

Transformation Programme 11/12 Progress Report

Month 11 position

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Transformation Programme Progress Report – Month 11 (February 2012)

- This report provides an update on the progress of the transformation programme for the period from January to February 2012.
- The programme has delivered YTD savings of £6,854K against a target of £6,811K (favourable variance of £43K).
- 11/12 FOT saving remains at £7.7m.
- Significant progress on the following projects has been achieved -
 - Ambulatory Care pathways
 - Radiology
 - VTE
 - Digital dictation
 - Health Records
 - ERP
 - Pharmacy Drug & Usage savings
 - Postage Efficiencies

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 with adverse variance > £30K YTD

- Ward Establishment Review - Medicine – adverse variance of £261K 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 £231K against a target of £253K. Surgical overspend is mitigated by budgetary underspends elsewhere within the division.
- Wards & Endoscopy Non-pay reductions – Surgery – variance of £70K against a target of £76K. Surgical under delivery of this saving is mitigated by budgetary underspends elsewhere within the division.
- Ophthalmology Private Patients Income – Surgery – variance of £35K against a target of £50K. £10K of income was achieved in months 10 & 11. Surgical under delivery of this saving is mitigated by budgetary underspends elsewhere within the division.
- Paediatric Medical Staffing Job planning – WaCH – £70K YTD adverse to the 11/12 planned target of £90K. The under achievement is mitigated by divisional underspend.
- Amenity Beds - Income & Occupancy – WaCH - adverse variance of £30K against the planned saving of £58K. £28K of income has been generated since the start of the project in August. The under delivery of this saving is mitigated by mitigated by divisional underspend.
- Pathology – Renegotiation of shift patterns and rates – CSS - YTD adverse variance of £60K against the planned £60K. The saving is not expected to be realised until 12/13 due to the delays caused by staff consultation.
- Digital Dictation – YTD adverse variance of £156K against the target of £188K. Due to the complexity of the programme and some issues with the Voice Recognition software, total savings are not expected to be made this year. Digital dictation has supported the release of medical secretary budget within the year which was included as separate savings projects.
- Medical Staffing Central target – YTD adverse variance of £150K 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.
- Post Review – YTD adverse variance of £65K against the 11/12 target of £116K. YTD £30K have been delivered through removal of vacancy posts.

The underachieving saving schemes are in part being mitigated by divisional underspends and by over delivery in Corporate areas (£202K).

Executive Summary – Savings Summary

Reporting of the savings achieved is summarised below by division:

M11 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	1,191,824	(318,821)	1,351,902	1,095,761	(256,140)
Surgery	1,620,383	1,620,383	0	1,513,807	1,513,807	(0)
WACH	1,153,617	1,153,617	0	1,009,446	1,009,446	0
CSS	843,849	828,849	(15,000)	763,767	797,547	33,780
E&F	234,010	225,510	(8,500)	214,451	191,849	(22,602)
Chief Exec	192,784	260,712	67,928	164,905	195,493	30,588
Finance	153,122	217,122	64,000	136,609	287,403	150,794
HR	59,000	78,000	19,000	54,083	54,083	0
IMT	43,000	88,000	45,000	39,417	52,482	13,065
Nursing *	53,000	53,000	0	48,400	56,483	8,083
Clinical Services	-	-	0	-	-	0
Procurement (Central)	600,000	1,099,392	499,392	494,225	951,988	457,763
Other Trustwide (inc KPMG)	1,236,590	883,590	(353,000)	1,019,559	647,958	(371,601)
Unidentified	-	-	-	-	-	0
Total	7,700,000	7,700,000	(0)	6,810,570	6,854,301	43,731
* Corporate	500,906	696,834	195,928	443,414	645,944	202,530

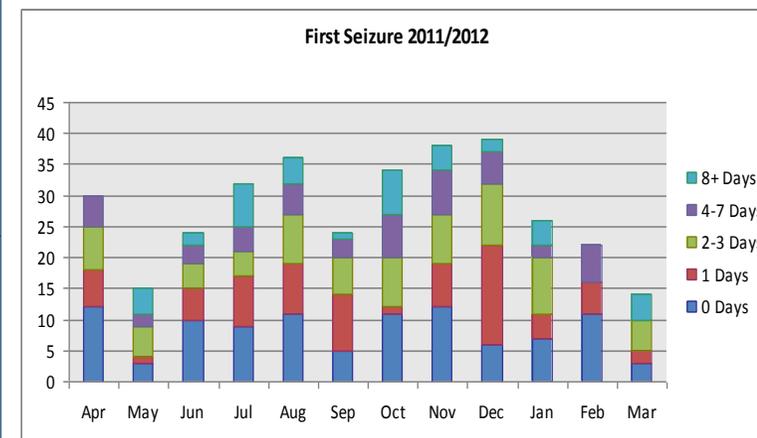
* Nursing Directorate Review

Progress Update - Medicine

Financial Savings & Transformational Projects

Financial Savings	Progress and next steps
<p>YTD savings of £1,096K against the planned YTD target of £1,352K (adverse variance of £256K). Nursing Pay savings are the key area of non-delivery in Medicine (£261K YTD).</p> <p>The underspending in central budgets (corporate areas) mitigates underachievements in medical division, particularly related to nursing savings.</p>	<p>Controls around Bank and Agency staff Strict controls for Specials and management of rotas Management of annual leave and sickness 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 clinical model in Minors and clinical criteria, ED establishment & competencies review and design of new quality indicators/metrics.</p>	<p>Phase 2 of the project is aimed at integration of Minors (former UTC) with Majors and streaming of patient flow. Since the opening of additional wards in February, the focus and efforts have been given to improvement and achievement of the 4-hour wait A&E target that the trust committed to deliver in March 2012. Operational solutions are being put in place in interim until newly recruited staff is in posts to support the service (May/June).</p> <p>ED Refurbishment Phase – Reception area - delayed by 3 weeks, Majors areas are delayed by 3 weeks as a result. The work on Paediatrics commenced as planned on 5/03/12. The next phase will involve the temporary creation of a psych assessment room and then the new entrance area into the department. Completion date - August 2012.</p>
<p>Ambulatory Care Medical pathways – Exec Sponsor (Bernie Bluhm)</p> <p>Objectives include implementation of 13 ambulatory care pathways (in 3 phases) by the end of Mar-12.</p> <p>Delivery of objectives is linked to CQUIN income. (£325K)</p>	<p>9 pathways have been written and published on the trust's intranet. Remaining 4 pathways are due to be completed by mid-March. Pricing structure is being agreed with commissioners. Ambulatory clinics have been set up on AMU. The series of launch events will take place during March, April and May which are aimed at GPs, GP practices and CCGs. These events will inform GPs about the trust's ambulatory services, referral processes and will seek GPs engagement and support. KPIs are collected on monthly basis. See First Seizure graph.</p>

Year To Date	£'000
Plan	1,352
Actual	1,096
Variance	(256)
Forecast Out Turn for 11/12	£'000
Plan	1,511
Actual	1,192
Variance	(319)



Progress Update - Surgery

Financial Savings & Transformational Projects

Financial Savings	Progress and next steps
<p>YTD savings of £1,514K against the planned savings target of £1,514K. Although Surgical division cumulatively delivered the planned YTD saving, there are exceptions that are under achieving -</p> <p>Nursing Pay savings is the main area of non-delivery in Surgery (£232K adverse YTD variance).</p> <p>Surgery Wards & Endoscopy Non-pay reduction - YTD variance of £70K against the savings target of £76K.</p> <p>Ophthalmology Private Patients Income – YTD variance of £35K against the target of £46K.</p> <p>Surgery –Establishment –Waiting List Team - YTD variance of £23K against the target of £23K.</p>	<p>Controls around Bank and Agency staff Strict controls for Specials Management of rotas and annual leave and sickness. Ongoing monitoring by divisional chief nurse.</p> <p>Saving is not going to be achieved in 11/12. Delivering the saving through divisional budget underspend.</p> <p>The swap for cheaper examination gloves commenced across all wards in August which will deliver £11K (PYE).</p> <p>The total saving will not be delivered due to the efforts and spare capacity being given to achievement of 18-weeks standard.</p> <p>Saving is not being delivered due to delays caused by staff consultation.</p>

Under-delivery of savings is mitigated by divisional budget underspend in other areas.

Transformational Projects	Progress and next steps
<p>Enhanced Recovery Programme (ERP) - Exec Sponsor (Bernie Bluhm)</p> <p>Objectives include the implementation of Enhanced Recovery model of care across 3 specialties – Colorectal, Gynae and T&O (8 procedures) and as a result reduction in LoS. Delivery of objectives is linked to CQUIN income. (£250K)</p>	<p>The implementation of the ERP project plan is mostly complete. All pathways are now finalised and clinically approved. Pathways will be published on the trust intranet. Implementation of Colorectal pathway has already started. Patients will start going through the Gynae and T&O pathways from mid-March onwards. The resource (ERP Nurse) required for embedding new clinical practices and processes within teams is being discussed with Exec Sponsor.</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. All 3 pathways have been implemented.</p>

Year To Date	£'000
Plan	1,514
Actual	1,514
Variance	0
Forecast Out Turn for 11/12	
£'000	
Plan	1,620
Actual	1,620
Variance	0

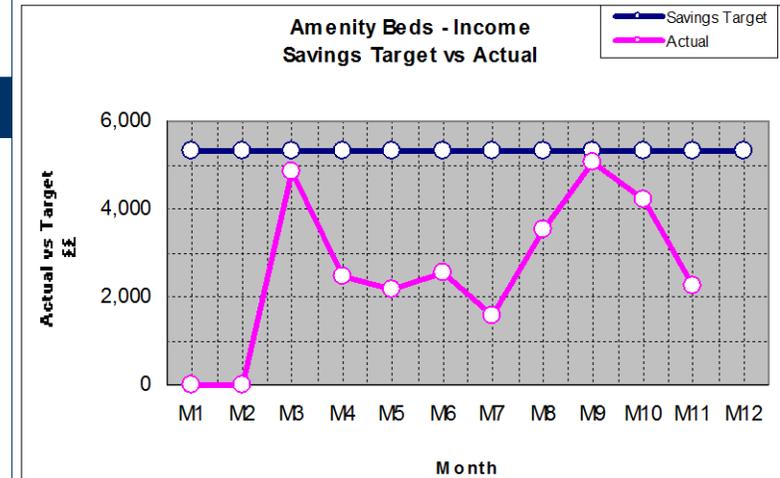
Progress Update - WaCH

Financial Savings & Transformational Projects

Financial Savings	Progress and next steps
<p>WaCH have been achieving its 5.5% saving target of £1,009K YTD.</p> <p>Although WaCH cumulately delivered the planned YTD saving, there are exceptions that are under achieving -</p> <p>Paediatric Medical Staffing Job planning – Saving of £9K YTD against the planned YTD saving of £80K.</p> <p>Amenity Beds Income – £29K delivered at Month 11. YTD adverse variance of £30K against £59K YTD planned saving. FOT saving has been reviewed and adjusted.</p> <p>Under achievements are mitigated by divisional underspend.</p>	<p>Jobs plans have been altered to reflect the reduction by 0.5 PA. Implementation was planned to start on 1 Dec. Total saving will not be achieved due to the late start of implementation.</p> <p>Facility is actively promoted by division to expected mothers. Average monthly income is £3,000 - £4,000 (issue of unpaid fees), 275 days utilized to date, 201 mums used the facility to date. Payment process is being reviewed with finance.</p>

Transformational Projects	Progress and next steps
<p>No specific divisional transformational projects within WaCH.</p> <p>However a number of cross-divisional transformational schemes run through / make an impact on the division –</p> <ul style="list-style-type: none"> -VTE -ERP -Digital Dictation -Hospital 24/7 -Health Records -Patient Tracking (CQUIN) -Criteria led Discharge 	

Year To Date	£'000
Plan	1,009
Actual	1,009
Variance	0
Forecast Out Turn for 11/12	
Plan	1,154
Actual	1,154
Variance	0

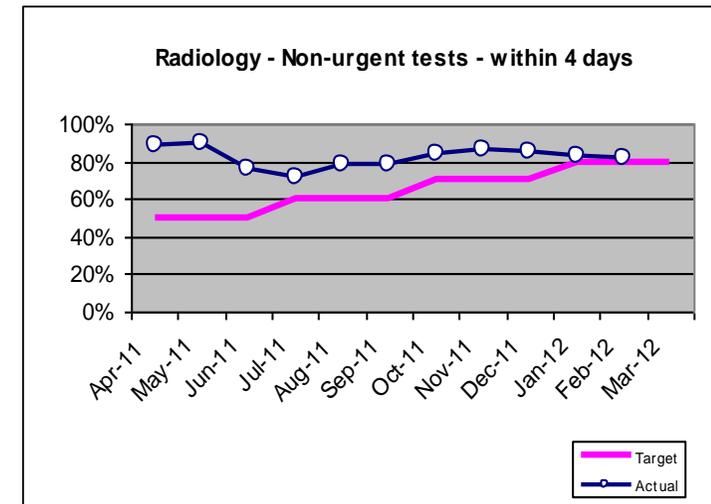


Progress Update – CSS

Financial Savings & Transformational Projects

Financial Savings	Progress and next steps
<p>YTD saving of £764K against the planned savings target of £798K, with £34K favourable variance.</p> <p>Pathology – Blood sciences shit patterns and rates - £60K adverse against the target of £60K.</p> <p>Reduction of Medica Spend - £13K adverse against the target of £13K.</p> <p>Radiology - GP Direct Access – Delivery of objectives is linked to CQUIN income (£167K)</p> <p>Pharmacy Drug Usage & Spend Reductions – YTD actual saving of £185K against the planned YTD target of £92K.</p>	<p>The saving is not expected to be delivered until 12/13 due to the extension of staff consultation period (this is now part of the 12/13 savings plan). However the non-delivery is being mitigated through the VAT savings on pathology contracts.</p> <p>Delivery of the saving is affected by the increased volume of outsourcing. The saving is not expected to be delivered this year. Division is mitigating the under delivery through underspends.</p> <p>Radiology turnaround targets for urgent and non-urgent diagnostic tests are being consistently achieved. See the graph for Non-urgent tests. It should be noted that due to the volume and cost of outsourcing of reporting to Medica, the cost to achieve CQUIN targets is greater than the income from CQUIN.</p> <p>Pharmacy continue to deliver additional savings through monitoring and tighter controls around prescribing, dispensing and reductions in price per unit and usage by divisions.</p>
Transformational Projects	Progress and next steps
<p>Health Records Transformation Exec Sponsor (Bernie Bluhm / Des Holden)</p>	<p>Centralisation of Health Records service is on track – redeploying and appointing to vacancies. Barcoding / File Tracking – Electronic Document Management (EDM) was agreed in principle for 2013/14. Business case is being prepared for the Management Board re capital bid. Revised Contract with FileStore is being drafted and will be in place by the end of March.</p>

Year To Date	£'000
Plan	798
Actual	764
Variance	34
Forecast Out Turn for 11/12	£'000
Plan	844
Actual	829
Variance	(15)



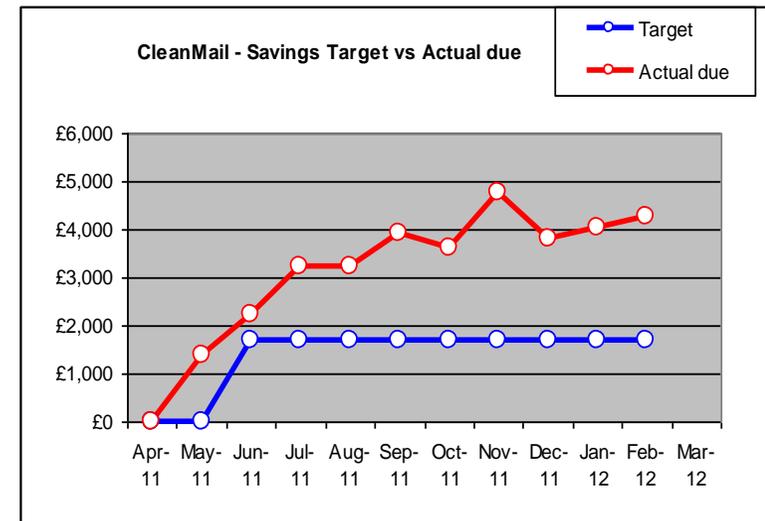
Progress Update – Estates & Facilities

Financial Savings & Transformational Projects

Financial Savings	Progress and next steps
<p>Division delivered £192K YTD against the planned savings target of £214K, adverse variance of £22K.</p> <p>Postage Efficiencies / Rates Reductions - Adverse variance of £7K against the YTD target of £15K.</p> <p>Utilities Efficiencies - adverse variance of £15K against the planned YTD target of £124K.</p>	<p>The CleanMail scheme is being actively rolled out across the Trust. On average £3-£4K of credits are gained through the scheme each month. The issue of under paid credits is being pursued with Royal Mail with the aim to recover £20K by the end of March.</p> <p>The utilities are overspent solely on gas due to seasonal consumption. The overspend is partly being mitigated by underspend on water and electricity (£34K).</p>

Transformational Projects	Progress and next steps
<p>Energy Audit / Efficiencies - Exec Sponsor (I Mackenzie)</p> <p>Staff Car Parking Scheme -</p>	<p>Tap Down – significant reduction in spend for electricity has been seen since the start of the scheme in Nov-11 (£20K YTD under the budget - £93K in Dec compared to £73K in February). The scheme went “live” on 1st December 2011 and is delivering the planned benefits.</p>
<p>Food Modernisation Exec Sponsor (I Mackenzie)</p> <p>Patient Entertainment System Exec Sponsor (I Mackenzie)</p>	<p>From 20th Feb new heated trolleys are used on new wards - Hazelwood, Copthorne and Charlwood wards. The feedback received from patients is good. A full business case re full Trust roll-out has been presented to the Management Board on 14th March.</p> <p>The patient entertainment System went ‘live’ in Charlwood and Copthorne wards on the 20th February 2012 as planned. A standard charging model will be proposed following the outcome of the 6-month pilot in Sept-12. The feedback received from the patients is fantastic. The plan for 2012/13 is to install the system on further three wards.</p>

Year To Date	£'000
Plan	214
Actual	192
Variance	(22)
Forecast Out Turn for 11/12	
£'000	
Plan	234
Actual	225
Variance	(9)

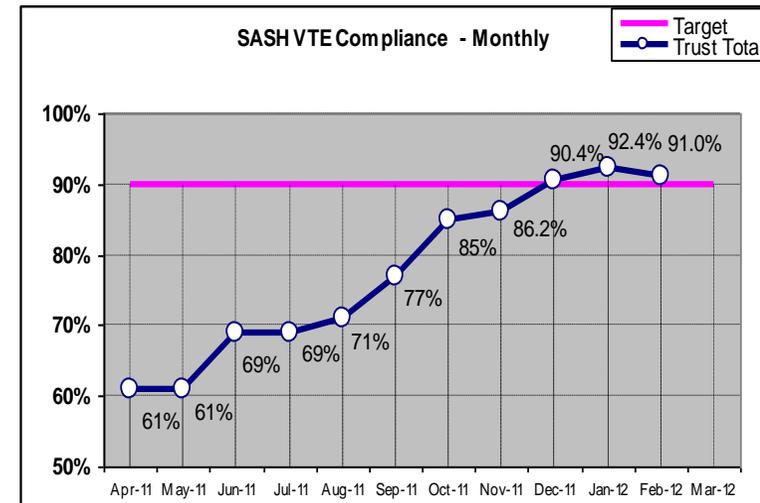


Progress Update – Cross-divisional / All Divisions

Financial Savings & Transformational Projects

Financial Savings & Exceptions	Progress and next steps
<p>YTD savings of £648K against the planned YTD savings target of £1,019K, adverse variance of £371K.</p> <p>Digital Dictation – YTD adverse variance of £157K against 11/12 savings target of £157K. Delivery of the project is linked to CQUIN (Outpatient Communications) worth £250K.</p> <p>Medical Staffing Central target – YTD adverse variance of £150K against £150K.</p>	<p>Electronic delivery of letters was planned for mid-February but is delayed due to the software issues encountered during the testing phase. Dictate have committed to send letters to GPs manually until the automated process is in place. Due to the complexity of the programme and technical issues during the roll-out savings are not expected to be made in 11/12. CQUIN quarterly targets have been achieved.</p> <p>No financial benefit is as yet being delivered due to shortage in supply of medical staff across most specialities, particularly Anaesthetics, A&E and Paediatrics.</p>
Transformational Projects	Progress and next steps
<p>VTE (CQUIN) - Exec Sponsor (D Holden). CQUIN Income of £250K</p>	<p>Trust VTE compliance for January and February was above 90%. See the graph. The Trust has been compliant for the last 3 months and is confident in sustaining the target during March 2012 and beyond.</p>
<p>Hospital 24/7 - Exec Sponsor (B Bluhm)</p>	<p>Clinical Site team skill mix and competencies review - The staff consultation on the job description for Clinical Site Manager post finished on 6th March. Next step is to map team competency profiles and ensure that their training needs are addressed. Project meetings have been suspended until April due to the focus on the achievement of A&E wait targets.</p>
<p>Outpatients - Exec Sponsor (B Bluhm)</p>	<p>The focus of the project group has moved to the non-admitted pathway. Partial booking system will be in place once the validation and training exercises are completed. A combined tender / bid is being developed for OPD kiosks and display monitors. Project KPIs have been agreed and being developed by IT team.</p>
<p>Ward Clerk Review - Exec Sponsor (J Thomas)</p>	<p>The project has been inked to the business planning process.</p>
<p>Discharge Planning - Exec Sponsor (B Bluhm)</p>	<p>Criteria-led discharge project had the first meeting on 13th March 2012. Working groups are being established. 6 pilot wards have been identified.</p>

Year To Date	£'000
Plan	1,019
Actual	648
Variance	(371)
Forecast Out Turn for 11/12	£'000
Plan	1,236
Actual	883
Variance	(353)



Progress Update – Corporate / Others

Financial Savings & Transformational Projects

Financial Savings	Progress and next steps
Corporate areas have overachieved the YTD saving target of £464K (favourable variance of £202K). No issues / exceptions with delivery of the Corporate savings plans. The budgetary underspends in corporate areas continue to mitigate underachievement of savings schemes within the Transformation programme.	
Transformational Projects	
No transformational projects within Corporate areas.	

Year To Date	£'000
Plan	445
Actual	646
Variance	202
Forecast Out Turn for 11/12	
	£'000
Plan	501
Actual	646
Variance	202

Note: Corporate areas in this report do not include Trust wide savings.

Progress Update – Procurement

Financial Savings & Transformational Projects

Financial Savings	Progress and next steps
<p>The YTD performance is £458K above the planned target of £494K.</p> <p>Procurement – Hub Workplan savings - YTD £55K adverse (£34K actual YTD against £89K YTD planned target).</p> <p>Additional Procurement Savings - £70K adverse (£54K against the planned saving of £124K).</p>	<p>Divisions have absorbed non-pay increases within their current budgetary positions. This has allowed reserves for VAT and Non-pay to be allocated to the savings plan.</p>
Transformational Projects	Progress and next steps
<p>Multi Functional Devices – Exec Sponsor (P Simpson)</p>	<p>The proposal for the way forward is being considered by the Executive team at the next TDG meeting on 19th March.</p>

Year To Date	£'000
Plan	494
Actual	952
Variance	458
Forecast Out Turn for 11/12	
	£'000
Plan	600
Actual	1,099
Variance	499