

Reporting to:	Trust Board – 1 May 2014																								
Title	Annual Losses, Compensation and Write offs																								
Sponsoring Director	Neil Nisbet, Finance Director																								
Author(s)	Vicky Hall, Senior Financial Accountant																								
Previously considered by																									
Executive Summary	<p>The following table summarises the losses and special payments during 2013/14 that require Trust Board approval:</p> <table> <tr> <td>NHSLA Public Liability settlements (£3K maximum per case)</td> <td>£8,600</td> </tr> <tr> <td>NHSLA Employer Liability Settlements (£10K maximum per case)</td> <td>£116,023</td> </tr> <tr> <td>Payment in lieu of complaints</td> <td>£8,287</td> </tr> <tr> <td>Contribution for patients loss of items/cash</td> <td>£7,845</td> </tr> <tr> <td>Write-off of disused stock in Stores</td> <td>£11,116</td> </tr> <tr> <td>Bad debt write-offs - Private Patients</td> <td>£3,322</td> </tr> <tr> <td>Bad debts - Overseas patients (overseas patients are always set up as potential bad debts)</td> <td>£2,545</td> </tr> <tr> <td>Bad debts - Other</td> <td>£6,353</td> </tr> <tr> <td>Claims withdrawn from the Compensation Recovery Unit</td> <td>£354,571</td> </tr> <tr> <td>Increase in bad debt provision (CRU Bad Debt provision at 15.8% previously 12.6% to September 2013)</td> <td>£40,614</td> </tr> <tr> <td>Pharmacy expired stock</td> <td>£83,119</td> </tr> <tr> <td>Total</td> <td>£642,395</td> </tr> </table>	NHSLA Public Liability settlements (£3K maximum per case)	£8,600	NHSLA Employer Liability Settlements (£10K maximum per case)	£116,023	Payment in lieu of complaints	£8,287	Contribution for patients loss of items/cash	£7,845	Write-off of disused stock in Stores	£11,116	Bad debt write-offs - Private Patients	£3,322	Bad debts - Overseas patients (overseas patients are always set up as potential bad debts)	£2,545	Bad debts - Other	£6,353	Claims withdrawn from the Compensation Recovery Unit	£354,571	Increase in bad debt provision (CRU Bad Debt provision at 15.8% previously 12.6% to September 2013)	£40,614	Pharmacy expired stock	£83,119	Total	£642,395
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Strategic Priorities <input type="checkbox"/> Quality and Safety <input type="checkbox"/> Healthcare Standards <input type="checkbox"/> People and Innovation <input type="checkbox"/> Community and Partnership <input checked="" type="checkbox"/> Financial Strength	Operational Objectives																								
Board Assurance Framework (BAF) Risks	<input type="checkbox"/> If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience <input type="checkbox"/> If we do not implement our falls prevention strategy then patients may suffer serious injury <input type="checkbox"/> Risk to sustainability of clinical services due to potential shortages of key clinical staff <input type="checkbox"/> If we do not achieve safe and efficient patient flow and improve our processes and capacity and demand planning then we will fail the national quality and performance standards <input type="checkbox"/> If we do not have a clear clinical service vision then we may not deliver the best services to patients <input type="checkbox"/> If we do not get good levels of staff engagement to get a culture of continuous																								

	<p>improvement then staff morale and patient outcomes may not improve</p> <p><input type="checkbox"/> If we are unable to resolve our (historic) shortfall in liquidity and the structural imbalance in the Trust's Income & Expenditure position then we will not be able to fulfil our financial duties and address the modernisation of our ageing estate and equipment</p>
<p>Care Quality Commission (CQC) Domains</p>	<p><input type="checkbox"/> Safe</p> <p><input type="checkbox"/> Effective</p> <p><input type="checkbox"/> Caring</p> <p><input type="checkbox"/> Responsive</p> <p><input type="checkbox"/> Well led</p>
<p><input type="checkbox"/> Receive <input type="checkbox"/> Review</p> <p><input checked="" type="checkbox"/> Note <input checked="" type="checkbox"/> Approve</p>	<p>Recommendation</p> <p>To NOTE and APPROVE the annual losses, compensation and write-off of bad debts</p>

Losses and Special Payments of the Shrewsbury and Telford Hospital NHS Trust

Period Details	12/13	12/13													YTD
	Total £	Average £	Apr-13 £	May-13 £	Jun-13 £	Jul-13 £	Aug-13 £	Sep-13 £	Oct-13 £	Nov-13 £	Dec-13 £	Jan-14 £	Feb-14 £	Mar-14 £	
Public Liability Settlement	15,550	1,296			7,650	200			4,750	200	3,197		200		16,197
Reimbursement from NHSLA for Public Liability Settlement	(4,150)	(346)				(4,250)			(1,750)		(1,597)				(7,597)
Employers Liability Settlement	104,435	8,703	12,450	12,748	2,500	40,200	14,000	7,400	18,448	514	21,294	600	7,827	200	138,181
Reimbursement from NHSLA for Employers Liability Settlement	(22,200)	(1,850)				(9,180)			(4,750)		(2,678)		(5,550)		(22,158)
Settlement in lieu of employment tribunal claim against Trust	-	-													-
Payment in lieu of complaint	1,824	152							1,787				6,500		8,287
Contribution for patients loss of items	2,694	224		1,025		3,310		998	438	1,261	334	340	140		7,845
Reimbursement of patients cash	73	6													-
Contribution towards cost of lost medical equipment	14,285	1,190													-
Write-off of disused stock in Stores	-	-												11,116	11,116
Late payment fee	-	-													-
Bad debt write-offs - Private patients	-	-						468					2,854		3,322
Bad debt write-offs - Overseas patients	13,396	1,116										1,588		7,358	8,946
Bad debts written back - Overseas patients	(7,560)	(630)							(54)			(5,117)		(1,231)	(6,401)
Bad debt write-offs - Other	6,554	546						2,309		455	1,201	298	2,090		6,353
Increase/Decrease in general bad debt provision	4,643	387												342	342
CRU Bad Debt write-off claims cancelled from CRU system*	339,809	28,317	18,255	25,484	30,429	19,857	32,412	64,326	15,348	37,623	31,927	32,855	31,383	14,673	354,571
CRU Bad Debt Provision at 15.8% (previously 12.6% to September 2013)	68,679	5,723	(350)	(665)	5,481	11,518	(6,984)	(9,941)	91,332	(19,529)	(14,899)	(2,010)	(2,908)	(10,772)	40,272
PRH Pharmacy expired stock:**	60,575	5,048	2,767	2,177	4,497	4,108	3,455	771	4,115	1,017	1,666	920	2,590	2,576	30,660
RSH Pharmacy expired stock:**	58,893	4,908	3,122	4,735	1,870	5,583	1,730	2,526	3,950	18,998	630	5,983	2,616	717	52,459
Total for period	657,499	54,792	36,244	45,504	52,427	71,345	44,613	68,857	133,613	40,539	41,075	35,457	47,742	24,979	642,395

Summary By Type

	12/13	12/13													
	Total	Average	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	YTD
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Liability Settlements	93,635	7,803	12,450	12,748	10,150	26,970	14,000	7,400	16,698	714	20,217	600	2,477	200	124,623
Settlement in lieu of employment tribunal claim against Trust	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment in lieu of complaint	1,824	152	-	-	-	-	-	-	1,787	-	-	-	6,500	-	8,287
Contribution for patients loss of items	2,694	224	-	1,025	-	3,310	-	998	438	1,261	334	340	140	-	7,845
Write-off of disused stock	-	-	-	-	-	-	-	-	-	-	-	-	-	11,116	11,116
Reimbursement of patients cash	73	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution towards cost of lost medical equipment	14,285	1,190	-	-	-	-	-	-	-	-	-	-	-	-	-
Late payment fee	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Movement	425,522	35,460	17,905	24,819	35,910	31,375	25,428	57,162	106,627	18,549	18,228	27,613	33,419	10,371	407,405
Expired Stock **	119,467	9,956	5,889	6,912	6,367	9,691	5,185	3,297	8,064	20,015	2,296	6,904	5,206	3,293	83,119
Total for period	657,499	54,792	36,244	45,504	52,427	71,345	44,613	68,857	133,613	40,539	41,075	35,457	47,742	24,979	642,395

Comments

*Compensation Recovery Unit ((CRU) previously Road Traffic Accidents (RTA)) recognised on a monthly basis from the Department of Work and Pensions (DWP).

** Certain drugs have to be kept in stock but are rarely used. These have a limited shelf life and have to be replaced periodically. In addition any un-used Chemotherapy drugs can not be used on other patients since they are prepared on an individual basis.