

Transformation Programme Progress Report August - October 2011

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Transformation Programme Progress Report – Aug - Oct 2011

- This report provides an update on the progress of the transformation programme for the period from August to October 2011.
- The programme has delivered YTD savings of £3,274K against a target of £3,392K (variance £118K) of the full year savings plan set at £7.7m (4% of turnover). See next slides for savings and transformational projects at divisional level.
- The previously unidentified savings gap of £1,547K has now been closed / bridged with identified schemes relating to the additional procurement, income, cost controls and operational efficiencies.
- The non-cash releasing savings transformation projects have gathered pace from the previous period, with implementation having started in a number of key projects (detail on following pages)
- Executive Directors are reviewing project mandates to validate original objectives and develop further phases of projects where they have already delivered.

Action: The Board is asked to accept this report

Trust objective:

Please list number and statement. this paper relates to.

Notes:

Legal: What are the legal considerations & implications linked to this item? Please name relevant Act

Priority 1: Deliver Safe, High Quality Care

Reduce avoidable harm
Right patient, in the right location at all times

Priority 2: Work with our whole community

Delivering emergency care pathways differently

Priority 3: Develop an effective organisation:

Deliver 2011/12 breakeven position
Deliver 4% savings target

NHS Trust financial performance is subject to Schedule 5 of the NHS Act 2006 which provides the “breakeven duty”. The Trust breached this in 2007/08 and has since received “permission to spend” by virtue of the loan settlement agreement issued by DoH in March 2008. Legal aspects impact on individual parts of spend and income according to the nature of the spend & source of income but no other material disclosures are appropriate.

Executive Summary - Savings

Exceptions to note with adverse variance > £30K YTD are:

- Ward Establishment Review - Medicine – adverse variance of £166K against a target of £285K. Medical nursing overspend is partly mitigated by underspend in Corporate areas. There are tight controls and monitoring in place to balance quality and safety of care with prudent financial controls.

Ward Establishment Review – Surgery – variance of £147K against a target of £253K. Surgical overspend is mitigated by budgetary underspends elsewhere within the division.

Paediatric Medical Staffing Job planning – £40K YTD adverse to the 11/12 planned target of £90K. Under achievement is mitigated by divisional underspend.

- Digital Dictation – YTD adverse variance of £31K against a target of £188K. Due to the complexity of the programme and some issues encountered during the roll-out, savings are not expected to be made this year.
- Medical Staffing Central target – YTD adverse variance of £30K against a target of £180K. No financial benefit is as yet being delivered as there is a shortage in supply of medical staff across most specialties, particularly Anaesthetics, A&E and Paediatrics.

The underachieving saving schemes are in part being mitigated by divisional underspends and by over delivery in Corporate areas (£125K).

Executive Summary

Next Steps

- Project Mandates being reviewed by the Executive Sponsors (completed by end Nov) to confirm intended objectives still valid and where appropriate develop the next phases of transformation. Project plans in turn will be reviewed to ensure plans reflect the reviewed objectives.
- Whilst the PMO and finance team continue to monitor delivery by the divisions, next steps will focus on work to develop, with KPMG, the 12/13 savings plan.
- The outline savings plan will be presented to the Investment and Workforce Committee on 22 December, followed by the development of the detailed action plans to ensure delivery is not back ended in the financial year.

Executive Summary – Savings Summary

Reporting of the savings achieved is summarised below by division:

M07 Savings by Division						
	Planned Savings 11/12	FOT Savings 11/12	Variance 11/12	Planned Savings YTD	Actual Savings YTD	Variance YTD
Medicine	1,510,645	1,338,152	(172,493)	716,340	542,711	(173,629)
Surgery	1,613,673	1,613,673	0	1,088,425	1,088,425	0
WACH	1,153,617	1,153,617	(0)	445,251	445,250	(0)
CSS	845,849	843,849	(2,000)	444,385	452,038	7,653
E&F	234,010	225,510	(8,500)	136,225	111,000	(25,225)
Chief Exec	190,784	196,784	6,000	52,214	71,651	19,437
Finance	153,122	217,122	64,000	70,555	151,332	80,777
HR	59,000	78,000	19,000	34,417	34,417	0
IMT	43,000	88,000	45,000	25,083	47,515	22,432
Nursing *	53,000	53,000	0	30,800	33,154	2,354
Clinical Services	-	-	0	-	-	0
Procurement (Central)	600,000	600,000	0	133,624	143,230	9,606
Other Trustwide (inc KPMG)	1,243,300	890,300	(353,000)	214,893	153,560	(61,333)
Unidentified	-	-	0	-	-	0
Total	7,700,000	7,298,007	(401,993)	3,392,211	3,274,283	(117,928)

* Nursing Directorate Review

Progress Update - Medicine

Financial Savings & Transformational Projects

Financial Savings & Exceptions	Progress and next steps
<p>YTD savings of £543K against the planned YTD target of £716K (adverse variance of £174K).</p> <p>Nursing Pay savings are the key area of non-delivery in Medicine (£166K YTD).</p> <p>The underspending in central budgets (corporate areas) partly mitigates underachievements in medical division, particularly related to nursing savings.</p>	<p>Tighter controls on Bank and Agency staff usage</p> <p>Strict controls for Specials</p> <p>Management of rotas</p> <p>Management of Annual leave and sickness</p> <p>Ongoing monitoring by divisional chief nurse</p>
Transformational Projects	Progress and next steps
<p>ED Clinical Model – Exec Sponsor (Bernie Bluhm)</p> <p>Objectives include implementation of a new clinical model and patient flow process, ED estate upgrade, review of UTC clinical model and clinical criteria, ED establishment & competencies review and design of new quality indicators/metrics.</p>	<p>Phase 1 of the project has been completed with objectives achieved which included phase 1 of the A&E Refurbishment project (Arrivals, Observation bay, UTC), launch of new clinical model and patient streaming process, new rotas for juniors and middle grades have been implemented, new quality indicators dashboard has been developed and published on the sash portal (daily / weekly / monthly).</p> <p>Next steps – Phase 2 of the project - full integration of UTC with SASH (clinical model, clinical criteria, review of roles and responsibilities/ competencies within department and next stage of the ED refurbishment – Paediatrics).</p>
<p>Ambulatory Care Medical pathways – Exec Sponsor (Bernie Bluhm)</p> <p>Objectives include implementation of 13 ambulatory care pathways by the end of Mar-12 which will result in improvement in patient outcomes; reduction in bed days used for conditions listed in the directory.</p> <p>Delivery of objectives is linked to CQUIN income. (£325K).</p>	<p>Phase 1 pathways (DVT, TIA, Cellulitis, Hypoglycaemia, First Seizure) were launched on 7th November.</p> <p>The work on Phase 2 pathways has started and will be completed by mid-January 2012.</p> <p>Positive feedback from external stakeholders (GPs and other providers)</p>

Year To Date	£'000
Plan	716
Actual	543
Variance	(174)
Forecast Out Turn for 11/12	£'000
Plan	1,511
Actual	1,338
Variance	(173)

Progress Update - Surgery

Financial Savings & Transformational Projects

Financial Savings & Exceptions	Progress and next steps
<p>YTD savings of £1.1m against the planned savings target of £1.1m. Although Surgical division cumulatively delivered the planned YTD saving of £1.1m, there are exceptions that are under achieving -</p> <p>Nursing Pay savings is the main area of non-delivery in Surgery (£147K adverse YTD).</p>	<p>Controls around Bank and Agency staff Strict controls for Specials Management of rotas Management of Annual leave and sickness Ongoing monitoring by divisional chief nurse.</p> <p>The nursing overspend is being mitigated by budgetary underspends elsewhere within the division.</p>
<p>Surgery Wards & Endoscopy Non-pay reduction - YTD adverse variance of £44K against a YTD target of £76K.</p>	<p>Divisional nursing team to confirm mitigating actions to PMO by 30 Nov-11.</p>
<p>Ophthalmology Medical Staffing Private Patients Income – YTD adverse variance of £28K against a YTD target of £50K.</p>	<p>Divisional plan to deliver against a target or find mitigating savings in total budget.</p>
Transformational Projects	Progress and next steps
<p>Enhanced Recovery Programme (ERP) - Exec Sponsor (Jo Thomas)</p> <p>Objectives include the implementation of Enhanced recovery model of care across 4 pathways – Colorectal, Gynaecology, T&O and Urology (8 procedures). Delivery of objectives is linked to CQUIN income (£250K).</p>	<p>Percentages of patients (targets) for each pathway have been agreed with clinical leads and PCTs. Colorectal pathway is approved, Gynae and T&O to follow. Programme needs to be driven by clinicians. Usage of ERP online tool for data collection. Recruitment of ERP Nurse is underway to support the programme implementation.</p>
<p>Ambulatory Care Surgical pathways – Exec Sponsor (Bernie Bluhm)</p> <p>SaSH has committed to implementing Abscess pathway with the direct access to Crawley Day Surgery, Urology and Orthopaedics pathways.</p>	<p>Project closed. 3 pathways implemented.</p>

Year To Date	£'000
Plan	1,088
Actual	1,088
Variance	0
Forecast Out Turn for 11/12	£'000
Plan	1,614
Actual	1,614
Variance	0

Progress Update - WaCH

Financial Savings & Transformational Projects

Financial Savings & Exceptions	Progress and next steps
WaCH have been achieving its 5.5% YTD saving target of £445K.	
Although WaCH cumulatively delivered the planned YTD saving of £445K, there are exceptions that are under achieving - Paediatric Medical Staffing Job planning – £40K YTD adverse to the YTD planned target.	Implementation of the 0.5 PA reduction will start from 1-Dec. Jobs plans are being altered to reflect changes in travel arrangements with reduced travelling required between sites. Under achievement is mitigated by divisional underspend.
Amenity Beds Income - YTD adverse variance of £24K against £33K YTD planned saving. .	Facility is actively promoted by division to expected mothers with the average monthly income of £2,500. Finance have reviewed FOT saving for 2011/12 to reflect the activity. Under achievement is mitigated by divisional underspend.

Transformation Projects

No specific divisional transformational projects within WaCH.
However a number of cross-divisional transformational schemes run through / make an impact –

- VTE
- Digital Dictation
- Ward Clerks Review
- Hospital 24/7
- Horsham Med Secretaries
- Patient Tracking (CQUIN)
- Discharge process / DToC

Year To Date	£'000
Plan	445
Actual	445
Variance	0
Forecast Out Turn for 11/12	
£'000	
Plan	1,154
Actual	1,154
Variance	0

Progress Update – CSS

Financial Savings & Transformational Projects

Financial Savings & Exceptions	Progress and next steps
YTD saving target of £443K against the planned savings target of £452K, with £9K favourable variance.	
<p>Exceptions -</p> <p>Reduction of Medica Spend - £7K adverse YTD</p> <p>Crawley Pharmacist post - £25K adverse YDT</p>	<p>Medica contract extended until Mar-12. 20% reduction in fees negotiated with Medica from Sept-11 which will recover the savings target.</p> <p>Non-delivery of savings is mitigated by over achievement on pharmacy savings by £41K.</p>
<p>Successes –</p> <p>Radiology - GP Direct Access – CQUIN Income of £165K</p> <p>Pharmacy Drug Usage & Spend Reductions – YTD actual saving of £102K against a YTD target of £61K.</p>	<p>Quarterly turnaround targets for urgent and non-urgent tests have been met in advance of the milestones. Spend on outsourcing of reporting to Medica places the cost pressure on the service.</p> <p>Overachievement of pharmacy savings by monitoring and improved controls around prescribing and dispensing, changes in practice, reductions in price per unit and drug usage by divisions.</p>
Transformational Projects	Progress and next steps
<p>Health Records Transformation Exec Sponsor (Bernie Bluhm)</p> <p>Phase 1 Objectives include reviewing FileStore contract, examining opportunities for centralisation of health records, reviewing of processes and protocols & improvement of working practices, implementation of the file tracking (barcoding) system for storage and retrieval.</p> <p>Phase 2 Objectives include implementation of the Electronic Health Records management.</p>	<p>Phase 1 of the project is progressing and on track to deliver. Revised FileStore contract will be in place by end Nov. Barcoding of health records started by 6PM in August. Centralisation of Health Records - feedback from staff consultation to be given during w/c 14 Nov. Phase 2 2012/13 will aim to secure funding (capital investment) for 13/14 (£3.5m) and develop the project plan ready for roll-out in 13/14..</p>
<p>Pharmacy Transformation Exec Sponsor (Bernie Bluhm)</p>	<p>Scoping of the project is underway with objectives being set around - Review of pharmacy service Introduction of homecare for oral chemotherapy Further opportunities in Procurement Robotics Centralisation</p>

Year To Date	£'000
Plan	443
Actual	452
Variance	9
Forecast Out Turn for 11/12	£'000
Plan	844
Actual	844
Variance	0

Progress Update – Estates & Facilities

Financial Savings & Transformational Projects

Financial Savings & Exceptions	Progress and next steps
<p>YTD savings of £111K against the planned YTD savings target of £136K with adverse variance of £25K.</p> <p>Exceptions:</p> <p>Postage Efficiencies / Rates Reductions – adverse variance of £10K YTD against a planned saving of £17K for 11/12</p> <p>Utilities Efficiencies – adverse variance of £15K YTD against the planned YTD saving of £79K.</p>	<p>Division to find mitigating actions to recover the under achievement</p> <p>Roll-out of CleanMail scheme across the Trust has been successful reducing the cost of postage by £1,500 per month. Reasons for postage overspend are being investigated.</p> <p>Overspend is due to the increase in gas consumption (seasonal) which is anticipated to be recovered in the coming months.</p>
Transformational Projects	Progress and next steps
<p>Energy Audit / Efficiencies - Exec Sponsor (I Mackenzie)</p> <p>Objectives include exploring of energy saving opportunities to reduce energy usage and / or initiatives to bring additional income for the trust.</p> <p>Staff Car Parking Scheme -</p>	<p>Tap Down – Voltage optimisation project has been completed. Monitoring of electricity consumption from 1 Nov. Saving to kick-in from mid-Dec.</p> <p>STOR (Short Term Operating Reserve) – Work in progress with the plan to start STOR generation in Apr-12.</p> <p>Implementation of the scheme starts on 1 December 2011.</p>
<p>Food Modernisation Exec Sponsor (I Mackenzie)</p> <p>Patient Entertainment System Exec Sponsor (I Mackenzie)</p>	<p>Some quick wins have been implemented, such as a “hot-meal” choice in the evening (which in part have resulted in increased scoring in the RTM system) and the outline business case is being developed. Full Implementation is planned for 2012/13.</p> <p>Implementation will start in Feb 2012 in the modular wards and business case will be developed for a Trust-wide roll out.</p>

Year To Date	£'000
Plan	136
Actual	111
Variance	(25)
Forecast Out Turn for 11/12	£'000
Plan	234
Actual	226
Variance	(8)

Progress Update – Cross-divisional / All Divisions

Financial Savings & Transformational Projects

Financial Savings & Exceptions		Progress and next steps	Year To Date		£'000
<p>YTD savings of £154K against the planned YTD savings target of £215K, adverse variance of £61K.</p> <p>Digital Dictation – YTD adverse variance of £31K against 11/12 savings target of £188K. Delivery of the project is linked to CQUIN (Outpatient Communications) worth £250K.</p> <p>Medical Staffing Central target – YTD adverse variance of £30K against a target of £180K. No financial benefit is as yet being delivered due to shortage in supply of medical staff across most specialties, particularly Anaesthetics, A&E and Paediatrics.</p>		<p>Roll-out of Digital Dictation is on plan but ongoing issues with hardware cause some delays and issues with uploading. Due to the complexity of the programme and issues encountered during the roll-out, savings are not expected to be made this year. CQUIN quarterly targets have been achieved.</p> <p>Non-delivery of savings in these projects are partly being mitigated by underspends in Corporate areas.</p>	Plan		215
			Actual		154
			Variance		(61)
Transformational Projects		Progress and next steps	Forecast Out Turn for 11/12		£'000
<p>VTE (CQUIN) - Exec Sponsor (D Holden) CQUIN Income of £250K</p>		Trust compliance for Oct is 80.7%. All exceptions are being addressed at divisional level and discussed at the Clinical leads meetings.	Plan		1,243
<p>Hospital 24/7 - Exec Sponsor (B Bluhm)</p>		New handover process was launched on 14 November. Next steps include review of clinical team competencies, roles & responsibilities and training of junior doctors.	Actual		890
<p>Outpatients - Exec Sponsor (J Chadwick-Bell)</p>		Capacity and demand review is due for completion by end-Nov, resulting in new clinic templates. Review of the OPD end-to-end process is underway. Patient experience project set-up.	Variance		(353)
<p>Ward Clerk Review - Exec Sponsor (J Thomas)</p>		Phase 1 of the project has been completed. Next phase will include the management of sickness and annual leave, weekend / OOH cover and ward clerk establishment.			
<p>Delayed Transfers of Care (DToc) - Exec Sponsor (B Bluhm)</p>		Internal discharge processes & protocols have been reviewed and embedded in to business as usual. The objectives are reviewed with a focus on community and social care capacity (all types of care setting).			
<p>Pathology Reconfiguration - Exec Sponsor (P Simpson)</p>		Pathology PID has been developed. Full Business Case will go to the trust board for approval in early 2012 (Feb-12). Implementation will start on 1 Apr-12.			

Progress Update – Corporate / Others

Financial Savings & Transformational Projects

Financial Savings & Exceptions

Corporate areas have overachieved the YTD saving target of £262K (favourable variance of £125K).

No issues / exceptions with delivery of the Corporate savings plans.

Savings schemes include -

- Corporate Division Restructure is overachieving.
- The Cost Control Group is on target.
- Procurement is ahead of plan at this point in the year.

The budgetary underspends in corporate areas continue to mitigate under delivery of other savings plans within the Transformation programme.

Transformation Projects

No transformational projects within Corporate areas.

Year To Date	£'000
Plan	262
Actual	387
Variance	125
Forecast Out Turn for 11/12	£'000
Plan	844
Actual	993
Variance	149

Note: Corporate areas in this report include some Trust wide savings.