

REPORT TO THE NORFOLK HEALTH OVERVIEW AND SCRUTINY COMMITTEE

Meeting Date: 17th January 2019

Report Title: Queen Elizabeth Hospital NHS Foundation Trust report in response to specific questions.

Purpose:

To provide updates and assurance in relation to the following areas;

1. Details of progress against each of the 'must do' and 'should do' actions set out by the CQC.
2. Details of capacity planning for this year and for the future.
3. Details of staffing including:-
 - a. Numbers of vacant posts
 - b. Staff sickness levels
 - c. Numbers of vacant posts and sickness absences covered by locum / agency / bank staff
 - d. Additional steps that have been taken to fill vacant posts and cover staff absences since the CQC inspection.
4. The current situation regarding the reported proposal to transfer patients to other hospitals due to insufficient staffing at the QEH.
5. Details of the QEH's financial position and 2018-19 end of year forecast.

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1. Details of progress against each of the ‘must do’ and ‘should do’ actions set out by the CQC.

Please see attached separate report. **(Appendix B)**

2. Details of capacity planning for this year and for the future.

The first major national deliverable for the 2019/20 planning round is the Initial Plan Submission on 14th January 2019.

The Trust will have its internal activity plan signed off by 7th January 2019.

The Trust’s plan will be aligned with the commissioner/STP plans by 11th January 2019.

The plan submission is being used as a regional checkpoint to assess progress against the demand, capacity and efficiency objectives set out in the planning letter. To support this checkpoint commissioners and providers are being asked to complete activity planning templates for submission and review by the regulator’s regional team.

These plans need to be demonstrably aligned across providers and commissioners. System-level planning should take full account of the significant contribution of specialist services, with STPs/ICs and NHSE regional hubs expected to work together to ensure alignment of plans.

The Trust therefore met with the commissioners on 11th December to specifically discuss the guidance and submission requirements for the 14th January, and to agree the initial actions to enable successful delivery of aligned plans to deadline.

Forecast Outturns (FOTs) will form the basis for the commissioner and provider plans. The Trust’s finance team produced revised FOTs based on month 8 data w/c 24th December 2018.

Due to the forthcoming changes to Identification Rules (IR) for identifying Specialised Commissioning related activity, the commissioner FOTs for the January collection will be provisional. The FOTs will be refreshed for the February submission template.

Financial planning returns will not be required for the 14th January and therefore the demand and capacity plans should be based on the capacity, both staffing and beds, that is already in place.

Activity and capacity plans are being requested for the following items:

- Referrals – GP, Other
- Outpatients – First and Follow Up attendances, and outpatient procedures
- Elective Admissions – Day Case and Ordinary
- Non-elective Admissions – Zero and 1+ Length of Stay
- A&E attendances – Type 1 and Other

- Bed numbers

The Trust had the referral planning figures completed by 18th December for review and discussion with the commissioners. The remaining items will be populated based on the revised FOT figures once available.

Plans are not being requested for any performance trajectories, or for RTT activity lines.

For all activity lines the regulators will provide provisional 18/19 FOT data, and require organisations to supply the following:

- Any adjustments to the 18/19 FOT
- A total 19/20 plan figure

This information will allow for the calculation of planned growth percentages for 2019/20. The Commissioning Support Unit (CSU) linked to West Norfolk CCG (the Lead Commissioners) have agreed to look at the Office of National Statistic (ONS) population projections by CCG area to estimate levels of demographic growth.

The 14th January submission also requires a further 3 elements:

- Monthly activity profiles
Organisations are to provide planned activity figures for each month of the year to ensure plans take account of seasonal demand and capacity.
- Waterfall
Organisations are to break down planned activity by components of change – for example the amount of additional activity they expect to provide due to demographic or counting & coding changes. This will enable the calculation of ‘real’ growth rates.
- Alignment data
Providers are to attribute activity across commissioners, including identifying the proportion of activity expected to come from specialised commissioning and other commissioning. Commissioners have been asked to undertake a similar exercise across their providers.

Indicative Activity Plans

A large element of the planning work centres around the formulation and agreement of the Indicative Activity Plans. A suite of models has been developed by the Informatics and Finance teams that cover four key areas to support the determination of a robust activity plan for 2019/20:

- Demand Model
- Capacity Model
- 2018/19 Forecast Out-turn (Actual Performance)

- Performance Delivery (including 18 Week Referral to Treatment and Cancer 62 Day Waits)

The 2018/19 Forecast Out-turn produced by the Finance team forms the basis for the Trust's plans.

The outputs of these models are being triangulated and cross-validated to determine a robust Indicative Activity Plan which will be reviewed and signed off by the Divisional/Clinical Sign Off Group. Financial modelling that takes account of the impact of the 2019/20 proposed national and local tariffs will then be applied to the activity plan to determine the associated finance for the operational income plan.

The final outputs of this work-stream will be Indicative Activity Plans (IAPs) with associated income at a Point of Delivery and Specialty level, split by commissioner.

Demand Model

This model is intended to show the predicted levels of demand for each specialty, by effectively showing the maximum expected levels of activity that could be treated based on the levels of referrals expected to be received by the Trust.

The starting point was an analysis of referral trends over a 24 month period by specialty. Year to date referral numbers were then extrapolated to year end based on referrals per day over the last quarter.

This formed the expected referral baseline for 2019/20. Further work for the 14th January plan submission is currently being undertaken to split the referrals further by source (GP/Other) and commissioner.

Once the predicted referral numbers were determined, the team analysed the current and historic conversion rates of referrals to new outpatient attendances over the same period. These were then applied to the referral figures to determine the expected Outpatient demand. This is currently being reviewed against the current New to Follow Up ratios and nationally observed ratios (using data from the Dr Foster data source) to sense check the expected outpatient demand.

Current and historic conversion rates from new outpatient attendances to elective Daycase and Inpatient spells were then reviewed to determine the rates to be applied to the outpatient figures to give an estimate of the demand for those services.

Year on year referral levels over the same 12 month period were then analysed to identify an expected level of growth to enable the team to predict the likely levels of referrals that will be received going forward into 2019/20. These figures can be plugged into the model to see the resultant expected impact on outpatient and inpatient activity.

As part of the work-stream for the plan submission on 14th January, the CSU agreed to look at the Office of National Statistic (ONS) population projections by CCG area to estimate levels of demographic growth, and their findings are currently being considered by the Technical Information & Finance group.

Demand that currently exists in the system through Appointment Slot Issues (ASIs), waiting lists and backlogs (linked to the Performance Delivery models) has also been included in the triangulation template to ensure that all expected activity has been captured.

The impact of any commissioning intentions proposed by the Trust that will affect demand levels, or commissioner Quality, Innovation, Productivity and Prevention (QIPP) related admission avoidance schemes are being reviewed by the Technical Information and Finance group. Suitable adjustments will be applied to the model where appropriate.

The Demand model is due to be shared with the commissioners by the end of December 2018, and will be finalised via the triangulation process by 10th January 2019.

Capacity Model

The intended function of the Capacity Model is to identify the activity levels that the Trust should be able to achieve based on its actual core capacity, assuming that the full establishment of workforce is in place. The model is based on a specialty level review of items such as clinic templates for Outpatients and Theatre rotas and bed numbers for Inpatients. Lengths of stay and bed numbers are also being considered. The output is subject to ongoing review with the operational and clinical leads for each Clinical Business Unit (CBU) for their feedback and sign off to ensure that any assumptions are appropriate, and that the core capacity figures are accurate and robust. This process is due to be completed by the 4th January when the triangulation exercise is due to be completed.

The information team is also working with the operational and clinical leads to identify any issues that would result in a deviation from the core capacity levels. This includes such items as additional capacity for non-recurrent activity (e.g. waiting list initiatives (WLIs)), out-sourcing of activity to alternative providers (e.g. Independent Sector), current vacancies and cover arrangements, periods of extended annual leave/long term sickness, recruitment, efficiency gains and the impact of known service changes and commissioning intentions.

These figures are being reviewed and refined through an iterative process with the CBU leads to determine expected capacity figures for each point of delivery and specialty for 2019/20.

2018/19 Forecast Out-turn (Actual Performance)

The forecast out-turn model is intended to show the levels of activity that would be expected for 2019/20 based upon what has actually been deliverable during 2018/19 and previous years. The Finance team have developed a model that is based on current year to date performance, out-

sourcing and run rates for each point of delivery and specialty that forecasts an out-turn position for 2018/19.

Growth assumptions would then be applied to the out-turn to determine a baseline.

The FOT model currently includes items such as backlog clearance.

This has resulted in a model for 2019/20 that reflects actual delivery. The Trust's finance team will be producing revised FOTs based on month 8 data by w/c 24th December and these figures have been reflected in the model and used as the basis of the plan submission on 14th January 2019.

Performance Delivery (including 18 Week Referral to Treatment and Cancer 62 Day Waits)

The Trust has produced a number of models to support in the performance management of key national and local quality requirements, such as the 18 Week Referral to Treatment (RTT) 92% threshold. The outputs of these models, such as total waiting list sizes, and their potential impact will need to be considered when determining the final planned activity and finance levels to ensure that they are aligned to the successful delivery of the required quality standards.

Triangulation Exercise

The Information and Finance teams are undertaking a series of reviews and discussions with the operational and clinical divisional leads regarding the triangulation and cross-validation of the outputs. This exercise is due to be completed by 10th January 2019.

This will ultimately result in the determination of a robust Indicative Activity Plan (IAP) at Trust Level anchored to the FOT.

As in the planning round for 2018/19, this work requires a series of meetings between divisional leads and executives to discuss any gaps identified between the expected levels of Demand, Capacity and Actual delivery, and what mitigating actions can be taken to close them. These actions and their associated level of risk will be reviewed and signed off by the Divisional/Clinical Sign Off Group.

This process will also include a revisit of the activity levels that were agreed and signed off by the divisional operational and clinical leads for 2018/19 and 2017/18. As those levels were expected to be achievable at the point of sign off, there will need to be clear and detailed understanding of the issues and drivers where those levels have not been realised in-year. The review will need to establish if the remedial actions that were agreed have been implemented, and the barriers where this has not been the case. An assessment of current activity run rates will need to be made to reaffirm if the activity levels are still achievable, or if alternative remedial actions would be required, with clear timescales regarding their planned implementation as appropriate.

Workforce Planning

Upon completion of the Triangulation Exercise, the outputs will be aligned to the planning for Workforce.

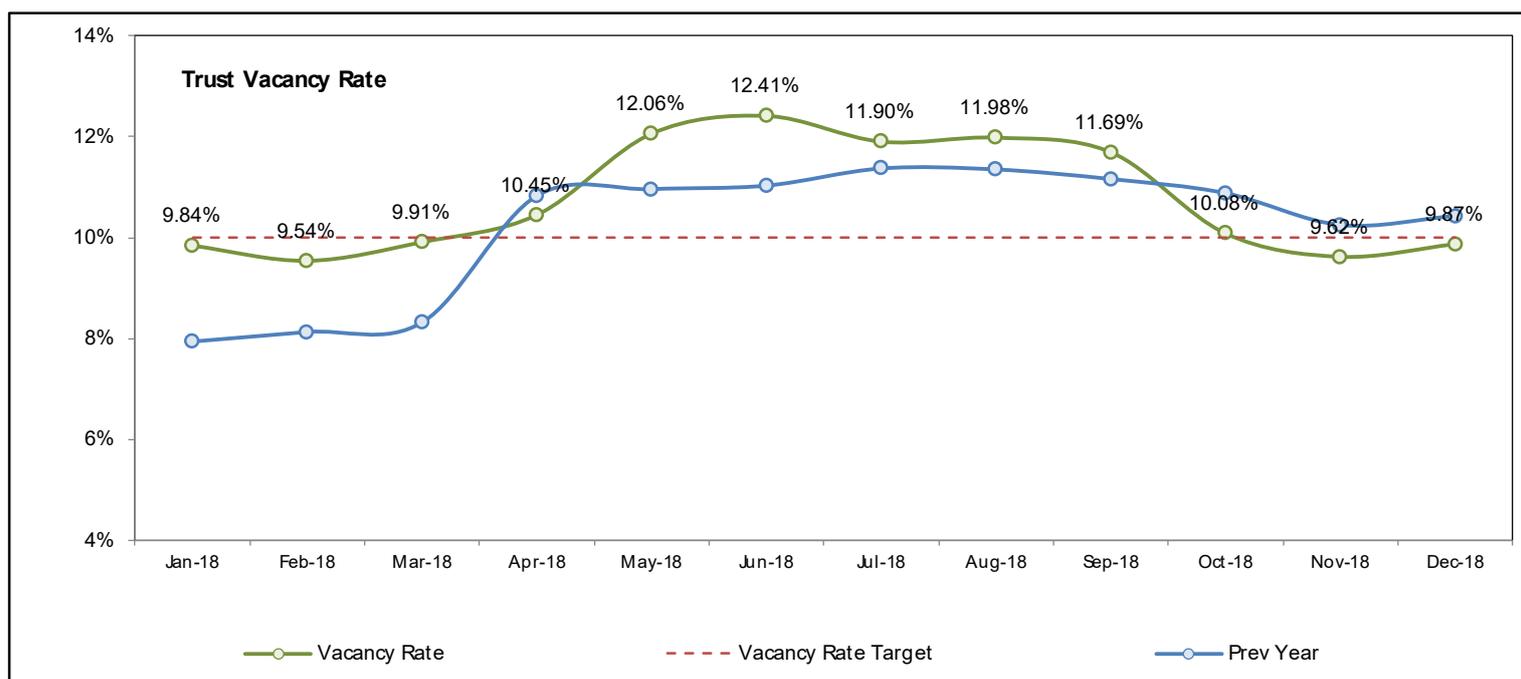
The number of Whole Time Equivalent (WTEs) across all areas that are required to deliver the plans will be modelled, along with all supporting services. This exercise will need to consider the impact of any commissioning intentions and service changes.

Any areas of recruitment and retention risk will be identified, with contingency actions drawn up for each as appropriate. This will enable a full HR Structure to be developed which will also support the production of the Trust's Operational Plan.

3. Details of staffing including:-

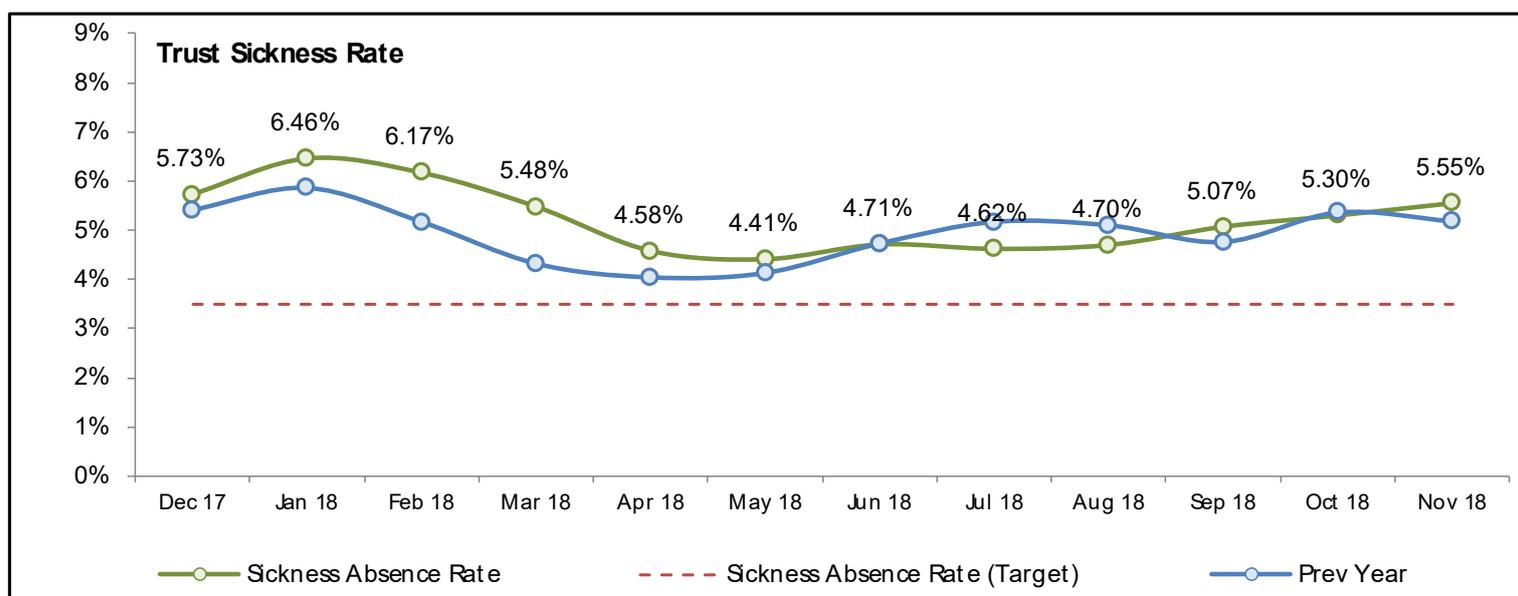
a. Numbers of vacant posts – as at 21st December 2018

Row Labels	Sum of FTE Budgeted	Sum of FTE Actual	Sum of FTE Variance	% FTE Variance
Add Prof Scientific and Technic	109.88	112.72	2.84	2.58%
Additional Clinical Services	577.75	541.30	-36.45	-6.31%
Administrative and Clerical	585.17	546.08	-39.09	-6.68%
Allied Health Professionals	157.10	153.18	-3.92	-2.49%
Estates and Ancillary	348.42	304.15	-44.27	-12.71%
Healthcare Scientists	34.94	28.60	-6.34	-18.15%
Medical and Dental	397.49	369.43	-28.06	-7.06%
Nursing and Midwifery Registered	959.69	801.90	-157.79	-16.44%
Students	2.00	2.00	0.00	0.00%
Grand Total	3172.44	2859.37	-313.07	-9.87%



b. Staff sickness levels – as at 30th November 2018

Summary Sickness Absence Trust Level	
2017 / 12	5.74%
2018 / 01	6.46%
2018 / 02	6.09%
2018 / 03	5.48%
2018 / 04	4.58%
2018 / 05	4.41%
2018 / 06	4.72%
2018 / 07	4.62%
2018 / 08	4.70%
2018 / 09	5.07%
2018 / 10	5.30%
2018 / 11	5.55%



c. Numbers of vacant posts and sickness absences covered by locum / agency / bank staff

Medical – there are currently 42 Locum Doctors within the Trust who are covering vacant posts / sickness.

Nursing – November data. 203 whole time equivalent bank and agency nursing staff utilised to cover sickness and vacancies.

d. Additional steps that have been taken to fill vacant posts and cover staff absences since the CQC inspection.

- Increased Registered Nurse (RN) fill rate

- Increased oversight of staffing levels and % of agency use on each ward to allow improved decision-making in relation to staff movement
- Maintained high Friends and Family Test (FFT) scores within all ward areas
- Reduction in recruitment process to a rolling cycle of 7 weeks
- Review of International Recruitment process and agencies (prediction 10 every 6 weeks – 5 joining in January)
- Student nurse fast-track offer process and recruitment incentives
- Recruitment incentives agreed
- Enhanced bank payments over the Christmas period
- Nursing pipeline and vacancy information produced on a weekly basis

Retention initiatives;

A number of initiatives are being developed and implemented that will aid retention. Whilst there are some initiatives that are specific and being piloted within nursing there is an intention to roll these out across all staff groups if appropriate.

Reporting Concerns;

Who can I tell sessions have been held. These sessions covered the outcome of the CQC report and the associated action plan. The session also explained how individuals can raise concerns and the channels that are available for staff to raise these concerns.

Training opportunities;

Leadership development offered to senior managers

360 degree appraisals have been rolled out for band sevens and above in maternity services and outcomes are being provided to these members of staff

Increased Engagement;

Cultural workshops with specific services have been held or are due to be held where the staff survey and staff FFT have raised concerns about the behaviours within the departments

The Trust continues to run Schwartz rounds which focusses on the emotional impact rather than clinical learning

Chief Executive information sessions and briefings with staff continue to take place and allow staff to raise concerns

The new values have been launched and the Trust will be reintroducing values awards for all staff groups

Be Well – Staff Health and Well Being;

The Trust has agreed to pay the fee for the EU settlement scheme to allow staff to apply through the early stage of this process

Health and well-being initiatives including mindfulness training, training for managers in managing mental health in the workplace are being developed.

The Service eye care has been attending the Trust throughout November and this has been well attended.

Health promotion work continues to take place and is centred around national campaigns

Just for You;

- East of England based Credit union in partnership with Joint Strategic Commissioning Committee
- Neyber financial advice to staff
- NHS discounts for staff both locally and nationally

Retention initiatives specifically for nursing staff;

- Local university recruitment programme commenced
- Internal nurse transfer policy and stay conversations
- Band 7 and 6 development programme

Health and Wellbeing Initiatives will be highlighted in the two campaigns “Be Well” and “Just for You” in January 2018.

Following feedback and suggestions from the November Trust Board the HR Division are reviewing how they could utilise the “Why are you staying” question to gather additional ideas from staff to further inform next year’s implementation Plan.

4. The current situation regarding the reported proposal to transfer patients to other hospitals due to insufficient staffing at the QEH.

The Trust has explored the option of the transfer of urgent and cancer patients to NNUH but this is not being taken forward for a number of reasons.

The Trust have put in place an alternative scheme (implemented during the first week of January) to enable the running of an extended recovery unit staffed by theatre staff to accommodate the vast majority of the planned elective work.

In addition the Trust is continuing to work with Independent Sector Providers (ISP) to ensure that we are able to offer routine elective surgery to as many of our patients as possible.

5. Details of the QEH's financial position and 2018-19 end of year forecast.

5.1 Year to date financial position

At the end of November, the year to date, the Trust has made a pre-Provider Sustainability Fund (PSF) loss of **£22.4m**, £10.5m adverse to the pre-PSF plan and **£13.9m** adverse to the NHSI control total (which includes planned receipt of PSF).

The 2018/19 financial plan was finalised prior to the conclusion of pay award negotiations for NHS staff employed under "Agenda for Change" terms and conditions of employment (the majority of NHS staff, excluding the medical workforce).

Additional funding in the form of income has been provided to offset the unplanned cost element of the pay award settlement. The impact of the additional funding and cost is separately identified in the table below in order to show the underlying operational variances.

Subjective	YTD		Variance	
	2018/19 £000	A4C > 1% £000	exc > 1% A4C £000	Variance
Clinical Income	(4,198)	1,440	(5,638)	Adverse
Other Income	(131)		(131)	Adverse
Pay	(3,821)	(1,440)	(2,381)	Adverse
Non Pay	(2,447)		(2,447)	Adverse
Financing Costs	60		60	Favourable
PRE-PROVIDER SUSTAINABILITY FUND VARIANCE	(10,537)	0	(10,537)	Adverse
Provider Sustainability Fund	(3,356)		(3,356)	Adverse
CONTROL TOTAL VARIANCE	(13,893)	0	(13,893)	Adverse
Other items outside of control total deficit	(49)		(49)	Adverse
Net (Deficit)/Surplus	(13,942)	0	(13,942)	Adverse

The year to date adverse to plan financial performance is driven by:

- Planned productivity improvements not being achieved (reflected in the clinical income variance).
- Unplanned costs incurred to improve service quality and
- Failure to deliver the planned level of cash releasing cost savings.

5.2 Forecast outturn financial position

Incorporating all appropriate and known factors, the assessed forecast outturn at the end of September 2018 was for a £34.2m pre-Provider Sustainability Fund

(PSF) deficit. A deficit of £34.2m will be **£18.4m adverse to the pre-PSF plan** and £24.5m adverse to the control total agreed with the Regulator.

The key drivers of the £18.4m adverse position to the original 2018/19 Trust financial plan can be summarised as follows:

- Under delivery of clinical income of £8.1m adverse
- Under delivery of Cost Improvement Programmes (CIPs) £4.9m adverse
- Pay net overspends of £2.6m adverse
- Non Pay overspends of £2.3m adverse
- Under delivery of other income £0.6m adverse
- Underspend in financing costs of £0.1m favourable

Immediate grip & control actions to assist with the delivery of, and potentially improve upon, the 2018/19 £34.2m deficit forecast outturn have been implemented. However, risks to the forecast outturn are though at a greater scale than the currently identified in-year mitigations.

5.3 Risks to forecast outturn

Currently the identified risks to the forecast outturn are:

- Delivery of forecast levels of elective income and the impact of winter pressure
- Out-patient productivity.
- Commissioner claims in relation to 2018/19 and also to 2017/18 are an ongoing point of dispute and negotiation.
- The forecast level of cash releasing cost reductions not being achieved, particularly planned workforce and procurement savings.

Currently the additional mitigations that could improve the forecast are:

- Grip and control measures operationalised.
- Financial Recovery Board (FRB) instituted.
- Developing Service Line Reporting specialty/Clinical Business Unit specific bottom up staged recovery targets aligned to Model Hospital/Reference Cost peer performance.
- Outline brief developed for additional external expertise and capacity to support to delivery of forecast outturn.