

Paper 7

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| Recommendation <input type="checkbox"/> DECISION <input checked="" type="checkbox"/> NOTE | <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">The Trust Board</div> <p>The Trust Board is asked to note the contents of this update which includes an overview of the financial impact of the Trust's winter resilience plans.</p> |
| Reporting to: | Trust Board |
| Date | 8 th February 2018 |
| Paper Title | Winter Resilience 2017/18 Financial Position Update |
| Brief Description | To provide an update on the financial impact of SaTH's winter resilience plan 2017/18. |
| Sponsoring Director | Finance Director and Deputy Chief Executive |
| Author(s) | Senior Finance Officer (Unscheduled Care) |
| Recommended / escalated by | Not applicable |
| Previously considered by | Not applicable – Produced for Trust Board |
| Link to strategic objectives | <p>Patient and Family</p> <p>Safest and Kindest</p> <p>Innovative and Inspirational Leadership</p> <p>Values into Practice</p> |
| Link to Board Assurance Framework | <ul style="list-style-type: none"> • 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 (RR 561) • If we do not work with our partners to reduce the number of patients on the Delayed Transfer of Care (DTOC) lists, and streamline our internal processes we will not improve our 'simple' discharges (RR 951) • If there is a lack of system support for winter planning then this would have major impacts on the Trust's ability to deliver safe, effective and efficient care to patients (RR 1134) • If we are unable to implement our clinical service vision in a timely way then we will not deliver the best services to patients (RR 668) • If we are unable to resolve the structural imbalance in the Trust's Income & Expenditure position then we will not be able to fulfil our financial duties & address the modernisation of our ageing estate & equipment (RR 670) • If we do not deliver our CIPs and budgetary control totals then we will be unable to invest in services to meet the needs of our patients (RR1187) |

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| | <ul style="list-style-type: none"> • If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale & patient outcomes may not improve (RR 423) • Risk to sustainability of clinical services due to shortages of key clinical staff (RR 859) |
| <p>Outline of public/patient involvement</p> | |
| <p>Equality Impact Assessment</p> | <ul style="list-style-type: none"> <input checked="" type="radio"/> Stage 1 only (no negative impacts identified) <input type="radio"/> Stage 2 recommended (negative impacts identified) <ul style="list-style-type: none"> * EIA must be attached for Board Approval <input type="radio"/> negative impacts have been mitigated <input type="radio"/> negative impacts balanced against overall positive impacts |
| <p>Freedom of Information Act (2000) status</p> | <ul style="list-style-type: none"> <input checked="" type="radio"/> This document is for full publication <input type="radio"/> This document includes FOIA exempt information <input type="radio"/> This whole document is exempt under the FOIA |

Introduction

This paper provides an update to the Trust Board on the financial position of the Trust's Winter Plan 2017/18.

1.0 SaTH's Winter Plan Expenditure

Costs are expected to be incurred this financial year totalling £5.0m in relation to winter resilience. These costs can be described in three elements, those in the original winter plan schemes as set out in October 2017 (£3.5m), additional schemes identified in response to NHSI further winter funding in January 2018 (£0.7m) and other increases in costs since October outside of both plans (£0.8m).

As outlined in previous updates to the Trust Board from the Chief Operating Officer, a budget of £2.4m had been identified through the System A&E Delivery Board. During the initial planning phase the internal winter planning group there was an estimated level of spend of £3.9m, an overspending of £1.5m. A subsequent prioritisation process reduced this forecast by £0.4m to £3.5m which remains the current forecast expenditure for these specific winter schemes. Table 1 below outlines the original plan versus current forecast in spend against these schemes.

Table 1: Scheme plans and forecast

| | Original Winter Plan £,000 | Forecast Outturn £,000 | Variance to Plan £,000 |
|---|-------------------------------------|------------------------------|------------------------------|
| Acute escalation beds & nursing support to base wards / A&E | 1,606 | 2,406 | 800 |
| Medical Staffing | 380 | 805 | 425 |
| Clinical Support Services | 286 | 101 | (185) |
| Discharge Lounge | 128 | 158 | 30 |
| Total | 2,400 | 3,470 | 1,070 |
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The increase in medical staffing costs was mainly a result of an Executive decision to increase the number of consultant and non-consultant medical staff to support both the additional levels of escalation and to improve the level and consistency of patient discharges.

Whilst the table above describes the forecast costs incurred against the specific schemes in the plan, the Trust has faced significant operational pressures in the past couple of months which will have created additional financial pressures, outside of these schemes. For example additional nursing staff have been utilised which in part will be due to the level of acute escalation beds over the winter period as described in the original plan being exceeded, leading to increased agency costs.

In addition to the winter resilience plan, there were several schemes for the Trust to implement, as outlined in the Operational Plan 2017/18, which were supporting the winter resilience plan and required a level of finance investment to initiate.

An investment of £0.2m was made this financial year in relation to SaTH2Home, commencing from in October to support around 20 patients each week be discharged from an Acute bed with clinical support. The impact of the scheme should have been to alleviate the need for c20 beds per week. The scheme has only been partially successful with to date fewer than 20 patients each week being identified to receive the new service.

Bed reconfiguration in Scheduled and Unscheduled Care Group realigned 22 beds between the two Care Groups. In addition to this with the expected impact of both SaTH2Home and the additional capacity provided in the system wide winter plan, there was an expected benefit of circa 50 beds. During December and January the organisation hasn't been able to realise the anticipated benefits of a reduced bed base and has instead, to a large extent, had to absorb this activity, creating the need to support this activity within the acute bed capacity. The financial impact of this has been to utilise additional medical and nursing staff, mainly at agency rates.

The financial impact of the above schemes outside of the original winter plan is forecast to be in the region of £0.8m.

In January 2018 NHSI provided further funding to support new schemes as well as to offset the existing financial pressures in relation to winter resilience plans. The new schemes that have been identified include increasing the number of medical staff in medicine to support discharge, clinical staff to support A&E departments and additional bed capacity in the county. The level of the additional costs for these new schemes is forecast to be £0.7m.

A further financial risk was the directive to cancel elective activity for up to 5 weeks from end of December and into January. This will have created lost income in the region of £1.2m (3,500 attendances), although this financial income risk has been mitigated by the yearend financial agreements with the CCGs. The effect of re-provision of this activity is being worked through operationally. One potential scenario is that if these patients are re-scheduled into additional clinics at premium rates it could cost c£1.2m. A second potential scenario is that the existing waiting lists are re-profiled / rescheduled to accommodate the displaced patients which would expect to have a material financial cost, but could adversely impact RTT performance into next financial year.

2.0 Funding of Winter Funding

Winter funding was received by the Trust totalling £4.9m.

As part of negotiations with CCGs, income totalling £2.3m was received to offset the cost of supplying the additional resource for winter (Telford and Wrekin CCG amounting to £1m and for Shropshire County CCG £1.3m).

In December NHSI approved a second tranche of winter funding amounting to £2.6m in return for the Trust providing assurance that A&E 4-Hour performance target would be at least 90% in quarter 4.

3.0 Key Challenges and Risks

The level of expenditure incurred in response to the winter demands this year (£5.0m) has been higher than in any previous financial year. Funding levels have been provided by Commissioners and NHSI (£4.9m) to support the majority of the predicted levels of spend, providing the expenditure don't exceed those currently forecast.

Although the current forecast has taken into consideration the more recent demands on services and workforce, with the high levels of escalation potentially continuing into February and March, this could create even greater demands on workforce requirements leading to additional costs beyond those currently forecast. This would adversely impact the Trust's ability to achieve its current financial forecast outturn.

The ability to resource the required levels of staffing in response to these schemes and operational issues, has generally been achieved through utilising agency staff. This has therefore had an adverse impact against the Trust's annual agency cap target of £10.6m, as set by NHSI. The current forecast adverse variance to target of c£8m.