active adverts
	Budget - FTE	SIP - FTE	SIP - Headcount	Vac - FTE / Gap - FTE	% Vacancy / % Gap	Starters	Leavers	% Turnover	
<b>Total Trust</b>									
Admin & Clerical	1087.90	982.07	1203	105.83	↓9.73%	14.08	4.72	0.48%	13
Allied Health Professionals	211.94	191.51	238	20.43	↓9.64%	3.00	4.00	2.09%	3
Ancillary	39.63	43.51	50	-3.88	↓-9.78%	0.00	0.80	1.84%	1
Medical & Dental	483.57	436.05	455	47.52	↓9.83%	41.00	7.80	1.79%	8
Registered Nurse	1362.32	1139.92	1329	222.40	↑16.32%	9.15	23.61	2.07%	18
Scientific & Professional	216.86	185.29	201	31.57	↑14.56%	0.00	9.00	4.86%	3
Technical & Other	265.54	240.61	294	24.93	↑9.39%	4.00	3.36	1.40%	4
Unregistered Nurse	550.48	507.07	604	43.41	↓7.89%	1.77	2.11	0.42%	2
<b>Total - Trust</b>	<b>4218.24</b>	<b>3726.03</b>	<b>4374</b>	<b>492.21</b>	<b>↑11.67%</b>	<b>73.00</b>	<b>55.40</b>	<b>1.49%</b>	<b>52</b>
Band 5 Registered Nurse Only	808.74	628.75	743	179.99	↑22.26%	5.72	15.13	2.41%	12

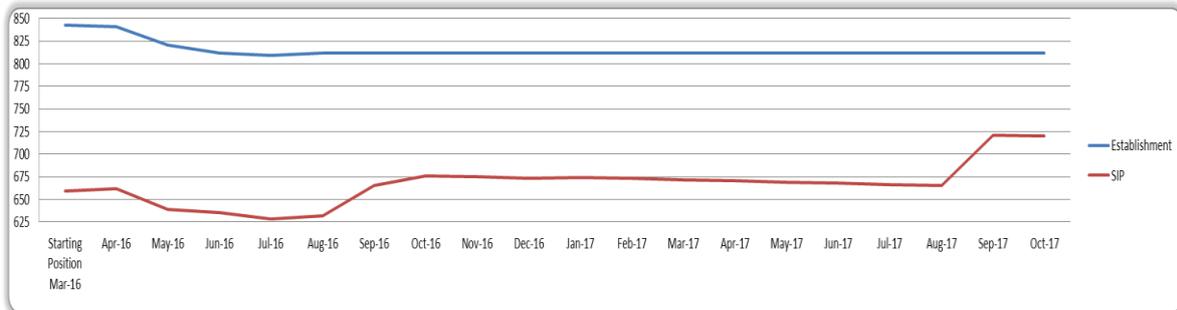
**Note:** Medical & Dental had 35 new starters this month which overlapped with the medical workforce changeover staff which will be leaving in August 2016. The gap/vacancy figure will therefore show as low for July 2016.

The reported over established position in Ancillary is a long standing anomaly with the ledger.

Band 5 Nurse leavers this month was high but included 5 retirements and 2 dismissals. However over the previous 5 month period the total leavers have averaged out to the expected attrition rate. All qualified nurses have an exit interview with the Chief Nurse as soon as they hand in their notice.

**Band 5 Registered Nurses (RN) Trajectory:**

Following very recent feedback from the international recruitment agency it is recognised that the expected number of Filipino nurses that were projected to join the Trust are unlikely to pass the IELTS exam and some are now reluctant to study towards a resit, even with additional tuition provided by the agency. However, Certificates of Sponsorship have been granted and assigned for 4 nurses due to join late September. The following Trajectory has been amended to reflect the change in numbers:

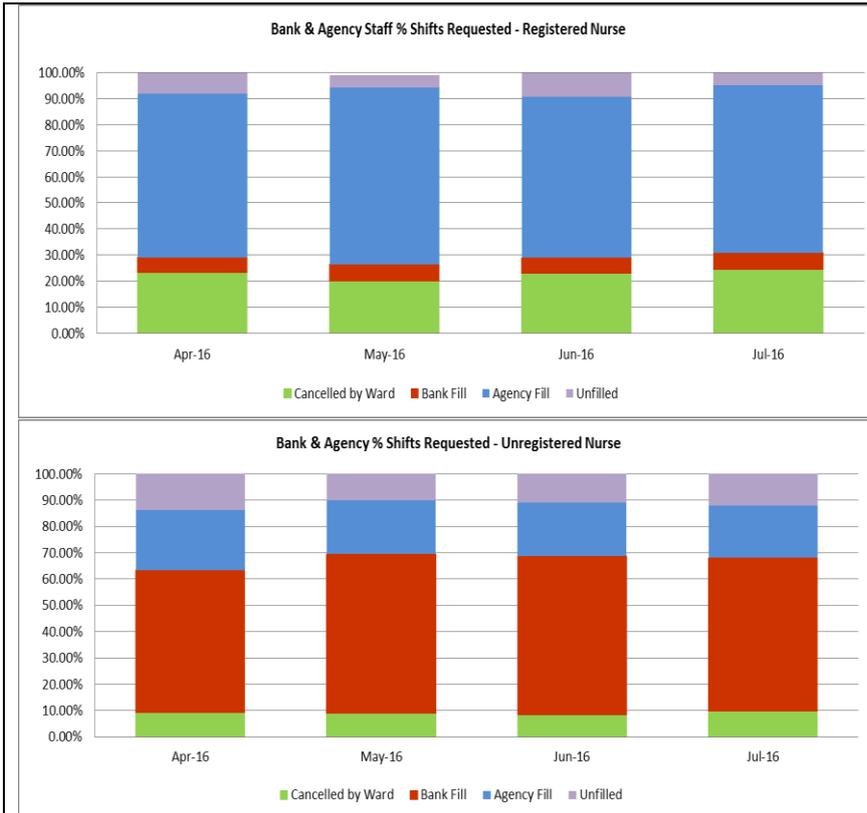


This means that the Trusts nursing taskforce will need to consider how it bridges a significant operating gap in qualified nurse numbers for the foreseeable future.

**PAY SPEND**

Variable pay was £3.95m in July (£3.67m, June) against the actual budget of £1.66m, £2.28m above budget in month. This was an increase of £276k spend in month. However, fixed pay actually has an underspend of £1.74m against budget. The Trust has a financial cap (monitored by NHSI) of a total variable pay spend of £17.91m for 16/17. So, the monthly ceiling is £1.49m

On 1 August 2016, the Trust implemented a streamline nurse bank and agency process and is already seeing a reduction in the average hourly rate paid as more lower tier (cheaper) agencies are utilised to fill requests.



Registered Nurse requests increased by 6.43% to 2303, (June 2016, 2155).

70.65% of requests were filled (June 2016, 67.84%).

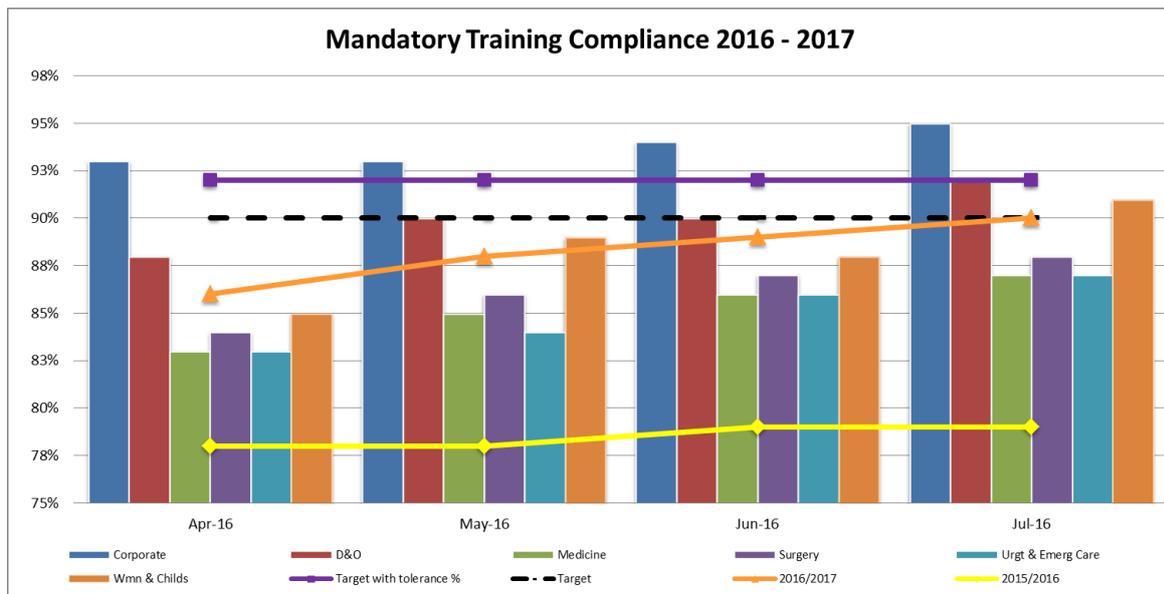
It is expected that the fill rate by agencies will increase further due to the new process introduced from August.

Unregistered Nurse requests increased by 7.04% to 3337, (June 2016, 3102).

78.24% of requests were filled (June 2016, 80.69%).

**TRAINING AND EDUCATION:**

The overall compliance rate for Mandatory Training has increased by 1% to 90% and has reached the target of 90% (92% with a 2% tolerance). This rate refers to the number of competencies completed and not the number of staff compliant. All divisions have increased their compliance for the past two months.



For the Board of Directors to receive this high level summary report for information and to read in conjunction with the more detailed reports in the reading room, and to raise any queries for clarification.

<b>Relevant Strategic Priorities (please mark in bold)</b>	
Ensure the highest standards of safe care are consistently delivered by, and for, individuals, teams and departments	Ensure that patients experience the very best care, building on good practice and listening and learning from both negative and positive feedback and events
Provide timely access to diagnosis, treatment and care when people need it and safely reduce the time patients spend in hospital	Raise the level of staff engagement through strong leadership, communication, feedback and recognition
Reduce the scale of our financial deficit by reducing costs, improving utilisation of resources and productivity, and achieving best value for money	Work in partnership to keep people well in the community, and enable them to return as soon as they are ready to leave hospital
Develop and implement a programme of work in conjunction with Nottingham University Hospital NHST to create a new combined organisation	

<b>How has organisational learning been disseminated</b>	
<b>Links to the BAF</b>	All risks identified on the BAF
<b>Financial Implications/Impact</b>	The financial implications associated with any performance indicators underachieving against the standards are identified.
<b>Legal Implications/Impact</b>	Failure to deliver key indicators results in Monitor placing the trust in breach of its authorisation
<b>Partnership working &amp; Public Engagement Implications/Impact</b>	
<b>Committees/groups where this item has been presented before</b>	The Board receives monthly updates on the reporting areas identified with the IPR.