

HSC FINANCE SCRUTINY QUESTIONS

1. Please summarise the Trust's 2017/18 financial plan – i.e. your start position, agreed control total, key elements of the plan including STF (sustainability and transformation funding).

- *The Financial plan for 2017/18 is to deliver a deficit of £21.6m. The Trust Board agreed to this Control Target although recognised it would be a significant challenge.*
- *The opening 2017/18 financial plan included the assumption of receiving £7.5m of STF funds.*
- *The Trust's summary financial results and projections are tabled below.*

Table 1 - Summarised Revenue Position

	2015/16 £m Actuals	2016/17 £m Actuals	2017/18 £m Plan	2017/18 £m Forecast	2018/19 £m Plan
Income	196.2	200.0	211.9	211.4	222.4
Sustainability Funding	n/a	10.0 ¹	7.5	5.3	7.5
Expenditure	-233.9	-236.7	-241.0	-238.3	-245.4
Deficit	-37.7	-26.7	-21.6	-21.6	-15.5
Control Target	n/a	-29.7	-21.6	-21.6	-15.5

¹ Trust's Sustainability funding was £7.9m in 2016/17 but was granted £2.1m incentive for over delivery of financial control target

2. Please set out your current 2017/18 forecast outturn position and key risks to delivery.

- *The Trust's current (M7) forecast outturn is to deliver the control target deficit of £21.6m. The main risks to deliver this position are :-*
 - (i) *Commissioner affordability – The Trust plans to deliver its activity plan in accordance to contract.*
 - (ii) *Recovery of STF funding – reliant on achievement of Emergency Department (ED) and financial performance.*
 - (iii) *Workforce – avoiding agency spend whenever feasible*
 - (iv) *Unplanned expenditure – aging estate, winter, special measure and CQC related costs.*

3. Please identify any significant commissioning / contractual issues not yet reflected into the 2017/18 plan (i.e. differences between commissioner and provider positions)

- *Trust and Commissioners currently have a 'Triangulation gap' of £14m. This Trust assumes its activity will be delivered within agreed contract values whereas CCG forecast underperformance on the contract.*
- *CQUIN Reserve (£0.8m). This is a National issue being discussed between NHSI and NHSE.*
- *Payment for Sepsis – National pricing issue.*

4. Please summarise your 2017/18 savings plans, current progress and expected impacts / key risks.

- *Trust's plans include £8.0m delivery of CIPs.*
- *Target savings were 90% relating to cost reduction, efficiency and transformational changes with 10% relating to income schemes.*
- *Year to date the Trust has delivered to plan and is forecasting to deliver the overall plan.*
- *Agency reductions of £1.3m are included in the CIP plan with the Trust having an annual agency target of £13.6m. Trust is currently behind plan on this target but has seen significant recent improvements in reducing medical agency spend and is forecasting to achieve the target.*

5. Please summarise CQUINs that apply to your organisation in 2017/18, financial value and expected outturn position.

- *Within agreed contracts the value of CQUIN funding totals £4.2m equating to 2.5% of the contract values.*
- *1.0% relates to involvement in the STP work and risk reserve and 1.5% relates to the delivery of nationally defined schemes detailed below (by applicable Commissioner).*
- *The Trust's planning assumption is to deliver 80% CQUIN and is on target.*

Item 6 Appendix 2 The Princess Alexandra Hospital NHS Trust

CCG CQUINs	Summary	CCG	NHSE
Health and Well Being	<ul style="list-style-type: none"> Improving staff survey scores on key questions relating to health and wellbeing, MSK and stress Improving food and drink options for staff, patients and carers such as banning price promotions on sugary drinks and foods high in fat, sugar or salt Achieving an uptake of flu vaccinations by frontline clinical staff of 70% 	✓	
Sepsis / Antimicrobial	<ul style="list-style-type: none"> Timely identification/treatment of patients with sepsis in emergency departments & acute inpatient settings Reduction in antibiotic consumption 	✓	
MH services in A&E	<ul style="list-style-type: none"> Improving services for people with mental health (MH) needs who present to A&E. Reduce by 20% number of attendances to A&E for those within a selected group of frequent attenders. 	✓	
Offering Advice and Guidance	<ul style="list-style-type: none"> Set up/operate A&G services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients into secondary care. 	✓	
NHS e-referrals	<ul style="list-style-type: none"> Availability of services/ appointments on NHS e-Referral Service. 	✓	
Proactive and Safe Discharge	<ul style="list-style-type: none"> Patients discharged to usual place of residence within 3-7 days of admission 	✓	
GE3 Meds Optimisation	<ul style="list-style-type: none"> Support procedural/cultural changes required to optimise use of medicines commissioned by specialised services 		✓
CA2 SACT	<ul style="list-style-type: none"> Standardising chemo doses offers opportunity for achieving improved value with possible wider benefits. 		✓

6. Please set out the longer term financial outlook for your organisation and summarise the key elements of your longer term financial sustainability plan

- A Strategic Outline Business (SOC) case for the development of an integrated health and wellbeing campus to replace the aging PAH hospital estate and transform healthcare services for the people of west Essex and east Hertfordshire has been submitted to the Trust Regulator (NHSI) who have subsequently submitted the case to DH.*
- The SOC was underpinned by a Long Term Financial Model extending to 2033/34.*
- Following the development and transformation of schemes the SOC forecasts the Trust deficit is reduced to £2.8m by 2027/28 with subsequent return to financial balance. This compares to a do minimum of £34.5m deficit in 2027/28.*
- The Trust has received a high level of support from stakeholders and awaits a decision by NHSI to progress to an Outline Business Case stage.*

7. How has the Trust reviewed its effectiveness and value for money in delivering service outcomes?

- The Trust has a number of indicators to review this including a current Reference Cost Index of 99.2 being better than the 100 index score.*
- The 'Model Hospital' data from NHSI calculates the Trust's average 'Weighted Average Unit' (WaU) of £3,500 being consistent with the average across all Trust's.*

- *The Trust is actively using the Model Hospital and Lord Carter data to identify and explore further opportunities.*
- *In the Trust's 2015/16 external auditor report the Trust was issued an adverse value for money conclusion. This was based on the financial deficit position and a lack of clear strategic direction recognising these issues were unlikely to be addressed in the short term.*
- *In the 2016/17 external audit report the auditors recognised significant progress in addressing the cost base and controlling costs plus the emergence of a clearer strategic direction. Nonetheless in the 2016/17 external audit report the auditors took a view that the strategic direction had not significantly progressed and therefore continued to issue an adverse VFM conclusion. The recent development and work to progress the SOC will significantly strengthen this position.*
- *The Trust also participates in various benchmarking exercises across the STP or NHSI.*

8. How is your organisation working in partnership to deliver improved system-wide sustainability?

- *The Trust both leads and participates in a number of collaborative and partnerships forums designed to improve system wide working and sustainability. These include :-*
 - *Accountable Care Partnership Board*
 - *STP including clinical (medicines optimisation) and non-clinical (procurement) workstreams*
 - *Health and Social Care working groups*
 - *Pathway redesign forums including pilots on Respiratory services.*
 - *Access Board*
 - *SOC Steering Group*
 - *Service Performance Quality Review Group (SPQRG)*