



Operational Finance Update for

Slough Borough Council Overview and Scrutiny Committee

1 February 2012

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Financial Background to 2011/12

At the end of the financial year 2010/11 the Trust had delivered the required savings for that year and had reduced the cost base of the organisation. The start of 2011/12 was complicated by the fact that we did not finalise a contract with the PCT until after the start of the year making it difficult for us to know how much income it would receive. We budgeted for similar levels of expenditure as in 2010/11 for the first 2 months of 2011/12.

When the contract was finalised the actual level of income we were to receive was considerably less than 2010/11 because the PCT had plans in place to reduce the amount of patients we would see as they would be offered alternatives in the community or in their own home. In response we reduced the amount of capacity we had so we could reduce the costs to meet the level of income. This included reducing the number of beds available etc. The budget was set to meet the lower level of income.

Unfortunately the services that were in place to help reduce the need for hospital care did not relieve the pressure on the hospital as we had all hoped. For example the Urgent Care Centre at A&E did not prevent as many people as we would have all liked from needing to come into the A&E Department, the Rapid Access Clinic in Maidenhead is very effective but is not yet seeing as many patients as it could.

This meant that we needed to continue to see a similar number of patients to 2010/11 but because it had taken out capacity, it needed to put it back in very quickly and this was at a higher cost as it required high numbers of agency staff to enable the level of need to be met rapidly.

Financial Background to 2011/12 – cont'd

We continued in this manner for 2/3 months as we expected that the numbers of patients would begin to fall as the new services took hold therefore the high level of agency staff was maintained for some time as it did provide the flexibility the Trust needed to increase/decrease staff numbers quickly.

As the summer progressed it became clear that we were overspending our budget. The cost over runs were in part related to the high cost staffing we had to use but also because we had some internal housekeeping issues we needed to address.

Following Board discussion, we submitted a revised financial reforecast for 2011/12 to Monitor on 11 November. The end of year position will be dependent upon the final amount of income we receive but will be a deficit figure somewhere between £13m to £15m. We had planned to end the year with a £4.7m deficit.

The forecast has been developed to enable us to deliver safe, effective care for the remainder of this year to a level equal to the number of patients we see using substantive staff as far as we are able and reducing the number of agency and temporary staff, this means we are actively recruiting Doctors and Nurses.

	Actuals				Reforecast December	YTD	
	Sept YTD	October	November	December		Actuals	Reforecast
Income	109,492	17,861	18,107	16,783	16,723	162,243	161,850
Pay	78,865	12,962	12,775	12,847	12,809	117,450	117,487
Non Pay	34,765	5,798	5,886	5,753	5,987	52,203	53,169
Operating costs	113,630	18,760	18,661	18,601	18,796	169,652	170,656
EBITDA	(4,138)	(900)	(554)	(1,817)	(2,073)	(7,409)	(8,806)
Financing etc	4,280	719	719	719	717	6,436	6,450
Surplus / (Deficit)	(8,418)	(1,619)	(1,273)	(2,536)	(2,789)	(13,846)	(15,256)

Trust Financial Forecast 2011/12

Whilst managing the hospital to be sure we deliver the quality and quantity of care we need for our patients and to be sure we can cope with winter pressures we must still be sure to drive as much efficiency as we can, so we do have an internal saving plan that is being monitored very closely to be sure it delivers as much as possible to keep the deficit as low as we can. Projects include improving the time it takes to recruit to minimise agency staffing costs, looking harder at our length of stay, and ensuring we discharge people effectively across 7 days a week.

We are confident we can deliver to the revised plan and hopefully improve that position further as we establish robust internal performance management systems and real time cost data to enable faster corrective action.

Finance for 2012/13

We have started contract discussions with the PCT for 2012/13 and it will be important for us all to be sure we plan for the correct number of patients in that year. It will also be important for us to continue to drive out cost through improved efficiency as there are some areas where we spend more than others would, for example our pay to non pay ratio is higher than our neighbour Trusts. This means that we must continue to work to reduce agency and temporary staff spend by ensuring we employ permanent staff, improve our IT systems so we can become less manually driven, and improve the “flow” of patients through the hospital so we can reduce beds through improved length of stay.

Clinical Performance

Our clinical quality and performance has always been and remains our highest priority.

The Trust Board continues to receive monthly Clinical Safety & Quality Reports which has recently demonstrated significant improvement in performance against specific targets:

- In relation to VTE risk assessment compliance, the Trust increased its performance from 61% during Quarter 2 to 90% at the end of Quarter 3.
- There has been a reduction of 28% in the average falls rate for 2011 to date, compared with 2010.
- The Trust's PCT-agreed target with regard to pressure ulcers at Grades 3 and 4 is to have no more than 14 instances for the financial year. The Trust total to date is four.
- At the end of November, the Trust had closed 95% of its complaints received, against a year end target of 90%. (In December 29 formal complaints, 127 informal/PALS complaints and several hundred compliments were received.) Of the complaints, the nature is set out below.
 - Treatment and diagnosis 21%
 - Communication 20%
 - Professional Conduct 11%
 - Advice & Information 6%
 - Appointment issues 6%
 - Care 6%

Clinical Governance & Compliance

The CQC undertook an unannounced inspection of the Wexham Park maternity unit ward on 12 October 2011. The Trust has received confirmation that the CQC assessed the Trust as being compliant with each of the standards reviewed.

Furthermore, on 26 October, the CQC undertook an unannounced inspection as a follow-up to a previous review that had occurred at the end of June 2011. The October follow-up inspection particularly focused upon safeguarding training, the safety of medical equipment and patient care plan documentation. The Trust was again found to be compliant in each of the inspected areas.

On 2 and 8 November, the CQC undertook a joint safeguarding inspection with Ofsted. The inspection examined the Trust's arrangements for safeguarding children. Informal feedback was positive with a good level of awareness of frontline staff and a consistent level of understanding of staff responsibility relating to safeguarding children and domestic violence.

All previous CQC conditions have been removed from the Trust's Registration.