

Board Report

Meeting	Foundation Trust Board		
Date	28 th July 2011		
Agenda Item	Item 2 (Enclosure 2)		
Author	Carol Bode		
Title of Report	Chair's Report		
Purpose	Discussion and noting		
Recommendation	That the Board should receive the attached report and agree priority areas for Board development.		
<i>Strategic Goals (please ✓ as appropriate)</i>			
Service commitments: To deliver personal, clinically safe and effective services to each service user and carer.			✓
Patient experience: To continuously improve user experience.			✓
Financial health: To generate a surplus for re-investment in services and manage financial risk.			✓
Local accountability: To drive and enable local accountability.			✓
Customer focus: To understand our customers' needs and how to fulfil them.			✓
Social responsibility: To act in a socially responsible manner.			✓
Excellent employer: To be employer of choice for local health and social care staff.			✓
Teaching Trust: To work in partnership to provide excellent healthcare education and training.			
Research and development: To advance evidence based practice to the benefit of service users.			✓
To maintain effective governance throughout the Trust			✓
<i>Implications (please ✓ as appropriate)</i>			
Legal		Financial	
People		External Relationships	
Environmental		Equality & Diversity	
Human Rights		ICT	

Board Report

Date: 20th July 2011

Author: Carol Bode

For: Foundation Trust Board

Subject: Chair's Report

<i>Chair's Key Themes</i>				
<i>Direction</i>	<i>Leadership</i>	<i>Communication</i>	<i>Culture</i>	<i>Cohesiveness</i>

Internal

1. Trust Board News

1.1 Board Development

This programme has now commenced with the first day devoted to Chair/CEO coaching aimed at reviewing and bringing further clarity to respective roles and ways of working. The Trust Board will be observed on 28th July and feedback will be provided on current "modus operandi". All Directors will be asked to meet with Deloitte individually in advance of the next Board development day planned for 15th September and I would encourage everyone to accommodate this request as findings will dictate what is covered as priority issues for developing Board effectiveness on this day.

1.2 Non Executive performance appraisal

These are completed with areas of focus agreed with each individual for 2011-12. I will be providing the Governors Nominations Committee with a summary output to provide assurance that the process has been conducted satisfactorily at their next meeting.

1.3 Board schedule

The timetable for the remaining part of the year is confirmed and published. Please can all Directors ensure they have all key dates scheduled into diaries as a priority? Attendance at recent sub committees (in particular the Assurance Committee in July) has been disappointing.

1.4 Board operations in future

As a result of the "pause" and recommittal of the health bill to the public bill committee the Board need to be mindful of the following proposals:

- Directors' duties are amended to bring them in line with company law including the duty to promote the success of the corporation to maximise benefits for members of the corporation and public. The bill adds the duty of candour (**Comment**-this would ensure that FT's governance code was in line with best practice)
- Hold Board meetings in public [REDACTED] To date the Trust has held its Board meetings in private so as not to undermine the governance structure on which the FT model is based. In order to ensure public accountability we have in addition to Board meetings been adopting a position which has seen the Trust hold up to 11 meetings per annum with Governors and members in public i.e. through Council of Governor meetings and public constituency meetings. The Trust Board needs to review this position however in light of the inevitable conclusion of the bill).

- Publish agendas and minutes [REDACTED]
[REDACTED] I recommend that the Trust Board reviews its publication scheme and in so doing all information that is accessible via the website. [REDACTED]
[REDACTED]
[REDACTED]

1.5 Trust Secretary.

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Interim arrangements are being sought under the guidance of the Associate Director of Governance to ensure that the basic operations continue to function with the ability to call on external legal advice from Bevan Brittan as and when needed. Meanwhile, a longer term solution is being sought and I have been in discussion with 3 external firms to seek assistance with this and with the knowledge of the Associate Director of Governance and Medical Director. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] A favoured option comes from those with solid and sound reputations in this field and so far entails:
 - Board workshop session on corporate governance and lessons learned from other FTs
 - Working with Associate Director Governance to fully scope roles and review current governance issues and spot and mitigate any omissions
 - Prepare a revised job description and work plan for recruitment purposes with follow up coaching and mentoring of successful candidate.

2. Council of Governor News

2.1 Governor elections

Results of Governor elections should be available imminently. No member of staff put their names forward to stand for the North staff constituency area and therefore this will need to be re run. In terms of appointed governors, we are still seeking a Children's organisation to be represented on the Council and I have had discussions with the South Locality manager of the Alzheimer's Society about taking on the seat for their organisation so that we have county wide representation. Sue Knight, the current incumbent and currently of Winchester Alzheimer's branch only, has been offered the opportunity to stay connected to the Council as an associate governor in the future.

2.2 Evaluation of Council of Governor Effectiveness

Results of this have been collated and will be shared with Governors and Board members this month following initial discussions between the Chair and Lead Governor.

Please also refer to a national survey from Monitor of "NHS FT Trust Governors 2010/11"

2.3 Governor Engagement and Development

Please refer to Monitor latest publication "Current practice in NHS FT member recruitment and engagement"

Re 2.2 and 2.3 my personal view is that whilst we can identify many areas in which the contribution of Governors can be further developed to ensure added value for both parties, this Trust is actually well placed and ahead of the game in many respects to take on board any plans in the future to increase the powers and role of Governors in light of the changing regulatory environment.

2.4 *Governors Future Role*

As a result of the “pause” and recommittal of the health bill to the public bill committee the Board need to be mindful of the following proposal:

- New duties to hold NEDs to account for the performance of the FT Board and to represent the interests of FT members and public.
- Compels FT to change name of governor body to “Council of Governors.
- FT must ensure that governors have the right skills and knowledge to carry out this role”

(**Comment**-although this measure has not been removed from the bill, the maintenance of Monitor’s role until 2016 means that support can be phased)

- Recent Trust internal Governor events have included:
 - Representative Governors in attendance at Board strategy day
 - Council of Governors strategy development day
 - Governors Nominations Committee to develop resource and recruitment plans for 2012Records are available for each upon request.

3. **Other News**

3.1 Internal Conferences

I have had the opportunity and great pleasure to attend 3 internal staff conferences: Research and Outcomes Conference, Spiritual Care in Action and the Consultants Conference since our last Board meeting. Each was very different but each a great success mainly due to the huge enthusiasm and contribution of all staff who attended and the pre planning and organisation that went into them. A variety of interesting guest speakers were evident in all and were warmly received by those attending. Throughout each event many innovative, interesting ideas and solutions were put forward and discussed which to me demonstrated just how much untapped potential there is in the Trust that if unleashed and harnessed could really take this business forward in a positive way.

3.2 Period of change

In my dealings around the Trust it is very evident that currently there are high levels of anxiety and tension in all levels of staff due to the significant transformational change that is being driven through the organisation in response to the challenges we face. There are difficult decisions being taken which are having significant impacts on individuals and teams and which will remain for some time to come and in some quarters some very strong feelings and perceptions of it being a “reverse take over” due to some of the changes -a sentiment that has also been relayed to me on more than one occasion also from external onlookers. Whilst in many ways these are behaviours that are not uncommon in any merger or acquisition, I urge all Trust Board members to be aware and cognoscente of this and wherever possible provide leadership and support as appropriate and especially to the Executive team as they manage this transition.

External

4. **Local/regional**

I have been in discussion with Pat West, Chair of the Hampshire Overview and Scrutiny Committee, following information that was published by the HSJ making reference to the Trust annual plan and particularly potential changes under consideration for provision of services at 2 community hospitals. A meeting has been arranged and a verbal update will be provided.

5. **National**

5.1 Trade bodies

The Trust currently subscribes to the NHS Confederation, the FTN network and the Mental Health Network in order to access information, intelligence and networking.

NHS Confederation (NHSC): aims to bring together all parts of the healthcare system to help improve the health of patients and the public. Its priorities for 2011/12 include discussing and representing key issues of finance, quality, healthcare reform, new commissioning landscape, working across health and social care, working with networks, delivering key industry wide support functions.

The Mental Health network is part of the NHSC the national voice for mental health and learning disability service providers and aims to support improvements for service users and staff. Its priorities for 2011/12 include NHS reform, future of commissioning, mental health strategy, currencies and PBR, recovery, supporting diversion, personalisation, and public mental health, supporting independent sector members, mental health and QUIPP.

The FTN separated from the NHSC and became an independent charitable organisation on 1st June to strengthen the voice of public NHS providers whilst still being committed to working in collaboration with the NHSC. Its main aim is to ensure that the freedoms and independence of FTs is maintained and strengthened over time to ensure local accountability presides over centralised control. Annual reports and statements are available upon request.

5.2 FTN Board meetings

The Chair has attended 2 FTN Board meetings since May. From the last meeting particular topics of note (and for which papers are available upon request) included:

- The capital regime for FTs
- Health and Social Care Bill update and implications
- Situation regarding CQC assessments
- Consultation on community service governance indicators
- Governance assessments in transactions
- FTN response on UK flu pandemic preparedness strategy
- FTN submission to Treasury on NHS banking function
- FTN response to private healthcare study

5.3 Westminster Health Forum-Competition in the reformed health service.

I was invited to present at the above forum as a representative of an NHS FT provider joining Patrick Carter, Director Strategy In Health and Jeremy Taylor, CEO National Voices on a panel session. Other speakers included Dr David Bennett, Chair and CEO Monitor, Andrew Taylor, Director CCP, David Worksett, Director NHS Partner's network amongst others. A full transcript is available of all presentations

5.4 Aspirant FT preparation programme

I was invited to chair the latest FT aspirant conference in London which was an interesting and stimulating day to hear the views of those who are in the throws of becoming authorised and interesting to chair too! In so doing I also led a workshop in the afternoon with the Trust Secretary for Guys and St Thomas on working with governors which again was useful to me to gain some assurance that as an FT we are well placed and relatively advanced in how we engage with our governors.

5.5 NHS Confederation Conference

A number of us attended this year's conference and will provide a verbal update on main lessons learned and information gleaned. All presentations are now available on the NHS Confederation website. In terms of raising the Trust profile both Katrina and I were invited to speak at sessions on community services and role of governors respectively which were well received.

6. Key Board interactions next month

It is still my intention that when the information is collated, for the future I will attach as an appendix a summary of key forthcoming Board member and Governor interactions and representation either with key stakeholders or at national and regional events by way of alerting all Directors to key events. Key NED activities for the past 2 months follows at Appendix 1

Carol Bode Trust Chair
20th July 2011

Internal activities June/July 2011	External activities June/July 2011
<p>Chair</p> <ul style="list-style-type: none"> • NED Induction meetings • NED appraisals and 2011 programmes of work • NEDs bi monthly meeting • Board strategy day • Board seminar-leadership strategy • Remuneration Committee • Met with Executive Group re Chair review feedback • Research and Outcomes Conference, Winchester • Spirituality Conference, Paulton's Park • Consultants Conference, New Place • Governors Nominations Committee • Governors Development Day • Chair and CEO coaching day • Star Awards • ICS visits to Alton and Fleet Hospitals and community teams <p>Non Executive Directors</p> <ul style="list-style-type: none"> • Mental Health Act Training x3 • Site Visits <ul style="list-style-type: none"> ○ Antelope House ○ Tom Rudd Unit ○ April House ○ Ashford and Westview LD ○ Ravenswood House ○ Newtown House OPMH CMHT ○ Andover OPMH CMHT ○ Parklands Hospital ○ Leigh House ○ Western Community Hospital ○ Grove House and Antelope House ○ Community Matron, Lee on Solent and Chandlers Ford ○ Community Physiotherapist, Fareham Reach ○ Fareham Leg Care Centre ○ RiO familiarisation session 	<p>Chair</p> <ul style="list-style-type: none"> • FTN Board meetings x2 • FTN Remco meeting • Chaired FT Aspirant FT Conference and also led workshop on working with Governors with Trust Secretary at Guys and St Thomas's • Amber Reed, Locality Manager Alzheimer's Society • NHS Confederation Conference (Speaker sessions and key contacts met) <ul style="list-style-type: none"> ○ Speaker at session, Future perfect? Role of the Governor ○ Attended CEO speaker session on community services ○ Ridgeway-met Chair designate, FD and outgoing Chair with LF and JB ○ Discussions with Beachcroft, Hempsons, Zenon on potential Trust Secretarial resource and support ○ Veredus ○ Jonathan Montgomery Chair SHIP ○ John Trewby Chair SUHT ○ Steve Shrubbs-Director MHN ○ John O'Brien, NHS Confederation ○ Sue Slipman, CEO FTN ○ Sharon Carr-Brown, Chair FTGA ○ FTN managers • Speaker at Westminster Health Forum, "Competition in the NHS" • Pat West, Chair HOSC • FTN Mental Health Group meeting <p>Non Executive Directors</p> <ul style="list-style-type: none"> • Post Operative Presentation at Winchester Guildhall • FTN Chair and CEOs Meeting plus FTN Reception • Non Executive Development Programme (Monitor and City/CASS Business School) • NHS Annual Conference • Strategic Workshop

Board Report

Meeting	Foundation Trust Board		
Date	28 July 2011		
Agenda Item	Item 3 Enclosure 3		
Author	Katrina Percy		
Title of Report	Chief Executive Report		
Purpose	To update the Board and for discussion		
Recommendation	To consider and NOTE this Report		
<i>Strategic Goals (please ✓ as appropriate)</i>			
Service commitments: To deliver personal, clinically safe and effective services to each service user and carer.			✓
Patient experience: To continuously improve user experience.			✓
Financial health: To generate a surplus for re-investment in services and manage financial risk.			✓
Local accountability: To drive and enable local accountability.			✓
Customer focus: To understand our customers' needs and how to fulfill them.			✓
Social responsibility: To act in a socially responsible manner.			✓
Excellent employer: To be employer of choice for local health and social care staff.			✓
Teaching Trust: To work in partnership to provide excellent healthcare education and training.			
Research and development: To advance evidence based practice to the benefit of service users.			
To maintain effective governance throughout the Trust			✓
<i>Implications (please ✓ as appropriate)</i>			
Legal		Financial	✓
People	✓	External Relationships	✓
Environmental		Equality & Diversity	
Human Rights		ICT	

Board Report

Date: 28 July 2011

Author: Katrina Percy

For: Board update and discussion

Subject: Chief Executive's Reports

(Please note some aspects of this report are commercial in confidence)

1. Sexual Health Services

Southern Health have been shortlisted for the final 'pitch' to win sexual health services for Hampshire. The pitch will take place on Thursday 21st July. We believe the other competitors are Assura and Solent. A further update can be given at the Board meeting.

2. Portsmouth Hospital Trust (PHT) and Southampton University Hospital Trust (SUHT) Elderly care partnerships

[Redacted content]

3. Education and training Networks

Following the national announcements about the continuation of the Deaneries and the need to find a 'safe' place for education and training, discussions have been underway with the Hampshire side of the Wessex Deanery about future options. The current spend on education and training in South Central is £320M. The current proposal is for a board of all providers to run the services but that they will be hosted by one provider. Our concerns are around the protection of non-medical clinical training, multi-disciplinary approach, non acute specialist medical training, training for bands 1 - 4 and the South Central integrated leadership programmes. We are actively working to ensure our needs will be met in the future.

4. Strategic Health Authorities (SHAs) Clustering

The three southern SHAs will be clustering on 1st October this year. (ie. SW/SC/SE). The Chair will be appointed in August and the CEO will then be appointed by David Nicholson soon after. The other 3 SHAs will be North, Midlands and London.

5. Recommendation

The Board is asked to consider and note this report.

Board Report

Meeting	Foundation Trust Board		
Date	28.7.11		
Agenda Item	Item 4c Enclosure 6		
Author	Fiona Maton, Head of Procurement		
Title of Report	Procurement Strategy		
Purpose	For the Board to understand the procurement landscape and to gain approval for the procurement strategy.		
Recommendation	To approve the procurement strategy and authorise work to develop a new procurement model based around a centralised team supported by external resource and strategic partnering.		
<i>Strategic Goals (please ✓ as appropriate)</i>			
Service commitments:	To deliver personal, clinically safe and effective services to each service user and carer.		
Patient experience:	To continuously improve user experience.		
Financial health:	To generate a surplus for re-investment in services and manage financial risk.		✓
Local accountability:	To drive and enable local accountability.		
Customer focus:	To understand our customers' needs and how to fulfill them.		
Social responsibility:	To act in a socially responsible manner.		
Excellent employer:	To be employer of choice for local health and social care staff.		
Teaching Trust:	To work in partnership to provide excellent healthcare education and training.		
Research and development:	To advance evidence based practice to the benefit of service users.		
To maintain effective governance throughout the Trust			✓
<i>Implications (please ✓ as appropriate)</i>			
Legal		Financial	✓
People	✓	External Relationships	
Environmental		Equality & Diversity	
Human Rights		ICT	

Board Report

Date: 28.7.11

Author: Fiona Maton

For: Trust Board

Subject: Procurement Strategy

1 Purpose of report and alignment to strategic goals

The purpose of the report is to: appraise the Board of the current procurement landscape nationally and locally, note the potential for savings through smarter procurement which will contribute to Trust efficiency and savings targets, to gain approval for the proposed strategy and approach.

2 Background

2.1 Procurement Landscape

Against the background of the NHS funding challenges, the efficacy of public sector procurement and national purchasing services have come under the spotlight. There have been 2 reports¹ in the last year highlighting both wasteful spend and missed opportunities for smarter purchasing. Procurement is also one of the national QIPP workstreams.

Locally South Central has focused on the establishment of a new comprehensive procurement provider²; the Trust declined to part of this project because of timeliness, ability to be compliant and doubt about the model and promised savings potential. For information the proposed fees were £2.1M over 4 years.

In 2010 Hampshire Community Health Care commissioned a review from SERCO who concluded that HCHC could save [REDACTED] from improved procurement and recommended changing the procurement model.

The inherited procurement model utilises 2 local hubs³; Solent Supplies and ProCure, supplemented by in-house resource most notably within Estates and the IT shared service. The Trust does not make maximum use of the hubs and the hubs have not always provided an effective service. ProCure/Solent had indicated that there was a potential cumulative saving of [REDACTED]

[REDACTED]

[REDACTED]

Therefore, the Trust needs to establish what it wants from procurement, its vision and strategy, and implement its preferred procurement solution.

3 Developing the way forward

The Trust has a number of key issues in the search for a procurement solution:

Addressable non-pay spend, that which can be influenced by procurement, is estimated at [REDACTED]

The distributed nature of the business generates inefficiencies from: maintaining the multiple sites themselves, additional delivery costs, inefficient small orders, staff travel costs, courier services and postal charges. This also represents an opportunity to bring the costs down through innovation.

The service line management model within Southern Health both supports and works against effective procurement, at best teams are focused on saving money at the micro level however economies of

¹ Philip Green Central Government Report Oct 2010, NAO Report on Acute & FT consumables Feb 2011

² ISC Integrated Supply Chain project awarded to MedAssets.

³ Each of the constituent organisations bought procurement services from a hub, the hubs are now providing a single virtual service pending a new model.

scale cannot be achieved by a team and standardisation is made harder to achieve, there is also duplication of effort with staff letting similar contracts or obtaining quotes for the same products. The Trust utilises over 3000 suppliers with around 600 staff raising requisitions.

With these in mind the Trust has worked with budget holders, managers and procurement specialists to develop the vision, strategy and way forward. As a result of this work the following has been developed:

3.1 Procurement Vision

A slick responsive procurement function that enables:

- In 3 years a cumulative reduction in non-pay spend of [REDACTED]
- Over the next 18 months the organisation's procurement to be transformed with:
 - Staff able to access best value services and products easily, engaged in the selection and standardisation process and motivated to follow the standard processes and use negotiated contracts.
 - 90%⁴ eligible invoices supported by a purchase order of which over 90% will be via an on-line catalogue.
 - High value and operationally key expenditure contracts tightly monitored for quality service and cost.
 - Using procurement to support service change
- In the next 2 years a number of unsatisfactory inherited services will be renegotiated or replaced providing cost reductions and / or service improvements to patients.

3.2 Procurement Strategy

The strategy for the next 3 years is to:

- Improve internal purchasing and contract management behaviour
- Implement a new procurement model

Underpinning the Vision and Strategy will be:

3.3 Procurement Principles

In order to establish the optimum strategy for the Trust a set of procurement principles were set out. These were derived from the NHS procurement guidance and the findings from the SERCO work. Through procurement the Trust should:

- continue to seek to aggregate spend with other organisations where it will deliver best value. Collaboration with potential competitors will be undertaken for 'run of the mill' items not anything that is integral to the way we do business
- increase contract coverage
- decrease number of suppliers
- adopt standard commodities
- review tenders over £100K for alternative approaches
- establish focus on demand management to reduce costs and contract management (ensuring spend is kept to predicted levels)
- make best use of national and regional contracts
- ensure adherence to legal and regulatory rules (inc. the Bribery Act).

⁴ Some invoices do not require a purchase order eg. BT bills, spend covered by an overarching contract with a specific ordering arrangements

4 Putting this into action

To deliver the vision as set out and using the principles described a significant amount of work has already been undertaken and is continuing on tightening the procurement behaviours of the Trust. This approach was endorsed by the multi disciplinary workshop held in early July. This workshop also reviewed which procurement model would best fit with the Trust's operations. The options are at Appendix A).

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

5 Key issues, risks, opportunities and mitigations

Issues

- Lack of sufficient resource may reduce the possible improvements and savings. The spend against expected savings will be mapped to highlight the choices to be made.
- How to get the benefits of service line management alongside economies of scale from centralised contracts, best use of expertise, economic ordering. Closer communication with and better processes will assist.
- How to communicate effectively across the organisation, contracts need to be let as a joint exercise with the users of the contract, information needs to be easy to access.
- [Redacted]

Risks

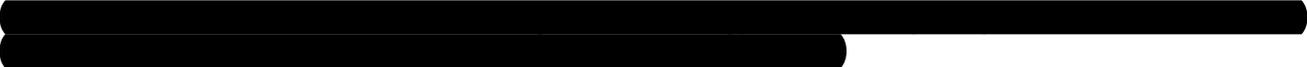
- The move to more standardisation, increased corporate contracts, less choice and increased monitoring of processes may encounter resistance although the ease of use and time saving should be welcomed. Likewise we may encounter barriers to standardisation due to clinician preferences. This is a culture change for the organisation. Demonstrating clearly the negotiated savings and/or improved services will assist in getting the organisation's buy in.
- Procurement may have the impetus to drive through a tender that may not be matched by the directorates' capacity or enthusiasm. Large projects will be agreed in advance with the relevant directorate to confirm commitment.

Opportunities

- There is an opportunity to save money (relatively painlessly), to support staff better and implement e-procurement to reduce frustration with the buying process.
- Staff should have to spend less time looking for suppliers and spot purchasing.
- A central team focused on procurement will be able to identify creative and innovative approaches that support the business.

6 Recommendation

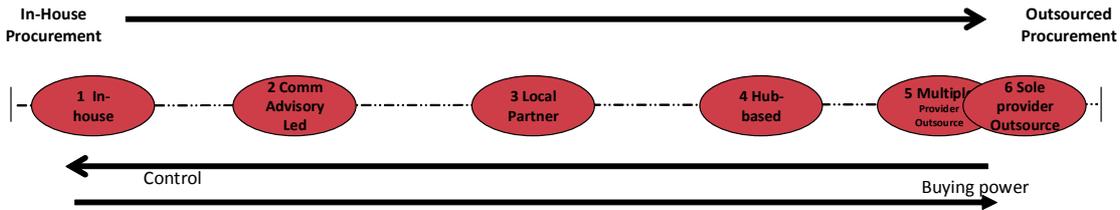
There is a consensus that the Trust can make significant cost savings through procurement. The achievement of these savings (especially quick wins) is less obvious than a typical acute Trust and harder to achieve due to the spend profile, the decentralised buying, the delivery requirements and the culture. The strategy has to tackle 2 aspects simultaneously, establishing a procurement service that can deliver best value by working closely with the business and being externally focused on the market place alongside a refresh of the internal processes and systems to ensure contracts put in place are used.



Appendix A

The following models of procurement have been considered:

Potential Operating Models



Option 1 – In-house Procurement – set up and resource a complete end-to-end Procurement function within Southern Health

Option 2 – Commercial Advisory Led – category-led tendering utilising external advisory capability to accelerate savings delivery

Option 3 – Local Partner – engage with local provider that shares like spend profile and share costs of procurement (other NHS MH, LA, GP other)

Option 4 – Hub-based Collaborative – engage with regional collaborative hub that delivers all procurement services (like Solent, ProCure, new SBS offering)

Option 5 – Multiple Provider Outsource – have relationship with multiple service providers that delivers all required procurement

Option 6 – Sole Provider Outsource – sole relationship with one full service provider that delivers all procurement & fulfilment services (like ISC MedAssets)

Board Report

Meeting	Foundation Trust Board		
Date	28 July 2011		
Agenda Item	Item 5a Enclosure 7		
Author	Sue Harriman, Managing Director of Integrated Community Services		
Title of Report	Integrated Community Services report at 30 June 2011		
Purpose	To provide a summary of the performance of Integrated Community Services for the Trust and highlight key risks and opportunities		
Recommendation	The Board to note the attached report.		
<i>Strategic Goals (please ✓ as appropriate)</i>			
Service commitments: To deliver personal, clinically safe and effective services to each service user and carer.			✓
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<i>Implications (please ✓ as appropriate)</i>			
Legal		Financial	
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Human Rights		ICT	

Board Report

Date: 28 July 2011

Author: Sue Harriman
Managing Director, Integrated Community Services

For: Board

Subject: Integrated Community Services Report at 30 June 2011

1. **Purpose of report and alignment to strategic goals**

To update the Board on progress towards the Trust's three year objectives as measured through the priority actions for 2011/12, for the Managing Director, Integrated Community Services. Operational, financial and human resource performance is also described with explanations and mitigating actions for items denoted as Red (per the agreed Southern Health RAG rating criteria).

2. **Summary**

- The priority actions for 2011/12 for the Managing Director of Integrated Community Services are on track, although 2 are shown as Amber.
- All Monitor outcome targets are being achieved.
- 5 operational indicators are shown as Red.
- 2 customer satisfaction and quality indicators (number of mixed sex accommodation breaches and complaints responded to within timescale) are Red.
- 2 data effectiveness and governance indicators (data timeliness and information governance training compliance) are Red
- An over-spend in month of £193k (£754k year-to-date) against plan is reported. Achieved recurrent CIP is below plan.
- 1 HR indicator (PDR completion) is showing as Red.

3. **Recommendation**

The Board to note the attached report

Index

1. Progress against priority actions for 2011/12
2. Performance dashboard
3. Performance exceptions narrative
4. Financial Performance
5. HR performance
6. Other issues for Board consideration

1. Progress against priority actions for 2011/12

3 Year Objective	Priority actions for 2011/12	Time Frame	Key Action	Rag Rating
<p>Redesign our integrated community services in order to improve quality, better meet the needs of GPs and patients and reduce costs by 25%</p>	<ul style="list-style-type: none"> Plan, deliver & evaluate integrated models of service delivery for adults and children with 20 primary care clusters 	Q1-4	<ul style="list-style-type: none"> Primary care partnership programme being delivered within programme expectations in established areas. Review of outcome based progress to date identified need to refresh strategic approach moving forward. Clinical strategy review and refresh completed in month aligned with business plan development. Five key actions defined and planning complete to drive change as described in clinical strategy Refreshed clinical strategy will be described into appropriate customer centric marketable literature. 	
	<ul style="list-style-type: none"> Implement Rapid Access Units & other agreed admission avoidance activities through development of integrated care pathways with acute & primary care and evaluate model 	Q1-2	<ul style="list-style-type: none"> All delivery plans expectations for RAU development on target Additional Consultant Geriatrician cover to RAU's 2.6 WTE Andover RAU future secured Outcome and input data now being generated and reviewed to demonstrate RAU efficacy RAU activity increase trajectory being set and will be monitored monthly RAU activity associated with SE Elderly care model and subject to review to integrate into model 	
	<ul style="list-style-type: none"> Deliver year 2 of the CCT development plan, enhancing virtual ward supported by telemedicine, case management, IV therapy models & implementation of wound care strategy 	Q1-4	<ul style="list-style-type: none"> Clinical strategy refresh will revitalise service change Exec led Local rapid engagement events being established to support ICS workforce to take next shift in service transformation Virtual ward – intensive care being designed in line with year three of strategy Tele-medicine units purchased last financial year subject to Hampshire wide role out in partnership with HCC. 	

<ul style="list-style-type: none"> Agree and implement a clinical model for patients with dementia who are not managed by an OPMH specialist service provision, and evaluate outcomes 	<p>Agree Q2 Imp from Q3</p>	<ul style="list-style-type: none"> Service leads gathering evidence of current shared case loads Subject to executive level debate currently Clear messages from GP community that dementia service improvement is seen as proxy of the intent of the new Southern Health. 	
<ul style="list-style-type: none"> Deliver year 3 of transforming community hospitals strategy, closing inpatient services at Havant, Odiham and Chase hospitals whilst ensuring best efficiency in the remainder 	<p>H&O Q2 Chase Q4</p>	<ul style="list-style-type: none"> Hythe Hospital remains closed to inpatient services – PBC led. Minimal recent public interest displayed. Nursing services will be withdrawn from Odiham Cottage Hospital as planned on 31st July 2011. HOSC did not request independent review. Services maintained safely with mitigations this presents ongoing and increasing risk as staff leave. Significant public and media interest. Havant War Memorial Hospital is being prepared for closure of inpatient services from autumn 2011. This is as a result of the Oak Park development approval at HOSC and subsequent permissions to proceed. Chase – stakeholder re-design of service configuration progressing well – CCG led. 	
<ul style="list-style-type: none"> Re-define scheduled care service, including MSK / Ortho Choice, to ensure cost effective service provision and optimum income generation realisation across the ICS Directorate. 	<p>From Q2</p>	<ul style="list-style-type: none"> Scheduled Care management redesigned and now appointed to, to commence 1st Aug 2011. Good progress in repatriating elective services from Bournemouth back to Hampshire via Lymington. All scheduled care indicators on target. 	
<ul style="list-style-type: none"> Continue with development of the children's workforce model with emphasis on the significant government mandated increase in Health Visitor numbers. 	<p>Q1-4</p>	<ul style="list-style-type: none"> Implications of Health Visitors – Call to Action for ICS understood. Funding being discussed with NHH. Active review of Children's services in relation to primary care based service delivery. Striving towards an ageless service provision in partnership with primary care. 	

2. Performance Dashboard

Integrated Community Services Dashboard									
June 2011									
	Target	Threshold	Year To Date	Forecast	Quarter	Month Actual / Volume	Divisions complying		
Outcome and Operational indicators									
Monitor	Access to Care : Patients experiencing a delayed transfer of care	5.0%	7.5%	2.2%	●	2.2%	1.9%	22	1 out of 1
	Access to Care : Patients with a learning disability	B	n/a	G	●	G	G	n/a	n/a
	Access to Care : Admitted 18 week *	92%	90%	96.5%	●	96.5%	97.4%	362	1 out of 1
	Access to Care : Non admitted 18 week	97%	95%	99.9%	●	99.9%	99.9%	1,382	1 out of 1
	A&E attendances completed within 4 hours	97%	95%	99.8%	●	99.8%	99.9%	1,471	1 out of 1
	A&E initial assessment within 15 mins for ambulance arrivals	97%	95%	100.0%	●	100.0%	100.0%	23	1 out of 1
	A&E median time to treatment < 60 minutes	50	60	30.3	●	30.3	32.0	1,473	1 out of 1
	A&E unplanned re-attendances	4%	5%	3.8%	●	3.8%	4.3%	63	1 out of 1
	A&E attendances left without being seen	4%	5%	0.9%	●	0.9%	0.9%	13	1 out of 1
	Emergency Admissions per '000 population (reporting 1 month in arrears)	1.26	n/a	1.53	●	1.53	1.54	1,424	
Excess Bed Days per '000 population (reporting 1 month in arrears)	0.87	n/a	1.10	●	1.10	1.06	977		
% End of Life patients dying in their preferred location	60%	50%	67.1%	●	67.1%	65.9%	60	0 out of 1	
% Wounds healed within 12 weeks	60%	50%	31.8%	●	31.8%	17.4%	12	0 out of 1	
% Rapid Response within 2 hours	90%	80%	67.3%	●	67.3%	71.0%	368	0 out of 1	
Smokers quitting (% planned v actual) (1 quarter in arrears)	100%	90%	130.4%	●	130.4%	130.4%	2,676	1 out of 1	
Valid Chlamydia Screenings provided (% planned v actual)	100%	90%	94.0%	●	94.0%	78.9%	1,660	0 out of 1	
% Child population receiving a primary birth visit	90%	85%	89.3%	●	89.3%	90.6%	5,166	0 out of 1	
Monitor Safety indicators									
C Difficile infections	4	n/a	3	●	3	1	n/a		
MRSA infections	1	n/a	1	●	1	0	n/a		
Customer satisfaction and quality indicators									
Number of mixed sex accommodation breaches	0	n/a	15	●	15	5	n/a	0 out of 1	
Quality assurance questionnaires	90%	80%	97.5%	●	97.5%	97.0%	923	4 out of 4	
Complaints responded to within timescale	90%	80%	61.0%	●	61.0%	50.0%	8		
Data effectiveness and Governance									
Data timeliness	90%	80%	59.5%	●	59.5%	66.3%	56,095	1 out of 2	
Information Governance training compliance	95%	85%	26.9%	●		26.9%			
Finance indicators									
Net variance v Net budget	0.2%	0.0%	-4.3%	●	-4.3%	-6.2%	-193,101	n/a	
Recurring CIP	90%	80%	56.7%	●	56.7%	64.9%	270,000	n/a	
HR indicators									
% Vacant Posts	5.0%	n/a	5.4%	●	5.4%	4.7%	100		
% Bank and Agency	4.6%	6%	2.0%	●	2.0%	2.3%	50		
% sickness absence #	3.5%	n/a	3.9%	●	3.4%	3.0%	1,825		
% appraisal within 12 months	95%	n/a	67.7%	●	67.7%	66.7%	1,622		
% turnover #	12%	n/a	12.2%	●	12.2%	11.6%	230		
% CRB Check	100%	90%	94.8%	●	94.8%	94.7%	2,352		
Achieving target Achieving monitor or internal threshold Failing monitor or internal threshold									

3. Performance exceptions narrative

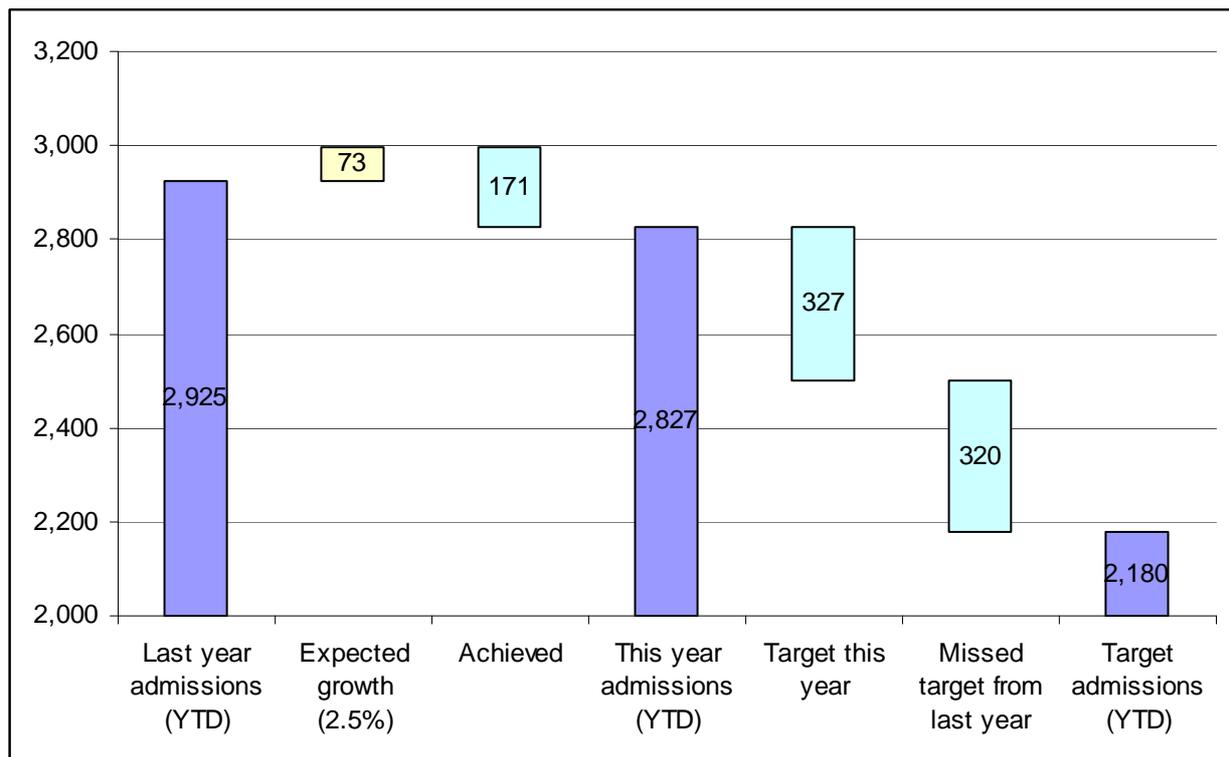
Outcome and operational indicators

There are a number of themes to the outcome and operational indicators that are shown as Red for the month within the dashboard and are addressed below:

Emergency admissions per 000 population (target 1.26, actual 1.54)

The emergency admissions target is a system-wide target as noted within the 2011/12 QIPP plans produced by NHS Hampshire, in which Southern Health has a part to play. The delivery of this metric is subject to multi-agency collaboration in delivering complex care pathways. System wide QIPP plans monitored by the appropriate System Reform Board have been subject to additional scrutiny and review in month as Hampshire as a health economy reports consistent over-performance in non-elective care. A number of system remedial action plans have been established. The ICS Recovery Action Plans have been reviewed accordingly.

The chart below demonstrates Southern Health's performance showing an improvement on last year's performance but still not to plan for 2011/12:



There is a significant amount of work being undertaken to improve the number of admissions avoided, including:

- The ongoing monthly review of the locality Remedial Action Plan, which is shared with our partners via System Reform Boards.
- Using and sharing data with GP partners to define GP practices with high admission rates so that targeted action can be taken

- A data review of patients who are frequent users of acute care to ensure services are targeted to the right patients. These patients are then subject to assessment and case management.

Areas where there have been marked improvements in admissions being avoided include:

- East Hampshire – There are rapid assessment units at Chase and Petersfield. The service at Alton has been redesigned to provide day diagnostic and treatment support, instead of having a higher number of inpatient beds.
- Winchester – A significant redesign has been completed including
 - jointly managed In-reach service (Including A&E)
 - Community Rapid Assessment Unit based at WEHCT
 - roll out of virtual ward and hub (Single Point of Access)

Areas where there have been no marked improvements or a decline in admissions being avoided include:

Basingstoke:

- [REDACTED]
- Case load on virtual wards are being reviewed with a particular emphasis on including respiratory patients (aligning with practice registers).
- Specialist support for respiratory care under review in terms of workforce redesign.
- [REDACTED]
- Work is being undertaken with BNHFT to identify rates of admission from nursing and residential homes.
- The “caseload report” is being used to identify those patients who should be on a virtual ward.
- [REDACTED]

Hart and Rushmoor:

- Unscheduled care plans are being developed further through the delivery board, including the wristband initiative to identify high risk patients and make reference to the SPA number.
- Workshop being held with Surrey & Borders to ensure that there is integrated mental health input to the virtual wards.
- Recruitment to vacancies within the CCTs is ongoing.

South West:

- A review of coding for respiratory day cases coded as admissions is underway.
- Funding has been agreed with NHS Hampshire for newly appointed Consultant Geriatricians working in the community supporting primary care.
- Phasing is being agreed with the GPs for a further increase in the complexity in patients out of hospital.
- The frail elderly and medicine pathway is being developed in line with local practices.
- [REDACTED]
- In Eastleigh and Test Valley South recruitment needs to take place for the twilight service and

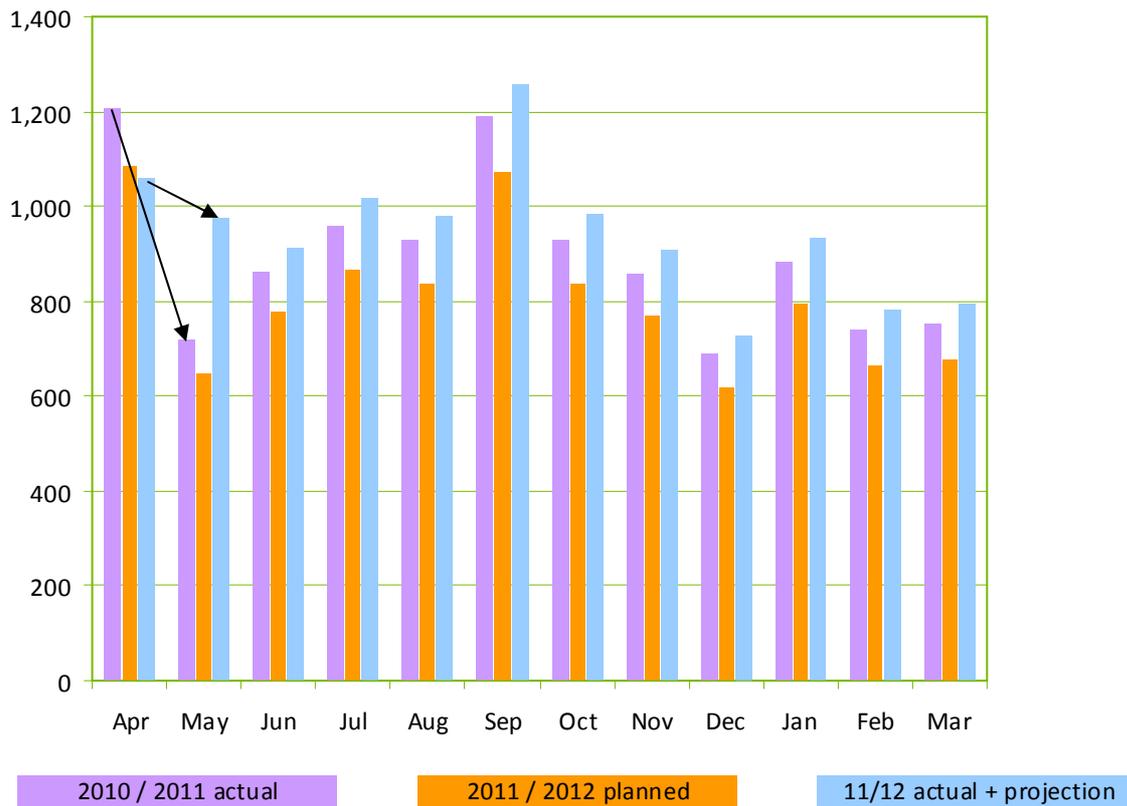
rapid assessment.

South East:

- Actions are being taken in relation to the reviewed and revised CCTs,
- RAUs now operating in Havant and Gosport (Gosport is being developed further)
- Joint rapid response with Hampshire County Council.
- [REDACTED]
- [REDACTED]
- Exploring alternative sites for Falls service provision in Havant
- Planning an OPD activity workshop.
- A MS nurse specialist starts in July, the Diabetes Community Nurse post and a temporary Heart Failure nurse post are out to advert.

Excess bed days per 000 population (target 0.87, actual 1.06)

Excess bed days have increased by 111 days (5.8%) year-on-year on a cumulative basis, with May being a particularly bad month (excess bed days of 977 against a target of 647); however, the prior year comparative for May was very low at 719. Absolute excess bed days in May have also fallen by 83 from April (1,060). This can be seen in the chart below:



Areas of concern for excess bed days are:

- WEHT (132 worse than prior year) – Although the prior year comparative is low for May, the 2011/12 result is very high at 348 cases. Analysis shows that the issue is occurring at the Andover site and an audit has now been instigated. There are plans to develop a community in-reach team for the Kingfisher ward at Andover. In addition, social care are working with staff at WEHT to ensure patients suitable for reablement are identified; [REDACTED]
- BNHFT (132 worse than prior year) – The prior year comparative for May was particularly low which has impacted upon the result. However, there is currently no formal In-reach service in place; this is being addressed with BNHFT to agree the most appropriate model
- SUHT (50 worse than prior year) – The prior year comparative is low for May (half that for April) which has impacted the analysis. [REDACTED]
[REDACTED] In addition, in reach work is continuing and will refocus to ensure that excess bed days are reduced.

However, there are areas where Southern Health has been successful in reducing excess bed days. These include:

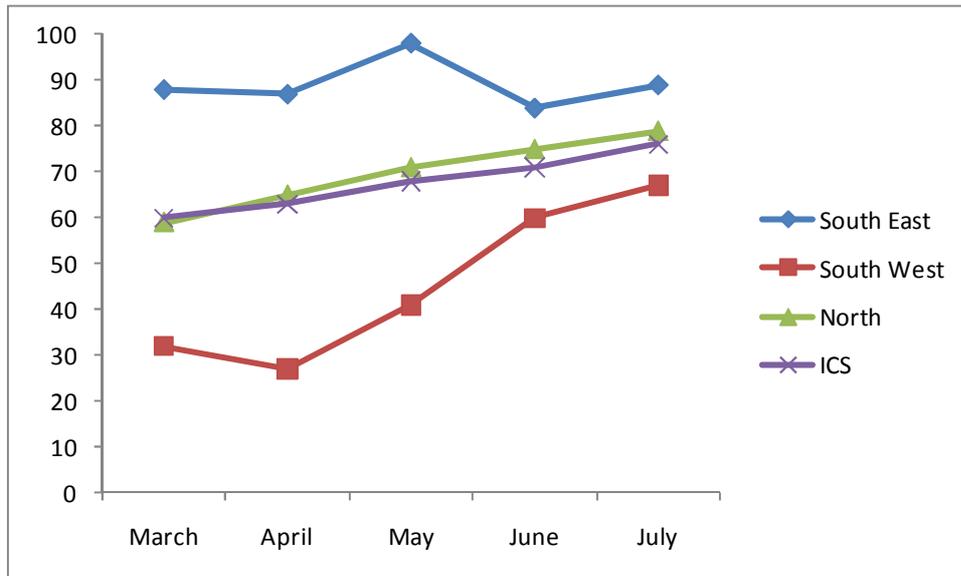
- Frimley (100 better than last year) – The successful In-reach service has been expanded to 7 days a week
- PHT (176 better than last year) – The prior year comparative looks high. However, the work with the Integrated Discharge Bureau, Community Matron Discharge Service may be starting to make a significant impact.

Wounds healed within 12 weeks [REDACTED]

[REDACTED]

% rapid response within 2 hours (target 90%, actual 71%)

This target represents a response to patients within two hours as clinically appropriate. Although the number is below the required level, the trend is upward, which has continued into July.



It is believed that the failure against this metric is mainly due to poor data quality, which has received significant attention. The improvements seen are as a result of additional training provided by the Information team for clinical teams and a change in clinical staff behaviours around entering data in a timely way.

Chlamydia screens (target 90%, actual 71%)

The miss on the targeted number of screens is a result of the appropriate focus of the leadership team being directed to the Sexual Health tender as well as seasonal variation as many Higher Educational Institutes are committed to examinations and end of summer semester. This seasonal fluctuation can be recovered in year as demonstrated by last years performance.

Although not directly connected to performance, the following points should be noted by the Board:

- Although 21% was an aspirational target for 2010/11 which was achieved, funding levels were for 17%. There has been no increase in funding
- [REDACTED]

Customer satisfaction and quality indicators

Number of mixed sex accommodation breaches (target 0, actual 5)

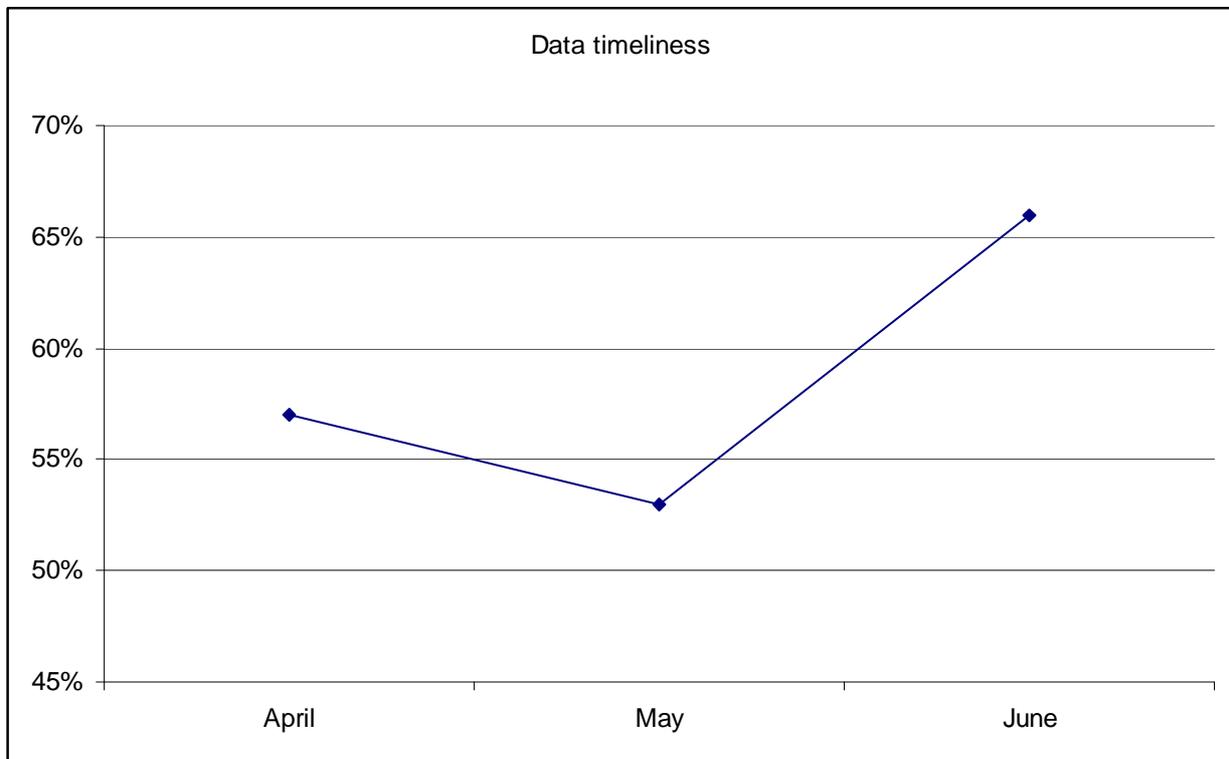
There was one incident that impacted on 5 patients during June. The patient was a GP admission with shortness of breath/chronic cardiac failure who was sufficiently unstable that he could not be left in the lounge or indeed ambulance until such time as the bed moves could be completed to accommodate him. The patient required constant clinical supervision and immediate medical attention, and therefore this is counted as a clinically justifiable breach in light of the level of care required. The other 4 patients in the bay affected by the breach were clinically justified by the needs of the seriously ill patient as there are currently no identified high dependency designated beds at Lymington.

Complaints responded to within timescale

Given the recent deterioration in this KPI, the process for handling complaints within Southern Health has been reviewed and escalation processes have been put in place to ensure complaints are dealt with within the agreed timescale. The review also identified that there have been delays in reviewing, signing and posting complaint responses. A new checking procedure has been implemented to ensure these steps are completed within 48 hours. As a result of these measures performance has begun to improve. The team handling complaints will continue to work closely with colleagues across the organisation to ensure that progress is maintained.

Data effectiveness indicators

There has been a significant improvement in data timeliness in the month in accordance with the data quality action plans, although it is not yet at the threshold level of 80%. There will be continuing monitoring of this target.



4. Financial Performance as at 30 June 2011



Recurring CIP delivery at 57% (YTD) has improved slightly over the previous month. Discussions are being held with NHS Hampshire regarding performing more services from Lymington, with plans for some of the new activity to occur from September; this will help address some of the shortfall in the CIP plans.

5. HR Performance as at 30 June 2011

PDR completion is also shown as Red at 66.7% (month) with only one Division, Children Services, being compliant. The trend is also downwards. The poor performance is partly a reflection of the organisational change that is taking place. An internal performance trajectory has been set and will be performance managed via OMB. Divisional leads have been given responsibility to improve compliance to 90% by the end of August.

6. Other issues for Board consideration

Dental Service performance

As a result a number of urgent actions have been put in place in recent months.

- Review of activity by workstream and clinician. All dentists now have individual performance targets against the contract. The contract requirements have been communicated with staff alongside local KPIs for each of the services
- Review of nursing and locality management and restructure of the services which is currently being implemented.
- There have been significant problems with IT/ R4 dental system as well as clinician data entry issues, which have led to reduced activity inputting, coding issues, lost activity. As a result all activity has been reviewed and a large number of FP17s (clinical forms on the system) have been recalled and resubmitted. We expect to see an improvement in activity from month 4. Work has commenced to resolve the technical issues with the system.
- Work with the commissioners to realign the current contract in particular around domiciliary services
- Establishment of an interim management structure to support the delivery of the action plan and manage the service whilst the ICS structure is implemented. This has included working in partnership with SCA Trafalgar Dentistry on a number of areas including increasing the market share around domiciliary dentistry and developing the GDS Service.
- The appointment process to the clinical director post has commenced. This will drive the strategic clinical changes that are required to create a dental service that is viable for the future.

Index

- 1. Mental Health and Learning Disabilities Directorate Dashboard**
- 2. Exception Report**
- 3. Items for noting**

2. Exception Report

2.1 Monitor Targets

Performance against the following Monitor targets fell short of target in June 2011:

7 day follow-up

Monitor compliance threshold 95% - June out turn 94.5%, Quarter 1 out turn 96.7%

Performance for the quarter is compliant with the threshold but there was a dip in performance against this indicator by AMH during June. Further work is being carried out to establish the reasons for this but at the present time it is understood to be the result of poor data validation on RiO rather than an actual deterioration in performance against a key performance indicator.

Performance against this indicator will be reviewed in depth at the July performance meetings. At the present time it appears that performance against the Southampton City PCT contract has fallen short of the 95% contractual target during June and work will be undertaken urgently to ensure an action plan with appropriate milestones is put in place to improve data validation. Following discussion it has been agreed that the information team will provide the AMH Division with weekly 7 day follow-up reports for validation to ensure the work can be carried out in a more timely manner.

Review within 12 Months

Monitor Compliance Threshold 95% - provisional result 95.5% (AMH data only)

Monitor revised the denominator to be used in calculating performance against this indicator during June and as a result there has been a delay in validating all of the data for quarter 1. Results are available for AMH only which are compliant with the indicator. An update will be provided verbally at the Board meeting once the OPMH and SSD results have been validated.

2.2 Non Monitor Targets

Performance against the following non-Monitor targets fell short of target in June 2011:

Number of episodes of absence without leave (reporting 1 month in arrears)

Threshold 12 for quarter, outturn 14

There was a significant increase in AWOLs during May. Initial review of the data suggests that there is no underlying pattern and there have been previous 'spikes' in recent years. The incidents will be discussed in more detail at the July Performance Review Meetings (DSPRs). Serious Untoward Incidents are dealt with in more detail below.

Complaints concluded within target timescale

6 out of 16 – 38%

6 complaints were concluded within target timescale during June out of a possible 16.

The process for handling complaints within Southern Health has been reviewed in recent weeks and escalation processes have been put in place to ensure complaints are dealt with within the agreed timescale.

The review also identified that there were delays in reviewing, signing and posting complaint responses. A new checking procedure has been implemented to ensure these steps are completed within 48 hours. As a result of these measures performance has begun to improve. The team handling complaints will continue to work closely with colleagues across the organisation to ensure that progress is maintained

In each instance where the Trust was unable to provide a response within the target timescale the complainant was provided with a full explanation and an apology.

Information Governance Training

Target 95% - achievement to date 86%

Work is continuing to ensure all Trust members of staff complete their Information Governance Training. 86% of staff in post as at end of June have completed and passed the online training. This is an increase on figures presented recently which included only staff in post as at 31 March. Performance against the Information Governance Tool Kit is discussed in more detail in the Finance and Performance Report.

2.3 Finance Targets

The AMH Division is reporting a year to date overspend of £0.9m which continues to be due to higher than planned expenditure on private placements for eating disorder clients requiring tube feeding, lower levels of non-contracted activity income and slippage within the cost improvement programme.

At this early stage in the year, all divisions are forecasting a year end breakeven position with the exception of the AMH Division. Work is on-going to finalise the forecast outturn position in this area, which it is anticipated will be supported by the continued application of central reserves during 2011/12.

2.4 HR Targets

Vacancies

Trust Target 5% – June out turn 8.9%

Vacancies are being held pending service redesign. The position is being kept under close review to ensure services continue to be safe and effective. Whilst vacancies in AMH and SSD were reduced during June, this was offset by an increase in vacancies in TQ21. This was due to the addition of posts for three new supported living schemes which are still in the process of being recruited to.

Sickness Absence

Trust Target 3.5% - June out turn 4.3%

Sickness absence is being kept under close review and is being managed on a case by case basis within the Service Divisions. Sickness absence rose slightly in June and the reasons for this will be discussed at the forthcoming performance meetings. It is anticipated, however, that further progress towards the Trust target will be made in coming months.

Appraisals

Trust Target 95% – June out turn 80.12%

There has been a significant improvement against this indicator during June and plans are in place across the Mental Health and LD services to ensure the 95% threshold will be achieved and maintained by the end of October. All of the Divisional directorates made progress against this indicator during June. OPMH performance increased by over 12% to 92%.

3. Items for noting

The Trust is in a position to declare compliance with both the identifiers and outcomes of the Mental Health Minimum Data set for the first time this quarter. This reflects sustained work across the directorates to drive up data completeness. This work is continuing and targets have been set to ensure the data recorded for each individual is as complete as possible.

As at 12 July 2011, there have been 6 reported SIRIs.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Below sets out a summary of SIRI incidents for the last 3 full years and this year to date.

	2008/09	2009/10	2010/11	2011/12
April	4	6	4	4
May	6	8	2	6
June	3	10	12	15
July	6	7	7	6
August	2	8	15	
September	4	9	8	
October	6	9	5	
November	4	9	6	
December	3	10	10	
January	11	8	7	
February	11	16	9	
March	7	13	14	
TOTAL	67	113	99	31

From the information detailed above, the following can be established:

- There was an increase in reported SIRIs in June 2011.
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]

Ravenswood House

A verbal update will be given at the Board meeting.

TQ21

Has been successful in being accepted onto the Hampshire County Council Preferred Provider Agreement.

Jane Elderfield
Managing Director
Specialist MH & LD Services

Kathie Pemberton
Trust Performance
Manager

21st July 2011

Board Report

Meeting	Foundation Trust Board
Date	28th July 2011
Agenda Item	Item 5c (Enclosure 9)
Author	David Robertson, Director of Finance and Corporate Services
Title of Report	Finance and Performance report at 30 th June 2011
Purpose	i) To provide a summary of the financial performance and operational performance for the Trust and highlight key risks and opportunities [Redacted]
Recommendation	i) The Board to note the attached report. [Redacted]

Strategic Goals (please ✓ as appropriate)

Service commitments: To deliver personal, clinically safe and effective services to each service user and carer.	✓
Patient experience: To continuously improve user experience.	
Financial health: To generate a surplus for re-investment in services and manage financial risk.	✓
Local accountability: To drive and enable local accountability.	
Customer focus: To understand our customers' needs and how to fulfill them.	
Social responsibility: To act in a socially responsible manner.	
Excellent employer: To be employer of choice for local health and social care staff.	
Teaching Trust: To work in partnership to provide excellent healthcare education and training.	
Research and development: To advance evidence based practice to the benefit of service users.	
To maintain effective governance throughout the Trust	✓

Implications (please ✓ as appropriate)

Legal	✓	Financial	✓
People		External Relationships	✓
Environmental		Equality & Diversity	
Human Rights		ICT	

Board Report

Date: 15th July 2011 Author: David Robertson
Director of Finance and Corporate Services

For: Board

Subject: Finance and Performance Report at 30th June 2011

1. Purpose of report and alignment to strategic goals

This paper has two parts:

Part one

To update the Board on progress towards the Trust's three year objectives as measured through the priority actions for 2011/12 for the Director of Finance and Corporate Services. The performance against the Trust's governance and financial ratings is also described together with forecasts and mitigating actions.

[REDACTED]

Part One

2. Summary

The priority actions for 2011/12 for the Director of Finance and Corporate Services are on track.

The Monitor governance target is green. According to the data available at the time of writing this report the Trust is green for Quarter 1. It should be noted, however, that due to amendments to the construction of one indicator by Monitor during the quarter not all the data was available at the time of completing this report. The data that is available demonstrates compliance and a verbal update will be provided at the meeting.

In line with plan, the financial risk rating is scored at 3 at the end of quarter 1 and a risk rating of 3 is forecast for year end outturn.

3. Recommendation

The Board to note the attached report

Index

1. Progress against priority actions for 2011/12
2. Governance ratings performance dashboard
3. Governance ratings exceptions narrative
4. Financial Performance
5. Risks and Opportunities
6. Key Headlines
7. Dashboard
8. Cost Improvement Programme
9. Key Financial Statements

1. Progress against priority actions for 2011/12

3 Year Objective	Priority actions for 2011/12	Time Frame	Rag Rating
<p>Reduce costs by 25% over 3 years whilst delivering our clinical strategy and maintaining a Monitor Financial Risk rating of at least 3.</p>	<ul style="list-style-type: none"> • Create a structure and assurance framework which enables us to reduce our costs in line with the financial plan 	<p>In place June 2011</p>	
	<ul style="list-style-type: none"> • Develop a financial strategy to support the clinical strategy 	<p>First draft by Oct 2011 Final June 2012</p>	
	<ul style="list-style-type: none"> • Complete the merger of the financial systems in HPFT and HCHC creating a single operating ledger and reporting structure 	<p>October 2011 (subject to system availability)</p>	
	<ul style="list-style-type: none"> • Develop and implement a business support function incorporating finance, contracting and performance to provide the Managing Directors with the support they need 	<p>Tier 1 in place June 2011 Full roll out Sept 2011</p>	
<p>Develop our estate, purchasing, IT and technology infrastructure to support service transformation and productivity improvement</p>	<ul style="list-style-type: none"> • Develop an estate strategy (incorporating a Sustainability Strategy) which ensures that our service occupy premises which are appropriate for the clinical model and which is more cost effective 	<p>First draft Sept 2011 Final June 2012</p>	
	<ul style="list-style-type: none"> • Deliver the estate reconfiguration required to enable achievement of the planned operational redesign during 2011/12, including ensuring the estates function is customer focused 	<p>Throughout the year</p>	
	<ul style="list-style-type: none"> • Agree the future model of provision for estates and facilities services 	<p>Jan 2012</p>	
	<ul style="list-style-type: none"> • Deliver a procurement strategy that ensures value for money, incorporates innovation and improves buying behaviour 	<p>First Draft July 2011</p>	

The amber rating for the delivery of estates reconfiguration is based on the need to further assess existing plans and link them to the clinical strategy.

2. Governance Rating Performance Dashboard

June 2011

Version 1.0

		YTD Vol	Trend	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Performance Corporate Indicators : Monitor Quality Outcomes	% of patients experiencing a delayed transfer of care within a Mental Health Inpatient facility	221	▼	●	●	●	●	●	●	●	●	●
	% of patients receiving a 7 day follow up	624	▼	●	●	●	●	●	●	●	●	●
	% of patients receiving a 12 month review - provisional data	432	▼	●	●	●	●	●	●	●	●	●
	% gatekeeping compliance for inpatient admissions	385	▼	●	●	●	●	●	●	●	●	●
	EIP new referrals	45	▼	●	●	●	●	●	●	●	●	●
	Mental Health Minimum Data Set - Identifiers	262,264	▲	●	●	●	●	●	●	●	●	●
	Mental Health Minimum Data Set - Outcomes	1,740	▲	●	●	●	●	●	●	●	●	●
	Infection Control (Community MRSA and C Difficile)	n/a	▼	●	●	●	●	●	●	●	●	●
	Access to Care : Learning Disabilities	n/a	n/a	●	●	●	●	●	●	●	●	●
	Access to Care : Admitted 23 week wait	1,063	▲	●	●	●	●	●	●	●	●	●
	Access to Care : Non admitted 18 week wait	4,132	▲	●	●	●	●	●	●	●	●	●
	A&E attendances completed within 4 hours	4,344	▲						●	●	●	●
	A&E initial assessment within 15 mins for ambulance arrivals	41	◀						●	●	●	●
	A&E median time to treatment < 60 minutes	4,352	▲						●	●	●	●
	A&E unplanned re-attendances	165	▲						●	●	●	●
	A&E attendances left without being seen	38	▲						●	●	●	●

Achieving target

Achieving Monitor compliance

Failing Monitor compliance

3. Governance rating exceptions

Summary

All governance targets have been met and it is expected that the Trust rating will be green for Quarter 1. This is an improvement on the position since Quarter 2 2010/11 which has been amber/green. This improvement is due to concerted effort across the Mental Health and Learning Disability Services to improve data completeness which has now resulted in the Monitor thresholds for compliance with the Mental Health Minimum Data Set being achieved.

Background

Confidence level

Due to changes in formal review within 12 months (patients on CPA) indicator definition during Quarter 1 complete data is not available at the time of writing this report. Data is available for AMH which indicates compliance. A verbal update will be provided at the Board Meeting.

Community services indicators

The Monitor consultation on community service indicators includes proposals for data completeness indicators. It is expected that these indicators will come into effect from Quarter 3. Planning is underway to ensure the Trust is compliant with the proposed indicators as soon as possible. It should be noted, however, that it is anticipated that the rating will return to amber/green when these indicators become part of the Compliance Framework. This is due to the fact that RiO will still be in the process of being implemented across ICS in Quarter 3.

Information Governance

As an organisation, the Trust's aim is to get 100% of active staff to pass Information Governance training, in that we want all staff to be aware of the importance of protecting patient and personal data and know how to appropriately manage information. It is anticipated that the Trust will achieve at least a Level 2 for the IG Toolkit, but will be aiming for a Level 3 as a stretch target. As there are only have 9 months left in this year, an immediate action plan will be put in place that supports each directorate in achieving the targeted level of training. Some issues, for example, resolving staff lists and supporting staff without computer access will need to be resolved.

The deadline for submission of the baseline for the IG Toolkit 2011/2012 is 31 July. This deadline will be met, and as the new system brings over the baseline information from the previous year, it is anticipated that this will reach Level 2. New sections of the IG toolkit, such as hosted secondary use teams (i.e. embedded academic research departments) and voluntary sector will need to be taken into account in this year's plan for Information Governance.

Monitor have very recently announced that the Information Governance Toolkit will no longer be included in the Schedule 6 list of information requirements for foundation Trusts. There continues to be, however, a contractual requirement for the Trust to achieve at least Level 2 performance.

4. Financial Performance as at 30th June 2011

	Year to Date		Forecast to Year End	
	Plan	Actual	Plan	Actual
Achievement of plan	100%	99.2%	100%	100%
Income & Expenditure – normalised	£1.0m	£1.0m	£4.0m	£4.0m
Income & Expenditure – non-normalised	£1.0m	£1.0m	£2.0m	£2.0m
EBITDA margin	4.3%	4.3%	4.3%	4.3%
Cost Improvement Programme (CIP)	£4.7m	£3.3m	£23.7m	£23.7m
Liquidity days	31	31	31	31
Cash balance	£20.7m	£18.5m	£19.6m	£19.6m
Return on Assets	6.0%	6.0%	6.0%	6.0%

Financial Risk Rating	3	3	3	3
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(Items in bold together form the risk rating indicator)

All key financial indicators for the year to date, and forecast to the year-end, are on target with the exception of the cost improvement programme (see section 8).

5. Risks and Opportunities

Risk/Opportunity	Likelihood	Financial Impact	Mitigation Plan
Contract Income: A number of minor contracts currently remain unsigned although all major contracts for clinical services are now signed.	Low	-	Contract negotiations are being actively progressed and contingency plans are in place to manage the financial risk in the interim.
CIP Delivery: The level of CIP required remains high at £23.7m, a number of which required approval by the Overview and Scrutiny Committee. £3.5m of these are RAG rated red as high risk	High	£3.5m	The CIP has been developed based on a downside scenario to ensure there is sufficient capacity to manage slippage. The CIP required to deliver the financial plan is £20.6m.
Redundancy: No funds are currently held in reserve to cover potential redundancy costs associated with operational service CIPs	Medium	£2.6m	Workforce plans are being developed to minimize the necessity for redundancy costs.
Cost Pressures: There may be additional cost pressures in year that have not been included in the financial plan.	Low	£1.0m	Additional CIP schemes will be identified to manage in-year cost pressures
Capital Receipts: A delay to the disposals of property will have an adverse impact on the Trust's cash position	Medium	£1.0m	The capital programme will be reviewed if insufficient cash is available to deliver the current plan.

The key risk to the delivery of the financial plan is the CIP currently planned at £23.7m. Within this plan, there are a number of schemes that are complex, affect significant elements of the operational services and require consultation and engagement to ensure their successful implementation. If the risks currently rated high risk in the table do not deliver, this would reduce the financial risk rating to 2.

6. Key Headlines

Monitor Risk Rating

Overall risk rating score of 3 for 2011/12, against a planned risk rating for the year of 3. All metrics are scoring in line with, or above, planned ratings.

Income and Expenditure/EBITDA

There is a £1.0m (1.3%) normalised surplus for the year to date which is on plan.

[REDACTED]

[REDACTED]

[REDACTED]

These pressures are currently being offset by reserves of £1.9m. All divisions are forecasting a year end breakeven position with the exception of the AMH Division. Work is on-going to finalise the forecast outturn position in this area, which it is anticipated will be supported by the continued application of central reserves during 2011/12.

Statement of Position (SoFP) (Balance Sheet)

Net current assets (£6.6m) show a favourable variance against plan as at 30th June 2011 due to underspending on capital expenditure. During the month, one of the two assets held for sale was sold, realising the planned disposal value of £0.3m. Net current assets at the end of the year continue to be forecast to be £5.4m. This will give the Trust a forecast year end liquidity rating of 31 days. At 30th June 2011, the liquidity rating is 31 days.

Cash (SoCF) /Capex

The cash balance as at 30th June 2011 is £18.5m, a £2.2m adverse variance to plan due to net adverse movements in debtor and creditor balances only being partially offset by lower than planned capital expenditure. Capital expenditure is £0.6m lower than planned which is less than 75% of the year to date plan reported to Monitor in the 'forward financial risk' indicators. The underspend on the plan is due to project slippage while the project specifications are robustly examined for operational fit and acceptable rate of investment return. It is expected that these projects will complete by the year end, bringing capital expenditure in line with plan.

Work continues to finalise the cash transfer between the Trust and NHS Hampshire to reflect debtor and creditor arrangements agreed as part of the Business Transfer Agreement. It is expected that the necessary cash settlement will be enacted at the end of the second quarter.

Contracts

99% of clinical income contracts by value are currently signed.

Other Issues

The Department of Health (DH) has mandated that all non Foundation Trusts should comply with the 'Government's Transparency Agenda' and therefore they have an obligation to publish, on a monthly basis, all expenditure data over £25,000 in a prescribed format on both the Trust and the DH website. Monitor has not mandated this for Foundation Trusts, although they do recommend this as good practice. SHFT currently do not publish this data, on the grounds that it could give a competitive advantage to third parties bidding for new contracts and that the administrative arrangements in publishing this data monthly outweigh responding to ad hoc Freedom of Information (FOI) requests.

Two developing issues are steering the Trust in a direction to refresh this position. The transparency agenda is now embedded and is developing. Claiming exemptions under FOI is increasingly difficult and given the publication regime set out above the Information Commissioner is having less sympathy with the FT status in respect of this issue. In addition the number of FOI requests around this area is increasing. In response to these, the Trust is now proposing this data is published on a monthly basis from 1st August 2011 onwards in the required form which appears at Item 10 for information. This will have the benefit of being able to demonstrate to the Information Commissioner our intention for openness and reduce administrative burden within the Trust.

7. Dashboard

June 2011 Version 1.0

		Target	YTD Act	Risk rating	Trend	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11			
Finance Indicators																				
Finance Indicators	Monitor	EBITDA % achieved of plan	90%	99.2%	4	▼	●	●	●	●	●	●	●	●	●	●	●	●		
			85%																	
		EBITDA margin	4%	4.3%	2	▼	●	●	●	●	●	●	●	●	●	●	●	●	●	
			3%																	
		Income and Expenditure margin	1.2%	1.3%	3	▼	●	●	●	●	●	●	●	●	●	●	●	●	●	
			1.0%																	
		Number of days working capital	29	31	4	▼	●	●	●	●	●	●	●	●	●	●	●	●	●	
			25																	
	Return on assets	6.0%	6.0%	5	▲									●	●	●	●			
		5.0%																		
	Overall Risk rating	3	3	3	◀															
		n/a																		
	Recurring CIP	90.0%	60.0%	n/a	▲	●	●	●	●	●	●	●	●	●	●	●	●	●		
		80.0%																		
	Planned investment / disinvestment	n/a		n/a	n/a															
		n/a																		

Achieving target	Achieving Monitor compliance	Failing Monitor compliance
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8. Cost Improvement Programme

	Year to Date - Month 3 June 2011								RAG rating
	2011/12 Annual Target £m	Target £m	Actual Recurrent £m	Actual Non Recurrent £m	Total Actual £m	Variance £m	Recurrent Achievement against Target %		
Older Persons Mental Health Directorate									
Older Persons Mental Health	3.0	0.4	0.3	0.1	0.4	0.1	73%		
Adult Mental Health Directorate									
Adult Mental Health	6.7	1.4	0.6	0.2	0.8	0.6	44%		
Learning Disabilities	0.7	0.1	0.1	0.0	0.1	0.1	57%		
Specialised Services	1.5	0.3	0.2	0.1	0.3	0.0	71%		
Social Care (TQTtwentyone) - Employee Terms & Conditions	0.2	0.1	0.1	0.0	0.1	0.0	100%		
Adults South & Lymington									
Adults South & Lymington	2.1	0.5	0.3	0.0	0.4	0.2	64%		
Adults South-East									
Adults South East	1.6	0.4	0.3	0.0	0.3	0.1	79%		
Adults North	0.7	0.2	0.1	0.0	0.1	0.1	34%		
Childrens Services	0.5	0.1	0.0	0.0	0.0	0.1	24%		
Dental	0.3	0.1	0.0	0.0	0.0	0.1	0%		
Smoking	0.1	0.0	0.0	0.0	0.0	0.0	0%		
Corporate and Non-clinical Services	4.8	1.2	0.9	0.0	0.9	0.3	73%		
Transaction savings from corporate restructuring	1.5	0.0	0.0	0.0	0.0	0.0	-		
Total CIP	23.7	4.7	2.9	0.4	3.3	1.4	61%		

[Redacted text block]

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Focus is now being turned on to the delivery of the CIP, at this stage it is forecast that the £23.7 million CIP will be delivered in 2011/12 albeit a proportion will be non-recurrent.

9. Key Financial Statements

Income Statement

		2011/12			2012/13
Fixed Annual Monitor Plan £m		Year to date - month 3			Forecast Annual Plan £m
		Plan £m	Actual £m	Variance £m	
	Income				
275.0	Mandatory Clinical	68.8	68.6	-0.1	269.3
0.6	Non Mandatory Clinical	0.2	0.1	0.0	0.6
39.0	Other Income	9.7	9.5	-0.3	39.0
314.6	Total Income	78.7	78.2	-0.4	308.9
	Expenses				
-219.8	Pay Costs	-56.4	-56.7	-0.3	-211.9
-3.5	Drug Costs	-0.9	-0.8	0.1	-3.3
-77.7	Other Costs	-18.0	-17.3	0.6	-78.4
-300.9	Total Costs	-75.2	-74.8	0.4	-293.6
13.7	EBITDA	3.4	3.4	0.0	15.3
-2.0	Impairments/Restructuring Costs	0.0	0.0	0.0	0.0
-5.0	Depreciation	-1.2	-1.2	0.0	-5.0
0.0	Profit/(Loss) on Disposal	0.0	0.0	0.0	0.0
-1.0	Net Interest	-0.2	-0.2	0.0	-1.0
-3.8	PDC Dividend	-0.9	-0.9	0.0	-3.8
-11.7		-2.4	-2.4	0.0	-9.7
	Net surplus / (deficit)				
2.0	Non normalised	1.0	1.0	0.0	5.6
4.0	Normalised	1.0	1.0	0.0	5.6

Statement of Financial Position (Balance Sheet)

		2011/12			2012/13	
31/3/12 Fixed Monitor Plan £m		31/3/12 Trust Annual Plan £m	Year to date month 3			Forecast Annual Plan
			Trust Plan £m	Actual £m	Variance £m	
140.9	Assets, Non Current	140.9	139.6	139.1	-0.5	140.9
	Assets, Current					
7.3	Trade Receivables	7.3	10.7	14.6	3.9	7.3
1.1	Prepayments	1.1	1.7	2.8	1.1	1.1
19.6	Cash *	19.6	20.7	18.5	-2.2	24.5
0.0	Assets Held for Sale	0.0	0.8	0.8	0.0	0.0
	Current Liabilities					
-16.0	Payables	-16.0	-16.9	-19.6	-2.7	-16.1
-1.0	Capitals Payables	-1.0	-0.8	-0.9	-0.1	-0.8
-4.9	Accruals + deferred income	-4.9	-5.9	-5.5	0.4	-4.8
0.0	PDC dividend Payable	0.0	-1.0	-1.0	0.0	0.0
-0.5	Borrowings	-0.5	-0.5	-0.4	0.1	-0.5
-0.2	Provisions	-0.2	-2.8	-2.7	0.0	-0.2
5.4	Net Current assets	5.4	6.0	6.6	0.6	10.5
	Liabilities, Non current					
-0.1	Provisions	-0.1	-0.1	-0.1	0.0	-0.1
-19.0	Borrowings	-19.0	-19.3	-19.4	-0.1	-18.5
-0.1	Other	-0.1	-0.1	-0.1	0.0	-0.1
127.1	Total Assets Employed	127.1	126.1	126.1	0.0	132.7
	Taxpayers Equity					
88.1	Public Dividend capital	88.1	88.1	88.1	0.0	88.1
5.5	Retained Earnings	5.5	4.5	4.5	0.0	11.1
0.0	Pensions Reserve	0.0	0.0	0.0	0.0	0.0
0.0	Donated Asset Reserve	0.0	0.0	0.0	0.0	0.0
34.3	Revaluation Reserve	34.3	34.3	34.3	0.0	34.3
-0.8	Miscellaneous	-0.8	-0.8	-0.8	0.0	-0.8
127.1	Total Taxpayers Equity	127.1	126.1	126.1	0.0	132.7

* Above excludes third party assets (patient cash) of £134,755

Cashflow

2011/12						2012/13
Fixed Annual Monitor Plan £m		Annual Trust Plan £m	Year to date month 3			Forecast Annual Plan £m
			Trust Flexed Plan £m	Actual £m	Variance £m	
13.7	EBITDA	13.7	3.4	3.4	0.0	15.3
-1.8	Debtors	-1.8	-5.8	-10.9	-5.1	0.0
4.0	Creditors	4.0	8.3	10.6	2.3	-0.3
0.0	Non Cash I&E items	0.0	0.0	0.0	0.0	0.0
15.9	CF from operations	15.9	5.9	3.1	-2.8	15.0
-6.9	Capital Expenditure	-6.9	-1.5	-0.9	0.6	-4.9
1.5	Asset Sales Proceeds	1.5	0.3	0.3	0.0	0.0
-1.0	Net Interest	-1.0	-0.2	-0.2	0.0	-1.0
-3.8	Dividends paid	-3.8	0.0	0.0	0.0	-3.8
-0.4	Net Movement in loans	-0.4	-0.1	-0.1	0.0	-0.4
0.0	PDC received / (repaid)	0.0	0.0	0.0	0.0	0.0
-2.0	other - restructuring	-2.0	0.0	0.0	0.0	0.0
3.3	Net cash inflow/outflow	3.3	4.4	2.2	-2.2	4.9
16.3	Opening cash balance	16.3	16.3	16.3	0	19.6
19.6	Closing cash balance	19.6	20.7	18.5	-2.2	24.5

10. A sample extract of the £25,000 transactional data for the period January – May 2011 and displayed in the required Department of Health publication format.

Department Family	Entity	Date	Expense Type	Expense Area	Supplier	Transaction Number	Amount	Vat Registration Number	Invoice Number
Department of Health	Hampshire Partnership NHS FT	01-Mar-11	Rent	283 Fareham Rd	HAMPSHIRE PRIMARY CARE TRUST	12517161	17,696.00	654411746	19464420
Department of Health	Hampshire Partnership NHS FT	25-Mar-11	Purch Tang FA Adchs Gr	Balance Sheet	RE DEV&CO LTD	12551472	30,495.60	NULL	6348
Department of Health	Hampshire Partnership NHS FT	10-Mar-11	Drugs	Lee Grove House	PORTSMOUTH HOSPITALS NHS TRUST	12574769	46,064.83	654936991	9200916
Department of Health	Hampshire Partnership NHS FT	15-Mar-11	Senior Manager band 8	Ld Management	HAMPSHIRE COUNTY COUNCIL	12625100	30,309.86	189406822	3610385720
Department of Health	Hampshire Partnership NHS FT	18-Mar-11	Mobile Phones	Finance	VODAFONE LTD	12636217	51,342.46	569953277	58037138
Department of Health	Hampshire Partnership NHS FT	22-Mar-11	Furniture & Fittings	Southfield Support Service	PINEAPPLE CONTRACTS	12646473	25,015.08	207059187	S12697
Department of Health	Hampshire Partnership NHS FT	18-Mar-11	NonNHS Trade Pybls Curr	Balance Sheet	BT PLC	12663428	77,461.94	245719348	VP70739170Q0390
Department of Health	Hampshire Partnership NHS FT	25-Mar-11	Bldg/Eng Equip Maint Cont	Abbots Lodge	NATIONWIDE GRITTING SERVICES LTD	12663611	1,710.00	943030064	90909
Department of Health	Hampshire Partnership NHS FT	25-Mar-11	Bldg/Eng Equip Maint Cont	B&N-FT SLA Hard FM	NATIONWIDE GRITTING SERVICES LTD	12663611	2,970.00	943030064	90909
Department of Health	Hampshire Partnership NHS FT	25-Mar-11	Bldg/Eng Equip Maint Cont	New Town House FM	NATIONWIDE GRITTING SERVICES LTD	12663611	1,445.00	943030064	90909
Department of Health	Hampshire Partnership NHS FT	25-Mar-11	Bldg/Eng Equip Maint Cont	RSU Estates	NATIONWIDE GRITTING SERVICES LTD	12663611	3,420.00	943030064	90909
Department of Health	Hampshire Partnership NHS FT	25-Mar-11	Bldg/Eng Equip Maint Cont	TLH Site Services	NATIONWIDE GRITTING SERVICES LTD	12663611	1,080.00	943030064	90909
Department of Health	Hampshire Partnership NHS FT	25-Mar-11	Bldg/Eng Equip Maint Cont	Trn Site Costs	NATIONWIDE GRITTING SERVICES LTD	12663611	3,752.82	943030064	90909
Department of Health	Hampshire Partnership NHS FT	23-Mar-11	SvcsRecd-FoundationTrust	Kimmeridge Centre	BASINGSTOKE AND NORTH HAMPSHIRE NHS FOUNDATION TRUST	12685827	68,043.84	654932122	10099708
Department of Health	Hampshire Partnership NHS FT	23-Mar-11	Services Received - NHSTs	Kimmeridge Centre	PORTSMOUTH HOSPITALS NHS TRUST	12685833	70,766.00	654936991	9202359
Department of Health	Hampshire Partnership NHS FT	25-Mar-11	Other Agency Staff	Chief Exec	IIMD PUBLIC SECTOR	12695903	27,807.76	813289624	274177
Department of Health	Hampshire Partnership NHS FT	01-Apr-11	Electricity	B&N-FT SLA Hard FM	BASINGSTOKE AND NORTH HAMPSHIRE NHS FOUNDATION TRUST	12713096	18,483.39	654932122	10099798
Department of Health	Hampshire Partnership NHS FT	29-Mar-11	Course Fees	Qprn Management	HAMPSHIRE COUNTY COUNCIL	12724050	50,000.00	189406822	3610385412
Department of Health	Hampshire Partnership NHS FT	20-May-11	Purch Tang FA Adchs Gr	Balance Sheet	PINEAPPLE CONTRACTS	12727452	(28,048.33)	207059187	CN10168
Department of Health	Hampshire Partnership NHS FT	05-Apr-11	External Data Contracts	Finance	NHS SHARED BUSINESS SERVICES LTD	12773325	272,037.15	848137212	100003446
Department of Health	Hampshire Partnership NHS FT	08-Apr-11	Office Equipment	Library Services	BASINGSTOKE AND NORTH HAMPSHIRE NHS FOUNDATION TRUST	12782553	95.00	654932122	10099864
Department of Health	Hampshire Partnership NHS FT	08-Apr-11	Miscellaneous Expenditure	RIO	HAMPSHIRE PRIMARY CARE TRUST	12782620	32,550.44	654411746	19464892
Department of Health	Hampshire Partnership NHS FT	03-May-11	Rates	Trn Site Costs	NEW FOREST DISTRICT COUNCIL	12791093	31,392.50	NULL	3000317211031131392
Department of Health	Hampshire Partnership NHS FT	12-Apr-11	Miscellaneous Expenditure	RIO	BT GLOBAL SERVICES	12813467	43,550.40	245719348	262057
Department of Health	Hampshire Partnership NHS FT	12-Apr-11	Audit Fees: Ext non-stat	Organisation Change Hants	PRICEWATERHOUSECOOPERS LLP	12813555	67,125.60	714775323	1353577268
Department of Health	Hampshire Partnership NHS FT	26-Apr-11	Staff Consultancy & Suppt	Organisation Change Hants	RAD CONSULTANCY LTD	12871460	25,080.00	932037938	2008040
Department of Health	Hampshire Partnership NHS FT	20-May-11	SvcsRecd-FoundationTrust	Finance	BERKSHIRE SHARED SERVICES	12940227	37,000.00	654411648	787532
Department of Health	Hampshire Partnership NHS FT	20-May-11	Qth Pron BF Cu	Balance Sheet	NHS PENSIONS AGENCY	12997590	100,515.13	654434141	763534
Department of Health	Hampshire Partnership NHS FT	24-May-11	Lease Rentals	Antelope House FM	SOUTH WEST HAMPSHIRE FUND00 LTD	13021218	169,841.93	918399772	26
Department of Health	Hampshire Partnership NHS FT	31-May-11	NHS payables - Current	Balance Sheet	BRIAN JOHNSTON & CO (INSURANCE BROKERS) LTD	13058142	76,513.50	NULL	D10111408
Department of Health	Hampshire Partnership NHS FT	10-Jun-11	Legal / Prof Fees	Chief Operating Officer	BEVAN BRITANN	13117976	32,974.54	840723148	01338658
Department of Health	Hampshire Partnership NHS FT	21-Jun-11	NonNHS Trade Pybls Curr	Balance Sheet	BT PLC	13172487	72,232.57	245719348	VP70739170Q0400

Board Report

Meeting	Trust Board
Date	28 th July 2011
Agenda Item	Item 5d Enclosure 10
Authors	Dr Huw Stone, Medical Director Sue Harriman, Managing Director Integrated Community Services Jane Elderfield, Managing Director Specialist Mental Health & Learning Disability Services
Title of Report	Quality & Governance Report
Purpose	To inform and update the Board on current quality issues
Recommendation	The Board should receive and approve the attached report.

Strategic Goals (please ✓ as appropriate)	
Service commitments: To deliver personal, clinically safe and effective services to each service user and carer.	✓
Patient experience: To continuously improve user experience.	✓
Financial health: To generate a surplus for re-investment in services and manage financial risk.	
Local accountability: To drive and enable local accountability.	
Customer focus: To understand our customers' needs and how to fulfill them.	✓
Social responsibility: To act in a socially responsible manner.	
Excellent employer: To be employer of choice for local health and social care staff.	
Teaching Trust: To work in partnership to provide excellent healthcare education and training.	
Research and development: To advance evidence based practice to the benefit of service users.	
To maintain effective governance throughout the Trust	

Implications (please ✓ as appropriate)			
Legal	✓	Financial	
People	✓	External Relationships	
Environmental		Equality & Diversity	✓
Human Rights	✓	ICT	

Board Report

Date: 28th July 2011

Authors: Huw Stone
Sue Harriman
Jane Elderfield

For: Trust Board

Subject: **Quality & Governance Report**

1. Introduction

1.1 This is the Quality & Governance Report for Southern Health Foundation Trust covering Safety (staff and patients), Patient Experience and Clinical Outcomes. This report is provided jointly by the Medical Director who has strategic responsibility for governance and quality and the Managing Directors of Integrated Community Services and Specialist Mental Health & Learning Disability Services who are accountable for the provision of quality care through the clinical services.

1.2 The report is presented in three parts:

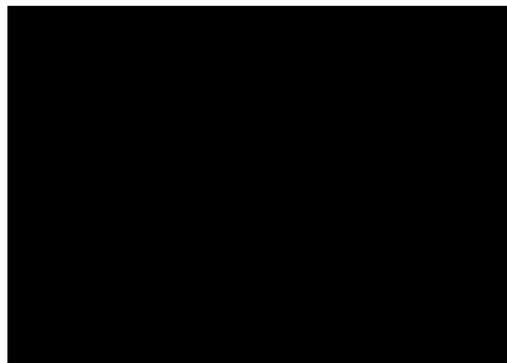
- Part 1 Progress against delivery of strategic objectives and annual priorities relating to Quality and Governance
- Part 2 Narrative update in key governance, quality, safety and experience areas
- Part 3 Progress against delivery of priorities identified in 2010-11 Quality Accounts

2. Recommendation

2.1 The Board is asked to note and approve the contents of the report and to agree the suggested actions where these are proposed.

Huw Stone
Medical Director

Sue Harriman
Managing Director Integrated Care Services



Jane Elderfield
**Managing Director Specialist Mental
Health & Learning Disability Services**



Part 1: Progress against Strategic Objectives & Priority Actions for 11-12

Strategic Objective No 8:

Develop fit for purpose internal processes and integrated governance systems that enable us to manage the organisation safely and effectively, and drive quality – achieving and sustaining a Green Governance rating

PRIORITY ACTIONS 2011-12	STATUS	Commentary
1. Ensure there is a framework in place which will ensure that service leaders have the information, clear responsibility, accountability and authority to manage the quality, operational performance, workforce and finances of the services they deliver	GREEN	Service Line Management & Decision Rights Report to go for discussion and approval to SMB in August and to Board in September.
2. Define and implement an integrated governance infrastructure for the newly merged organisation to ensure quality and safety of patient care is maintained	GREEN	Still in development. Board, Board sub-committee and Strategic Management structure in place; tier 1 committees (OMBs, Quality & Safety, etc) being established, first meetings have taken place and TOR being finalised.
3. Ensure framework is in place to monitor all sources of information and feedback about services and use it to identify and take action to address identified issues		About to begin – to be developed as part of Outcomes work led by Jessamy Baird
4. Achieve of Level 1 of the NHSLA Risk Management Standards and plan for the achievement of Level 2 NHSLA Risk Management Standards		Work about to begin on preparations for Level 1 re-assessment which has been arranged for September 2012.
5. Publication of first Quality Account for community services and second Quality Account/Quality Report for mental health and learning disability services	GREEN	Quality Accounts for both HCHC and HPFT published within required timescales
6. Put in place clear Board programme & timetable that maximises the input of the Board to strategy development and strategic decision making	GREEN	Board programme and timetable established

GREEN	Delivered/ On Target
AMBER	At risk of delay
RED	Overdue

Part 2: Quality Report

	Strategic, Corporate, National	Integrated Community Services	Specialist Mental Health & Learning Disability Specialist Services
1. COMPLIANCE AND REGULATION			
Care Quality Commission	<p>A meeting was held with CQC on 20 June 2011 to discuss conditions placed on our registration which are applicable to TQtwentyone but not NHS services. Also sought CQC guidance on the continuance of two Statement of Purposes (i.e. one for NHS services and one for TQtwentyone). Awaiting further response from CQC.</p> <p>CQC have been advised of the organisational name change to Southern Health NHS Foundation Trust (as have all other regulatory/national bodies such as HSE, NHSLA, NPSA, etc).</p> <p>The Trust's NHS services Statement of Purpose has been revised and a variation to registration submitted to CQC in light of the closure of Milton House (AMH rehabilitation unit).</p>	<p>CQC carried out an unannounced Responsive Review of Lymington New Forest Hospital Longbeech wards on 15 June 2012. They reviewed compliance against 5 outcomes and their overall judgement was that the wards were meeting all the essential standards reviewed. CQC recommended one area where some improvement could be made and this is now being addressed.</p> <p>ICS Governance Team has carried out mock CQC unannounced visits in all of their community hospitals against Outcomes 1 & 5 (respecting & involving people and nutrition). All hospitals were found to be compliant with these Outcomes, apart from Fleet and Gosport where some concerns were raised. Actions are in place to address these concerns and re-inspections of both sites have shown marked improvements. These hospitals will continue to be monitored and a further inspection will take place later in the year.</p>	<p>CQC recently visited Quay Haven (a Registered Care Home) and undertook an inspection. Their report has been received; CQC made no recommendations, and found all Essential Standards were met. CQC have also recently visited Church Road (a Registered Care Home), we are still awaiting their report although there were no adverse findings on the day.</p> <p>CQC Provider Compliance Assessment tools (PCAs) have been completed for all registered locations; a programme of CQC mock inspections is underway to ensure and test compliance.</p> <p>The CQC have been briefed on a number of significant MH&LD issues, including a safeguarding incident which has resulted in the arrest of a member of staff.</p> <p>The CQC have also contacted the Trust regarding Learning Disabilities services, in light of the recent Panorama programme <i>Undercover Care: The Abuse Exposed</i>. All queries were satisfactorily answered and the CQC are taking no further action.</p> <p>The CQC are notified of certain incidents in</p>

	Strategic, Corporate, National	Integrated Community Services	Specialist Mental Health & Learning Disability Specialist Services
			accordance with Regulation 17 of the Care Quality Commission (Registration) Regulations 2009, including unauthorized absence or death of a person detained or liable to be detained under the Mental Health Act 1983. Numbers reported to CQC include:- Deaths (May 2011 to date): None AWOLs (April 2011 to date): 19.
Mental Health Act	N/A	Information provided to community hospitals to comply with CQC guidance re use of MHA	N/A
Contract with commissioners: Quality Requirements	In accordance with agreements with HPFT and HCHC last year, there are two separate Quality Schedules for 11-12, one for ICS and one for MHL. These have been negotiated with commissioners separately and will be monitored separately. We wish to move to a single and outcomes based Schedule in 12-13 and internal meetings are planned for the autumn to agreed future strategic approach with commissioners.	Community Services Quality Schedule agreed with Commissioners in June. Months 1 and 2 Clinical Quality Review Meeting (CQR) with commissioners has taken place and no compliance issues identified	All contract signed. All Quality schedules agreed. Data Quality Plan developed and agreed covering the areas of activity and quality reporting which are currently not reportable. Clinical Quality review Meetings in covering April and May have highlighted no exceptions requiring escalation to the main Contract Monitoring meeting but have noted particular areas of good practice. Over the last three months all divisions have presented their service redesigns at the CQR.
NHS Litigation Authority	SHFT are currently NHSLA Level 1. All merged organisations are required to have an informal visit within 12mths of the merger and a formal reassessment within 2yrs. To meet these requirements we have booked our informal visit for January 2012 and we will be reassessed in September	N/A	N/A

	Strategic, Corporate, National	Integrated Community Services	Specialist Mental Health & Learning Disability Specialist Services		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 80%;">TOTAL Incidents</td> <td style="width: 20%; text-align: center;">51</td> </tr> </table> <p>Grade 3 and grade 4 pressure ulcers acquired in our care, continue to be the main cause of SIRC. Of the new incidents being reported, 13 incidents did not relate to pressure ulcers, of which have been to corporate panel and the others have dates set.</p> <p>No Never events were reported.</p>	TOTAL Incidents	51	<p>No never events reported.</p> <p>The Managing Director has conducted a review of recent serious incidents in response to concerns raised about increasing prevalence and a summary of findings is included in the Specialist MHLDS Services Delivery Report.</p>
TOTAL Incidents	51				
Learning from Concerns	N/A	<p>A number of key themes are emerging following the investigation into the deterioration or development of pressure ulcers and they appear below. They are grouped in order of themes that have emerged with regularity:</p> <ul style="list-style-type: none"> • Documentation including care planning • Communication within teams and with others • Appropriate grading of pressure ulcers • Task oriented care (in community) • Awareness and documentation relating to falls • Recognising the deteriorating patient and use of MEWS <p>Documentation continues to be a key issue with staff identifying as a contributory factor the a lack of clear patient record forms and requirements in some community hospitals. A group headed by the Associate Director of Nursing & Therapies has been established to look at documentation within community hospitals to provide standardisation</p>	<p>The top themes identified from recommendations arising out of investigations are:</p> <ul style="list-style-type: none"> • Risk assessment • Admission, Discharge, and Transfer • CPA assessment & care planning • Staff training • Falls management <p>The Quality & Safety Committee (QSC) monitors the overall trends and themes from SIRC and promotes organisational learning.</p> <p>The Divisional LOOC groups (within AMH & OPMH) receive regular reports on the number and type of Initial Management (IMRs) and Critical Incident Reviews (CIRs) within their division, quarterly learning from report, serious incident newsletter, number and types of complaints, and litigation cases. The group review all this information for key trends and</p>		

	Strategic, Corporate, National	Integrated Community Services	Specialist Mental Health & Learning Disability Specialist Services
		<p>across Hampshire.</p> <p>The ICS Quality & Governance Committee approved the startup of a Learning Network (its version of Learning out of Concerns Group) to consider and share learning from incidents and other events.</p>	<p>learning points. They coordinate the dissemination of the key learning points back through to the services. The other divisions receive this information where appropriate through their Patient Safety leads and Divisional Governance Groups.</p>
Security / violence & aggression towards staff	<p>The Trust's MH&LD Local Security Management Specialist (LSMS) continues to work closely with NHS Protect (formerly NHS Security Management Service) to ensure compliance with best practice and national requirements. NHS Protect continue to</p>	<p>In June 2011, violence and aggression statistics were submitted in the required national return for the former HCHC as part of Hampshire PCTs return. Incidents are comparable with last year and remain low.</p>	<p>In June 2011, in accordance with national requirements, the MH&LD services submitted to NHS Protect the violence and aggression to staff figures for 2010/11. In brief, the number of assaults to staff reported was 2015, the number of assaults reported to the Police was 39 and the number of sanctions obtained was 2.</p> <p>An action plan has been developed to reduce the number of assaults to staff, to increase (where appropriate) the numbers reported to the Police and the sanctions obtained. Implementation of and progress against the action plan is being monitored by the Trust's Quality & Safety Committee.</p>
Health & Safety	N/A	<p>COSHH training commenced and process for COSHH assessments agreed, and being rolled out</p>	<p>Programme to ensure collapsible curtain rails in place in in-patient mental health units.</p> <p>2 x incidents in July 11 of patients managing to AWOL through restricted windows – internal alert cascaded and all windows being checked</p>
Infection Prevention & Control	N/A	<p>Since last reporting period there have been:-</p> <p>MRSA Bacteraemia = 1</p>	<p>Since the last reporting period there have been:-</p> <p>MRSA Bacteraemia = 0</p>

	Strategic, Corporate, National	Integrated Community Services	Specialist Mental Health & Learning Disability Specialist Services
		MSSA Bacteraemia = 1 E coli Bacteraemia = 1 C Diff (post 48 hrs, e.g. acquired in our care) = 3 C Diff (pre 48hrs) = 2 Infection outbreaks = 2 (both D&V and required ward closure)	MSSA Bacteraemia = 0 E coli Bacteraemia = 0 C Diff (post 48 hrs) = 0 C Diff (pre 48 hrs) = 0 Infection outbreaks = 3 (2 required ward closure & 1 the service user was isolated).
Safeguarding – Adults & Children	<p>Organisational activities now in hand:</p> <ul style="list-style-type: none"> • Considering response to legislative changes as they emerge following the Law Commission Review of adult safeguarding. • Reviewing safeguarding leadership roles in the Trust and the structure beneath them to ensure integration between primary and secondary care. • Integrated Committee structure being developed. • Maintaining strong partnership working with multi agency colleagues • Increasing public and staff awareness by developing annual Safeguarding Adults Awareness Week and a Safeguarding Conference. <p>Strategic priorities for Safeguarding include:</p> <ul style="list-style-type: none"> • Strengthen reporting and governance structures so we can demonstrate our safeguarding activity more readily. • Development of publicity including the website. • Revise the training programme. • Ensure the integration between safeguarding children and adults. • Focus on prevention and early intervention. • Ensure service user involvement in decision making and consideration of capacity and consent. • Improved awareness and integration between safeguarding, quality and governance and patient safety. <p>Common themes to be address in the coming months across ICS and MHLD services:</p> <ul style="list-style-type: none"> • Focus on compliance and assurance • Communication methods reviewed to improve disseminating information about Safeguarding adults process and practice including redeveloping the intranet page to serve MH LD needs as well • Quarterly activity reports of key themes and high risk areas developed • Improved awareness and Integration between safeguarding, quality and governance and patient safety achieved in key care quality issues such as SIRI's 		

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	<ul style="list-style-type: none"> Work in progress to improve quality of care to vulnerable groups with Dementia, Learning Disability. <p>OFSTED/CQC inspection of Children's Safeguarding (child protection and Children in Care.)</p> <ul style="list-style-type: none"> The overarching inspection for the Hampshire health economy and social care was conducted from 27th June 2011 for a period of two weeks. Commissioners were the lead contact for health during the inspection however Southern Health (like all health care providers) provided various documentation and information for review by the inspectorate and many Southern Health staff were interviewed including Sue Harriman (executive lead for Safeguarding Children) and frontline staff from Health Visiting and other Children's Services. The results of the inspection will be known in August. 		
Coroners Inquests	N/A	N/A	[REDACTED]
3. PATIENT EXPERIENCE			
Patient Experience Survey	SHFT comply with the Health & Social Care Act Section 242 and Section 7: duty to engage and involve and duty to consult.	<p>Patient Survey (non statutory but good practice): Secures near/real time feedback. Reports to Board and local services. Supports service improvement/development.</p> <p>During the last quarter a total of 2,846 completed patient experience surveys have provided valuable feedback on our integrated community services. Of the respondents, 97% would recommend our services overall as either 'very good' or 'good' to friend or family. Services continue to obtain service specific feedback and are able to download posters to display in their individual areas. These posters allow patients, staff, families and visitors to see at a glance how well the clinical area is doing. It encourages a 'being open' ethic, so that all stakeholders and staff can celebrate their good</p>	<p>National Patient Survey (statutory requirement): Community AMH and OPMH survey undertaken annually. Reports to Board and commissioners as part of the contract. Benchmarked against other MH&LD Trusts in England (CQC). Action plans monitored through the Patient Experience Group (PEG).</p> <p>Non-statutory but good practice: Quality Assurance Questionnaire across all Divisions. LD version developed with Service Users. Reported to Board and commissioners as part of the contract. Action plans monitored through PEG.</p> <p>The results of the most recent National Patient survey are still awaited.</p>

	Strategic, Corporate, National	Integrated Community Services	Specialist Mental Health & Learning Disability Specialist Services																								
		<p>practice, and action plan around areas that may require innovation and improvement.</p> <table border="1"> <thead> <tr> <th data-bbox="846 416 1308 488">Question</th> <th data-bbox="1308 416 1518 488">% Very Good / Good</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 488 1308 587">Overall, if asked by friend/family, how would you rate the service you received?</td> <td data-bbox="1308 488 1518 587">97.0</td> </tr> <tr> <td data-bbox="846 587 1308 659">Did you get the care you needed where and when you needed it?</td> <td data-bbox="1308 587 1518 659">97.3</td> </tr> <tr> <td data-bbox="846 659 1308 730">Were you involved in decisions about your care?</td> <td data-bbox="1308 659 1518 730">93.3</td> </tr> <tr> <td data-bbox="846 730 1308 802">Was the environment you were seen in clean?</td> <td data-bbox="1308 730 1518 802">97.0</td> </tr> <tr> <td data-bbox="846 802 1308 938">If you asked a question or needed information, did you get an answer you could understand?</td> <td data-bbox="1308 802 1518 938">97.7</td> </tr> <tr> <td data-bbox="846 938 1308 1010">Did you feel staff understood your needs?</td> <td data-bbox="1308 938 1518 1010">98.3</td> </tr> <tr> <td data-bbox="846 1010 1308 1082">Were you given information to help you stay fit and well?</td> <td data-bbox="1308 1010 1518 1082">97.3</td> </tr> <tr> <td data-bbox="846 1082 1308 1217">Did the staff give your family/someone close to you all the information to help care for you?</td> <td data-bbox="1308 1082 1518 1217">81.3</td> </tr> <tr> <td data-bbox="846 1217 1308 1289">Were you given enough privacy when being examined or treated?</td> <td data-bbox="1308 1217 1518 1289">94.7</td> </tr> <tr> <td data-bbox="846 1289 1308 1361">Were you treated with dignity and respect by our staff?</td> <td data-bbox="1308 1289 1518 1361">98.3</td> </tr> <tr> <td data-bbox="846 1361 1308 1378">Did you have confidence in our</td> <td data-bbox="1308 1361 1518 1378">97.0</td> </tr> </tbody> </table>	Question	% Very Good / Good	Overall, if asked by friend/family, how would you rate the service you received?	97.0	Did you get the care you needed where and when you needed it?	97.3	Were you involved in decisions about your care?	93.3	Was the environment you were seen in clean?	97.0	If you asked a question or needed information, did you get an answer you could understand?	97.7	Did you feel staff understood your needs?	98.3	Were you given information to help you stay fit and well?	97.3	Did the staff give your family/someone close to you all the information to help care for you?	81.3	Were you given enough privacy when being examined or treated?	94.7	Were you treated with dignity and respect by our staff?	98.3	Did you have confidence in our	97.0	<p>An online survey of carers was introduced in November 2010 for 3 months. The results of this survey have been used to implement an action plan to improve the availability of information for carers; responding to carers needs; carers involvement in service development and access to carer training in accordance with the Carers Charter.</p>
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Complaints	On 28 June 2011, the House of Commons Health Committee report <i>“Complaints and Litigation”</i> was published. This report examined complaints and litigation management within the NHS 2 years on from the introduction of new complaints regulations and makes recommendations for improvement,	<p data-bbox="846 1070 1516 1169">In Q1 there were 38 complaints and 89 PALs referrals/concerns; data regarding compliments is not yet available.</p> <p data-bbox="846 1206 1516 1366">In Q1, the top causes of complaints were Clinical Care, Communication and waiting time. Consideration is currently being given to how to reduce these complaints, for example via the introduction of customer care training for staff.</p>	<p data-bbox="1547 1070 2163 1134">In Q1 there were 37 complaints, 47 PALs referrals/concerns and 42 compliments.</p> <p data-bbox="1547 1174 2163 1366">The top causes of complaints continue to be Staff Attitude, Clinical Treatment and Nursing Care. This has been the case for a number of years and there has been only limited action to date to address this. Consideration is currently being given to how to reduce these complaints,</p>								

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	<p>which will be subject to consultation. The report and its recommendations are currently being considered by the Trust, ahead of any eventual implementation of revised national policy.</p> <p>An external review of the Trust's complaint handling processes has recently been completed and its conclusions and recommendations are currently being considered by the Trust.</p>		<p>for example via the introduction of customer care training for staff.</p> <p>Themes and trends are addressed in the Learning Out of Concerns group that meets to identify areas of learning from complaints.</p> <p>Improvements: It was identified that there was a trend around communication in OPMH that was addressed at LOOC group – a poster was designed to highlight to staff the importance and value of clear and concise communication. This piece of work is ongoing.</p> <p>The department received a complaint from a patient who had been suffering an acute illness and shortly prior to discharge, the patient arranged for her car to be made road worthy again. Unfortunately the patient had not been notified of the applicable driving restrictions and was only told she could not drive after the work had been done. An action that resulted from this complaint was that DVLA guidance relating to Mental Illness and driving was disseminated around the relevant team leaders and clinicians and reminded to ensure that these topics are addressed with patients.</p>
5. BUSINESS CONTINUITY			

	Strategic, Corporate, National	Integrated Community Services	Specialist Mental Health & Learning Disability Specialist Services
	<p>National preparations for Olympics continue – potential local impact of torch relay / overnight stops</p> <p>Integrated committee in place at Trust level.</p> <p>Training programme for on-call managers developed / delivered</p> <p>Single Business Continuity Policy developed and about to go out for Trust-wide consultation</p>	N/a	N/a
6. NATIONAL/ OTHER			
Corporate Directorate Restructuring	<p>The Governance & Quality Team and all corporate service directorates are being reconfigured following the merger.</p> <p>A 44% cost improvement saving over 3 years has been set and a consultation paper will be published on 1st August for three weeks setting out proposed structures for year 1 and delivery of the required savings by year 3. It is anticipated that between year 1 and year 3 many of the functions provided centrally by the quality and governance team will either transfer to other corporate services, be devolved to the clinical services or will cease to be provided.</p> <p>The year 3 structure assumes only core functions necessary to set strategic and policy direction for the Trust and maintain regulatory and statutory compliance will be retained centrally and managed by the corporate quality and governance team. This includes:</p> <ul style="list-style-type: none"> • Health, Safety and Security • Compliance & Regulation including CQC registration 		

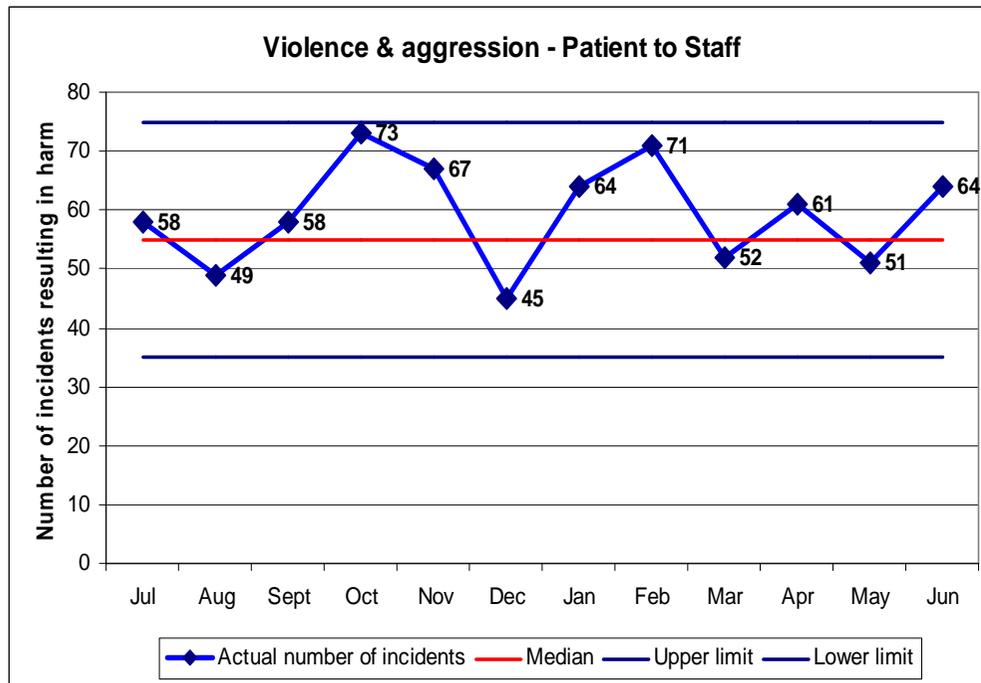
	Strategic, Corporate, National	Integrated Community Services	Specialist Mental Health & Learning Disability Specialist Services
	<ul style="list-style-type: none"> • Litigation • Freedom of Information <p>The structure assumes the following functions will be provided almost wholly by clinical services with only responsibility for liaison with external NHS bodies and agencies (e.g. commissioners) retained centrally:</p> <ul style="list-style-type: none"> • Quality • Patient Safety • Clinical Audit • Serious incident management and investigation • Complaints investigation, management and response <p>Other functions such as maintenance of risk management IT systems and data reporting will be provided by the HIS and Data Warehouse respectively. Additional capacity has been created in the Compliance Team in year 3 to provide increased internal assurance of compliance of devolved functions and responsibilities.</p> <p>A full impact assessment is being prepared to accompany the consultation and will be presented to Strategic Management Board for approval, this will ensure the organisation is fully informed in its decision making and has corporate ownership of risks associated with changes in the proposed delivery of these functions.</p>		

Part 3: Progress against Quality Account priorities for 11-12

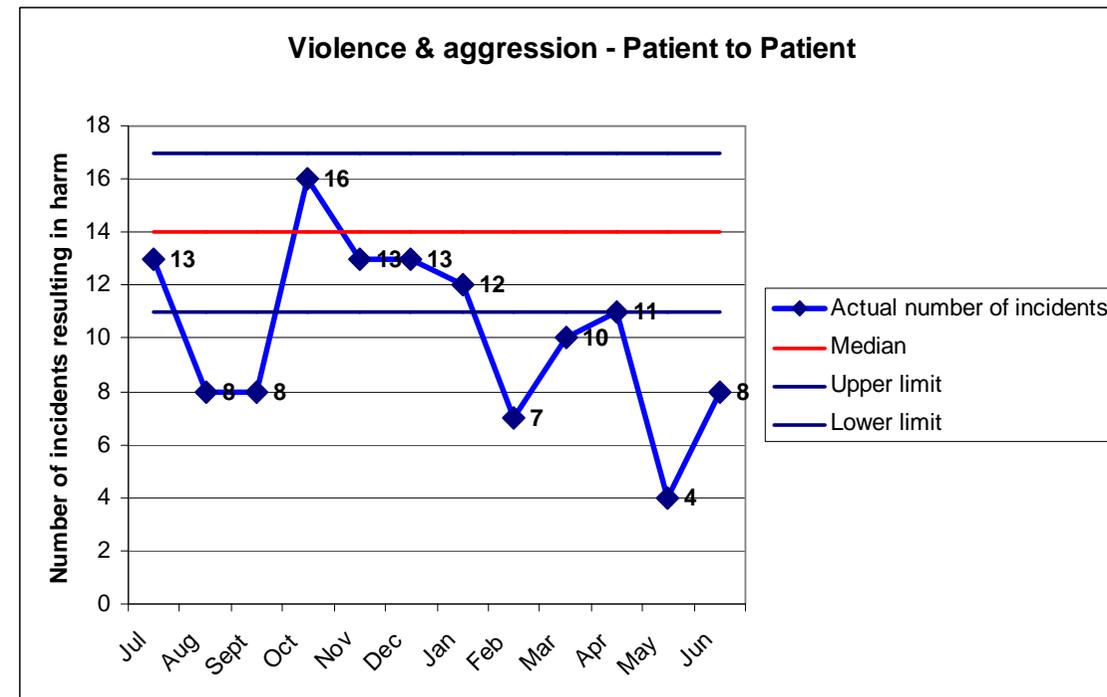
1. Each year NHS Trusts must publish a Quality Account which provides a reflection of the previous year in relation to quality improvements made in its clinical services and patient safety, patient experience and clinical effectiveness priorities for the Trust for the coming year.
2. Hampshire Partnership Foundation Trust and Hampshire Community Health Care, as required by Department of Health and Monitor guidelines, each produced a separate Quality Account for 2010-11. Priorities for improvement in 2011-12 were approved by the Board in May 2011. The Quality Accounts are now published on the Trust website and the NHS Choices website.
3. Progress against these priorities is shown in Part 3a for Mental Health & Learning Disability Services and Part 3b for Integrated Community Services.
4. Updates will be presented to Board throughout the year to provide assurance that the commitments made in the Quality Account are being delivered. This is the first of these reports.

Part 3a. Quality Account priorities for Mental Health & Learning Disability Services 2011-12

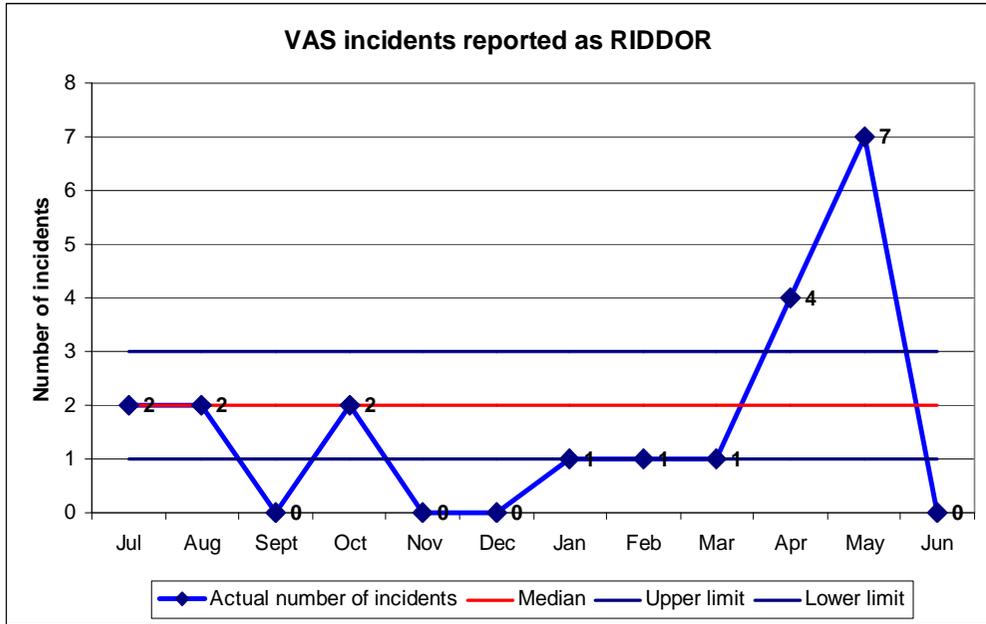
This report shows progress to date against the MH & LD 2011/12 quality improvement indicators. Where possible, performance is compared with previous years. Data is presented as a rolling 12 months, using the median, upper and lower limits obtained from HPFT data from July 2009 to March 2011. The median is the middle number in a set of data and the upper and lower limits indicate the spread of the data. These help us to understand if we are doing better or worse than in 2010/11. Any targets were set and agreed with commissioners.



The graph above shows the patient-to-staff violence and aggression incidents resulting in any harm for a 12 month rolling period. The median, upper and lower limits are based on 2010/11 HPFT data, as this indicator was recorded in a different way prior to 2010/11 so no historic comparable data is available.

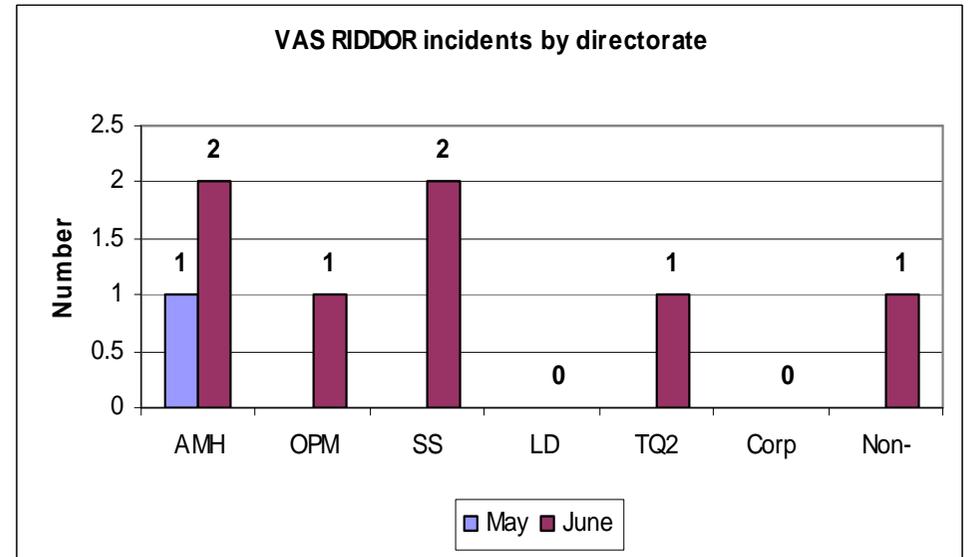


This graph shows patient-to-patient violence and aggression incidents in MH&LD services for a rolling 12 months. During 2011/12 to date, patient-to-patient violence and aggression incidents have been below the median, indicating there are fewer incidents than in 2010/11. This is felt to be due to the improved use of risk assessment and de-escalation techniques.



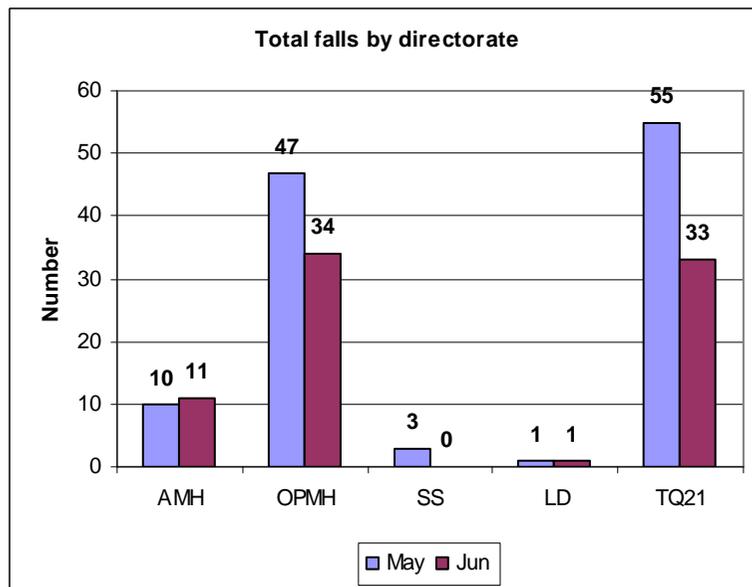
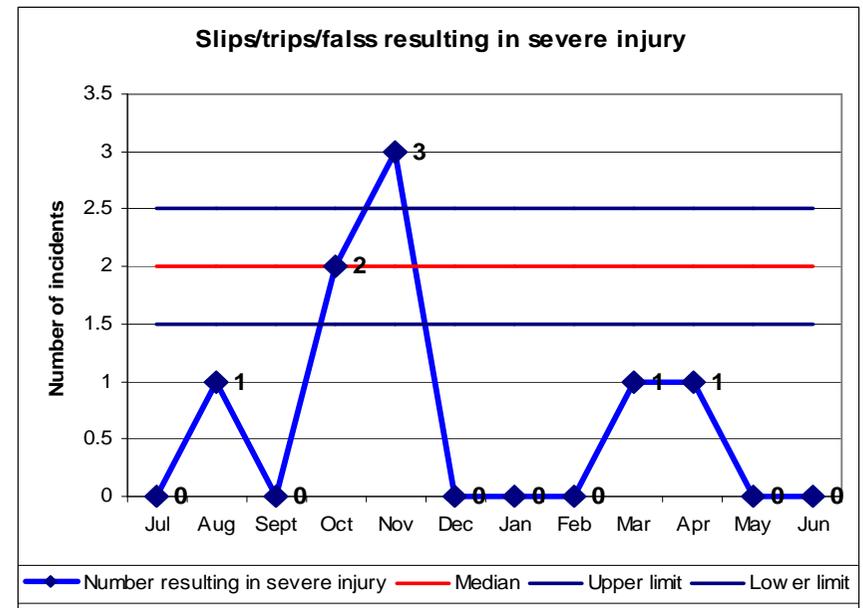
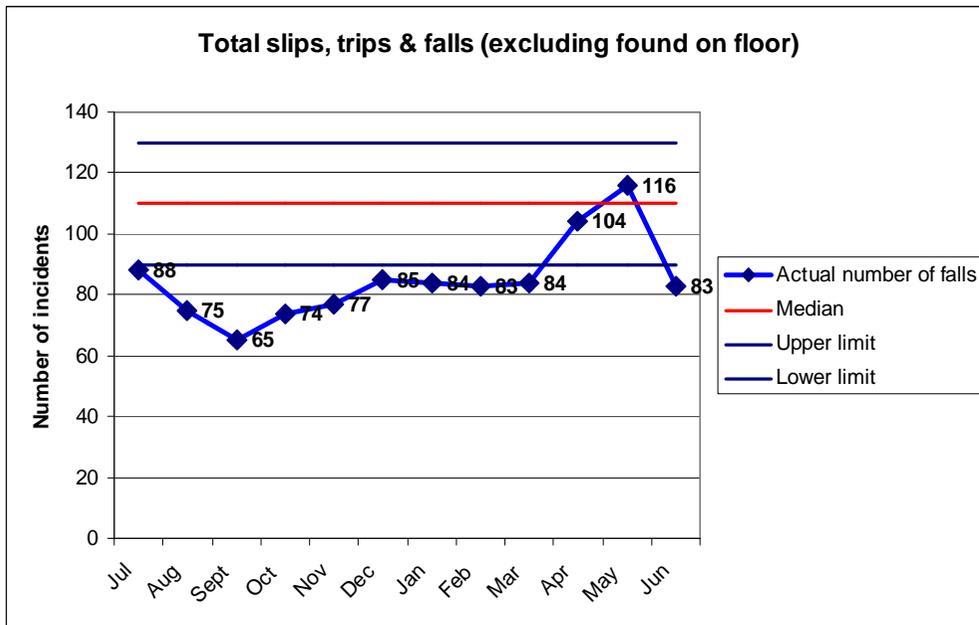
The graph above shows the violence and aggression incidents reported to the Health & Safety Executive (RIDDOR) for a rolling 12 month period. The median, upper and lower limits are different to all others in this report as they are only based on 2010/11 HPFT data. No data prior to 2010/11 is available.

The increase in RIDDOR VAS incidents in April and May was thought to be due to an increase in staff awareness of RIDDOR reporting requirements and arrangements. All VAS RIDDOR incidents are discussed at the Trust's Management of Violence & Aggression (MOVA) Committee. A training record of the injured person is obtained for every VAS RIDDOR incident to check that the injured individual was C&R trained.



The above bar chart shows the violence and aggression incidents reported to the HSE (RIDDOR) in May and June 2011 by directorate.

The cumulative total in 2011/12 to date is 7, this is lower than for the same period last year. There is insufficient data to date to identify if this trend is significant or long-lasting.

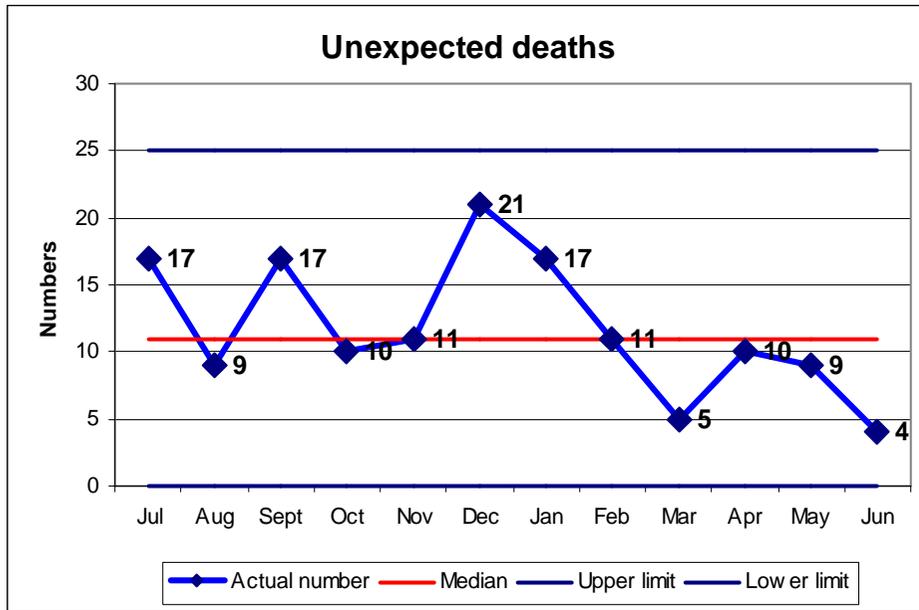


The LHS graph above shows the total slips, trips and falls (excluding found on floor) in MH&LD services for a rolling 12 month period.

The RHS graph shows the total slips, trips and falls (excluding found on floor) resulting in severe injury, such as a fracture. The one fall in April 2011 which resulted in a severe injury (a fracture) occurred in TQtwentyone.

The bar chart shows the total falls (excluding found on floor) in May and June 2011 by directorate. The majority continue to occur in Older Persons Mental Health (OPMH) and TQtwentyone.

The cumulative total falls (excluding found on floor) to date in 2011/12 is 259. This is lower than for the same period in 2010/11 (491). There is insufficient data to date to identify if this trend is significant or long-lasting.



Reducing premature death in people with serious mental illness is a national aim in “The NHS Outcomes Framework 2011/12”. A national indicator is under development until then, the Trust will use the number of unexpected patient deaths to gain an insight into mortality rates in our services. This is a new indicator for 2011/12.

The graph on the RHS shows the unexpected deaths (these are deaths of people which were not anticipated, e.g. sudden heart attack, stroke, and road traffic accident) for a rolling 12 month period. The median, upper and lower limits are based on 2010/11 HPFT data.

In April, May and June 2011, the unexpected deaths were below the median, indicating there are fewer than in 2010/11. However, there is insufficient data to date to be able to state if this trend is significant or long-lasting.

There were one Grade 2 Pressure Ulcers in each of May and June 2011, but none prior to that as far back as March 2009; this has not been shown graphically.

Please note that for all the indicators above, the data for June 2011 may be incomplete. This is due to the timing of this report in relating to entering June incident data onto Safeguard (the MH&LD incident database).

Part 3b. Quality Account priorities for Integrated Community Services 2011-12

PRIORITY 1 - Safety	<i>We will continue to improve the early detection and response to clinical deterioration in hospital and in the community</i>		
Why we chose this priority:	More frequently, very unwell patients are being cared for in our hospitals and by our community teams. To ensure they receive the right care it is essential our staff have the skills, tools and competencies to effectively assess and monitor patients so that early warning signs of possible deterioration are identified and acted upon quickly.		
Measures	Expected Outcome	Reason for including	Quarter 1 Progress
<ul style="list-style-type: none"> Number of serious incidents involving undetected clinical deterioration 	<ul style="list-style-type: none"> Zero serious incidents involving failure to identify a deteriorating patient in a hospital or community setting 	<ul style="list-style-type: none"> In 2009/10 there was one incident in our community hospitals when a patient's deterioration was not detected by staff as early as it should have been; in 2010/11 there was one hospital-related report of undetected patient deterioration and none since May 2010. There have been 3 incidents in our community services in 2010/11 which is why we will extend our programme of work into these services 	<p>There have been no incidents of patient deterioration occurring in Q1 (2011-12); however two serious incident panels have been held in recent weeks for incidents which occurred in February and March. Common themes have been identified in relation to communications with GPs, communications between CCT members and escalation procedures.</p>
<ul style="list-style-type: none"> Number of serious incidents involving failure to follow the resuscitation policy 	<ul style="list-style-type: none"> Zero incidents resulting in serious harm to patients arising from lack of knowledge, understanding or training in resuscitation arrangements 	<ul style="list-style-type: none"> In an incident in 2009/10 staff did not know how, or if, to resuscitate a patient. As staff care for increasingly unwell patients it is vital they are competent in resuscitation techniques and use of equipment, how and when to summon help and for ensuring the wishes of patients and their families regarding resuscitation are recorded and followed. 	<p>Following appointment of new Resuscitation Officer and Resuscitation Trainer Basic Life Support, Immediate Life Support and Resus Training Programme now in place.</p> <p>There have been no serious incidents involving resuscitation or failure to resuscitate in Q1.</p>
<ul style="list-style-type: none"> Number/percentage of patients where there was appropriate use of an early warning scoring system 	<ul style="list-style-type: none"> Increase use of 'MEWS' to 100% of appropriate patients in community hospitals by the end of 2011/12 	<ul style="list-style-type: none"> Early warning scoring systems have two aims: to facilitate timely recognition of patients with established or impending critical illness, and to empower clinical staff to escalate when needed via a trigger threshold The Modified Early Warning Score (MEWS) is a track-and-trigger scoring tool based on routine observations. Patients have their vital signs measured and these are converted into a score. The higher the score the more abnormal the vital 	<p>MEWS training has been completed in all community hospitals and is being rolled out in all community teams and is being reinforced in BLS and IMS training by Resuscitation Team.</p> <p>Suitable method of audit is now being discussed within the LEAD Clinical Training Team.</p>

		<p>signs are. If the scores reach a certain threshold a senior nurse/clinician and/or a doctor must be contacted to assess the patient.</p> <ul style="list-style-type: none"> ▪ Appropriate use of the tool should ensure unwell and high risk patients are identified, assessed by a senior clinician and care/ treatment plans adjusted accordingly and monitored 	
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PRIORITY 2 - Outcome		<i>We will improve the way we identify people nearing the end of their life and ensure appropriate care planning and care pathways are in place to support them to die in their place of choice</i>	
Why we chose this priority:	Studies have shown the majority of people wish to be cared for, and to die, at home. When this does not happen it can cause a patient distress and frustration and have an emotional impact on their family. Our aim is to offer all adult patients nearing the end of their life, regardless of their diagnosis, high quality palliative care so they can choose where they wish to die.		
Measures	Expected Outcome	Reason for including	Quarter 1 Progress
<ul style="list-style-type: none"> ▪ Number and percentage of patients identified to be at the end of their life (within 1 year) who are on an End of Life Care Pathway 	<ul style="list-style-type: none"> ▪ 50% of identified patients will be placed on an End of Life care pathway 	<ul style="list-style-type: none"> ▪ In 2010/11 18% of identified patients were on an End of Life Care Pathway. The Pathway comprises six steps and is designed to help anyone nearing the end of life receive well planned, co-ordinated and monitored care which is responsive to their needs and wishes. ▪ We will improve on our performance last year so more patients in our care who are at the end of their life have advanced care planning including choice about resuscitation and their preferred place of death. 	<p>There has been a ratification of a Hampshire Wide version of the LCP – which all providers have signed up to (led by Southern Health).</p> <p>A roll out plan is in place – which will support the increase in number of patients dying on an EoL pathway</p>
<ul style="list-style-type: none"> ▪ Number/ percentage of patients who die in their preferred place of choice 	<ul style="list-style-type: none"> ▪ At least 76% of patients will die in their preferred place of choice 	<ul style="list-style-type: none"> ▪ As part of the national choice agenda patients should have the chance to express a preference about their place of death ▪ The national target for supporting patients to die in their place of choice is 60% and this reflects that it may not always be possible for preferences to be achieved. In 2010/11 Hampshire Community Health Care achieved 76% and wishes to maintain and improve on this in 2011/12. 	<p>We continue to achieve within target on this – for those who we are identifying as at end of life.</p> <p>In Q2 we need to evaluate numerator and denominator and ensure we are capturing as many patients as possible</p>

PRIORITY 3 - Experience	<i>We will improve how we communicate and share relevant information with, and about, our patients with others such as GPs, acute hospitals, social care, care agencies and nursing homes, to provide a more joined up service</i>		
Why we chose this priority:	A patient in today's NHS is treated and cared for by a number of health and social care professionals and providers. Failure of these bodies to communicate effectively with the patient and each other can lead to, at best, frustrations for patients; at worst, missed treatment or delays in treatment and in rare circumstances it can have a significant impact on the outcome of a patient's care		
Measures	Expected Outcome	Reason for including	Quarter 1 Progress
<ul style="list-style-type: none"> ▪ Audit of the new Hospital Discharge Summary in all community hospitals 	<ul style="list-style-type: none"> ▪ 100% completion of the mandatory fields in the new Hospital Discharge Summary by Quarter 4 (March) 2012 	<ul style="list-style-type: none"> ▪ A discharge summary is a report of the events of a patient's time in hospital. It is the most important tool available to ensure there is continuity in a patient's care when they are discharged from hospital to the care of a GP, community team or to another hospital. A new discharge summary is to be introduced in 2011/12 and audited to ensure all relevant information is completed and made available. 	<p>Phased implementation of the new discharge summary in community hospitals has begun.</p> <p>Audits of completion of discharge summaries will take place in Sept 2011 and March 2012.</p>
<ul style="list-style-type: none"> ▪ Number/percentage of community care teams taking part in the <i>Productive Community Series</i> 	<ul style="list-style-type: none"> ▪ All community care teams to take part in the <i>Productive Community Series</i> in 2011/12 	<ul style="list-style-type: none"> ▪ The NHS Institute for Innovation & Improvement's Productive Community Series helps front line teams improve quality and productivity. A key module is <i>Working Better with our Key Partners</i> which helps to ensure smooth flow of information and common understanding with other care providers such as GPs. 	<p>40% of teams to enrol on Productive Programme in 2011/12. On target to achieve this</p>
<ul style="list-style-type: none"> ▪ Number/ percentage of shift handovers where structured handover tool in use 	<ul style="list-style-type: none"> ▪ Increase use of handover tools to 100% in all community hospital shift handovers by the end of 2011/12 	<ul style="list-style-type: none"> ▪ There are few tools which actively focus on how to improve communication, in particular verbal communication. The SBAR (Situation, Background, Assessment & Recommendation) tool can be used to shape communication at any stage of the patient's journey, from the content of a GP's referral letter, consultant to consultant referrals through to communicating discharge back to a GP. When staff use the tool in a clinical setting, they make a recommendation which ensures the reason for the communication is clear. This is particularly important in situations where staff may be uncomfortable about making a recommendation i.e. those who are inexperienced or who need to communicate up the hierarchy. The use of SBAR prevents the hit and miss process of 'hinting and hoping' 	<p>The use of the tool has been proactively promoted in all community hospitals and community teams in 2010-11 and is being reinforced in BLS and IMS training by Resuscitation Team.</p> <p>Suitable method of audit is now being discussed within the LEAD Clinical Training Team.</p>

Board Report

Meeting	Foundation Trust Board		
Date	28 July 2011		
Agenda Item	Item 5e Enclosure 11		
Author	Sandra Grant, Director of Workforce and Development		
Title of Report	Workforce Report		
Purpose	To summarise progress with key workforce issues and to highlight areas of risk		
Recommendation	The Board to note the attached report		
<i>Strategic Goals (please ✓ as appropriate)</i>			
Service commitments: To deliver personal, clinically safe and effective services to each service user and carer.			✓
Patient experience: To continuously improve user experience.			✓
Financial health: To generate a surplus for re-investment in services and manage financial risk.			
Local accountability: To drive and enable local accountability.			✓
Customer focus: To understand our customers' needs and how to fulfill them.			✓
Social responsibility: To act in a socially responsible manner.			✓
Excellent employer: To be employer of choice for local health and social care staff.			✓
Teaching Trust: To work in partnership to provide excellent healthcare education and training.			✓
Research and development: To advance evidence based practice to the benefit of service users.			
To maintain effective governance throughout the Trust			✓
<i>Implications (please ✓ as appropriate)</i>			
Legal	✓	Financial	
People	✓	External Relationships	✓
Environmental		Equality & Diversity	✓
Human Rights		ICT	

Board Report

Date: 28 July 2011
Author: Sandra Grant
For: Foundation Trust Board
Subject: Workforce Report

1. Purpose of report and alignment to strategic goals

To update the Board on national, regional and organisational workforce issues, and to highlight actions being taken to address areas of exception in relation to performance against key targets which support the delivery of the overarching strategic objectives in relation to planning and developing our workforce for 2011/12.

2. Report

National and Regional Workforce Update

NHS Pension Scheme

The Government has announced how it intends to proceed with plans to increase public service pensions contributions in 2012-13. This follows on from last year's Spending Review where it was stated that public sector workers would be asked to contribute an average of 3.2 per cent more for their pensions, phased in over three years from April 2012.

The NHS Business Authority, responsible for the administration of the NHS Pension Scheme will begin consultation shortly on their proposals for member contribution increases from April 2012. These consultations will only relate to delivering savings in the first year and will run to the end of October.

In summary:

- The Government remains committed to securing the full Spending Review savings of £2.3 billion in 2013-14 and £2.8 billion in 2014-15, requiring each scheme to find savings equivalent to a 3.2 per cent increase in member contributions.
- Separate scheme-specific consultations will lead to proposals being made by the end of October on how these savings are achieved.
- There will be no increase in member contributions for those earning under £15,000.
- There will be no more than a 1.5 per cent increase in total (before tax relief) by 2014-15 for those earning up to £21,000.
- The total increase will be capped at 6 per cent (before tax relief) by 2014-15 for the highest earners. This amounts to a 2.4 per cent cap (before tax relief) in 2012-13 on a pro-rata basis.

The announcement also states that the Government and the TUC have agreed that, to further inform the discussions on Lord Hutton's recommendations on public sector reform, initial discussions should be opened at a scheme by scheme level.

To support this process the Government will provide scheme-specific cost ceilings (a total cap on the cost of a scheme) to ensure that any reform remains affordable and sustainable. In setting out the cost ceilings for each scheme the Government will seek to ensure that the pension individuals receive at normal pension age. would be broadly as generous for low and middle income earners as it is now.

Regional HR Framework

In response to national organisational change implications outlined within the NHS Operating Framework, earlier this year the NHS South Central Regional HR Framework was issued to encourage a shared approach to supporting service redesign, regional redeployment and to avoid unnecessary redundancies.

The processes within the framework do not override internal change processes, in that an employer's first duty of responsibility is to its employees. Where posts are not filled by internal "At Risk" candidates, organisations are required to advertise these in the first instance to suitable "At risk" candidates within the regional health economy. Such candidates are held on a database and organisations are only required to make vacant posts available to these candidates where it is demonstrated they meet the required professional qualifications and is of a similar banding level.

The framework requires all organisations to take part, including Foundation Trusts, and Southern Health is committed to supporting the principles of the framework which has recently been reviewed to take into account the movement resultant from PCT clustering arrangements.

Mutually Agreed Resignation Scheme (MARS)

Panels comprising staff and management side representatives have now convened to consider applications submitted for MARS, and were reviewed with Divisional Directors against the following criteria:

- the operational implications of agreeing to the application
- the financial implications of agreeing to the application
- the need to retain the skills of the applicant for the foreseeable future
- extenuating circumstances which may preclude the application from approval i.e. absenteeism, performance, disciplinary issues etc

This round attracted 157 applications in total, the breakdown by directorate is as follows:

Directorate	No of Applications Received	No of Applications provisionally approved
[REDACTED]	1	1
TOTALS	157	94

The total cost of supporting this round of MARS applications amounts to £1,585,000. A detailed report will be issued to the Remuneration Committee for final consideration and approval, and future schemes are being considered to further support service redesign in Autumn 2011.

Organisational Change and Workforce Plans

Consultations are now well underway for OPMH, AMH and Corporate Services, with a view to the next steps of the respective change processes commencing in September. Community Services continue to make progress towards achieving their workforce plans, and are about to create plans for the next three years to further integrate existing services. There will be a specific focus on Workforce Plans at the September Board.

New Appraisal Process

The new appraisal process, based on the organisational values and effective behaviours staff at all levels are expected to demonstrate in addition to the technical competency required to deliver in their roles, is in the final stages of consultation and will be launched in September. Roll out plans include training for managers responsible for carrying out appraisal, and briefings for staff regarding their part in the process. Until such time, existing processes will be utilised to ensure continued review of performance and opportunity for staff to discuss any development requirements.

Medical Revalidation

Steady progress is being made to support the medical revalidation agenda, with project plans on track to ensure effective processes are in place for the introduction of the new system. Detailed reviews have been undertaken to scope the numbers of doctors to be appraised, identifying the appraisers and training requirements, systems for assessment and feedback, governance implications and the internal systems which need to be put into place in order for the Trust to provide evidence to support

revalidation, sharing appraisal information where doctors move for career or training purposes and the electronic storage of appraisal information.

Service Reviews: Occupational Health and Temporary Workforce Solutions

A review of Occupational Health provision to the organisation will be taking place in the Autumn. There are currently five separate providers with varying specifications for service delivery. The Trust will seek to procure one provider which provides a cost effective solution whilst supporting the well being agenda and meets the needs of staff and managers alike.

Similarly, a full review of arrangements in place across the organisation in relation to the management of bank and agency workers is now underway, and will ensure that robust processes are in place. Options for future models are currently being considered and will be presented at respective Operational Management Boards for decision about operationally and cost effective solutions before implementation.

Both reviews are being undertaken with a view to implementing new services with effect from April 2012.

Workforce Performance

Workforce Performance – Integrated Community Services

Appraisal completion rates have steadily declined across community services (with the exception of Children' Division, and currently stands at 68%. Action plans are now in place to ensure improvement across all other divisions and will be monitored closely through performance and operational review meetings.

Workforce Performance - Mental Health and Learning Disabilities

The vacancy rate has increased from last month to 8.85%, with a number of vacant post not being actively recruited to within Adult and Older People's Mental Health services in order to support the skill mix changes proposed as part of the current service redesign consultations. The bank and agency usage rate has also improved, reducing to 3%. The other area of workforce performance to note is the increase in appraisal completion rate, particularly within OPMH and Specialised Services. All directorates have submitted action plans to provide assurance completion continues.

Three year Trust objectives for 2011/12-2013/14 and priorities for 2011/12

3 year objective	Priority actions for 2011/12	Accountable	Q1	Comments
1. Redesign our integrated community services in order to improve quality, better meet the needs of GPs and patients and reduce costs by 25%	<ul style="list-style-type: none"> ▪ Plan, deliver & evaluate integrated models of service delivery for adults and children with 20 primary care clusters ▪ Implement Rapid Access Units & other agreed admission avoidance activities through development of integrated care pathways with acute & primary care and evaluate model ▪ Deliver year 2 of the CCT development plan, enhancing virtual ward supported by telemedicine, case management, IV therapy models & implementation of wound care strategy ▪ Agree and implement a clinical model for patients with dementia who are not managed by an OPMH specialist service provision, and evaluate outcomes ▪ Deliver year 3 of transforming community hospitals strategy, closing inpatient services at Havant, Odiham and Chase hospitals whilst ensuring best efficiency in the remainder ▪ Re-define scheduled care service, including MSK / Ortho Choice, to ensure cost effective service provision and optimum income generation realisation across the ICS Directorate. ▪ Continue with development of the children's workforce model with emphasis on the significant government mandated increase in Health Visitor numbers. 	Sue Sue Sue Sue Sue Sue Sue		<ul style="list-style-type: none"> ▪ Refreshed clinical strategy for ICS being finalised ▪ Integrated Care partnership with PHT agreed to pilot bringing together community and acute services ▪ Embedding new management structure across ICS ▪ 5 from 7 objectives on Plan ▪ Significant strategic development underway in the South West
2. Redesign our specialist mental health and learning disability services in order to improve quality, better meeting the needs of patients and commissioners and reduce costs by 25%	<ul style="list-style-type: none"> ▪ Redesign community mental health services for adults & older people creating unified CMHTs delivering consistent high quality services & reduce dependency on inpatient beds ▪ [REDACTED] ▪ [REDACTED] ▪ [REDACTED] ▪ Ensure that all specialised services meet the requirements for designation, including redesigning service models and estate where necessary to meet commissioner requirements ▪ Ensure specialised services capacity is fully utilised, developing services to repatriate activity commissioned elsewhere & taking out of use capacity which is not commissioned ▪ Complete the transition of our LD services into a 4 tier model, implement the planned expansion of new LD services and continue the implementation of Seamless Solutions ▪ Agree and begin implementation of a strategy for the provision of social care across the organisation 	Jane Jane Jane Jane Jane Jane		<ul style="list-style-type: none"> ▪ Key decisions regarding service redesign require Board or HOSC approval ▪ Embedding new management structure within Specialist Services
3. Develop and measure outcomes for each of our services and use them to drive improvement in the quality of our services	<ul style="list-style-type: none"> ▪ Develop clear patient and customer experience, clinical and operational outcome measures for each of our services, with input from stakeholders, and agree them with commissioners ▪ Agree the organisational outcome measures which will be used at Board level to indicate overall outcome improvement, and influence national thinking on outcome measures for our services ▪ Ensure that information and reporting systems are in place to collect, measure and report on these outcomes ▪ Agree improvement targets for outcome measures for 2011/12-2013/14 and support the delivery of the planned improvements for 2011/12 	Jessamy Jessamy Jessamy Jessamy		<ul style="list-style-type: none"> ▪ Activity remains on plan
4. Develop the leadership capacity and capability, culture and optimum organisational design to deliver our clinical strategy	<ul style="list-style-type: none"> ▪ Agree and implement the optimum senior organisational structure to deliver the clinical strategy ▪ Identify the leadership development requirements of the organisation and begin implementation of a plan to meet those needs ▪ Restructure substantive corporate services to support our clinical services and reduce HQ costs by 30% ▪ Define and implement a decision rights framework across the Trust ▪ Put in place an appraisal process throughout the organisation which embeds the new values and associated behaviours ▪ Develop an approach to recognising and rewarding innovation, inspirational leadership and team working across the Trust 	All Sandra Sandra Huw Sandra Sandra		<ul style="list-style-type: none"> ▪ Senior management structures in place ▪ Preferred provider for leadership development programme in place ▪ Board & SMB sessions held to share the overview of the leadership strategy ▪ Agreeing the final stages of the implementation plan
5. Develop our workforce so that we have the right number of people equipped with the skills and competencies they need to deliver our desired outcomes	<ul style="list-style-type: none"> ▪ Embed an effective HR business partner model across the Trust ▪ Develop a workforce strategy and plan which results in a productive, cost effective workforce with the skills & capabilities needed to deliver our strategy, & begin implementation ▪ Put in place effective workforce controls and that support achievement of the workforce plan and lead to a reduction in pay costs in line with the financial plan ▪ Develop workforce indicators which measure the productivity and performance of the workforce ▪ Develop education and training strategy, talent management and reward and recognition strategies and succession planning strategy for the merged organisation ▪ Develop well-being strategy use it to promote the wellbeing of our workforce 	Sandra Sandra Sandra Sandra Sandra Sandra		<ul style="list-style-type: none"> ▪ Workforce strategy delayed until September due to delays in the clinical strategies ▪ Potential impact on implementation due to external pressures including consultation and commissioning decisions.

Three year Trust objectives for 2011/12-2013/14 and priorities for 2011/12

<p>6. Improve the way we communicate and engage internally with staff and externally with stakeholders - maximising their involvement in what we do & how we do it</p>	<ul style="list-style-type: none"> ▪ Complete the rebranding of the new organisation so that patients, staff and all stakeholders know who we are and what we stand for ▪ Develop and agree internal and external communications strategy and plan ▪ Put in place effective feedback loops so that we proactively seek feedback, listen to it, interpret and act on it, and check it worked ▪ Engage Governors and Members effectively in the development of the organisation, its strategy and its key decisions ▪ Put in place a relationship management strategy, including development of effective working relationships with all partners including GPCCs ▪ Embed a culture of partnership working with staff side representatives 	<p>Lorraine Lorraine Lorraine Lorraine Sandra</p>		<ul style="list-style-type: none"> ▪ Southern Health launched. Rebranding of Southern Health started supported by initial round of staff briefings ▪ New AD of Communications to start 1.9.11 – to focus on internal and external communications strategy including how more interactive feedback processes ▪ Successful round of consiututency meetings held. Governor involvement in strategy development. Priority actions to improve governor/member engagement drafted . ▪ Strategic relationship management strategy drafted and proposed pilot approach with key organisations tba.
<p>7. Reduce costs by 25% over 3 years whilst delivering our clinical strategy and maintaining an Monitor Financial Risk Rating of at least 3</p>	<ul style="list-style-type: none"> ▪ Create a structure and assurance framework which enables us to reduce our costs in line with the financial plan ▪ Develop a financial strategy to support the clinical strategy ▪ Complete the merger of the financial systems in HPFT and HCHC creating a single operating ledger and reporting structure ▪ Develop & implement a business support function incorporating finance, contracting and performance to provide the Managing Directors with the support they need 	<p>David David David</p>		<ul style="list-style-type: none"> ▪ Activity remains on plan
<p>8. Develop fit for purpose internal processes and integrated governance systems that enable us to manage the organisation safely and effectively, and drive quality – achieving and sustaining a Green Governance rating</p>	<ul style="list-style-type: none"> ▪ Ensure there is a framework in place with ensure that service leaders have the information, clear responsibility, accountability and authority to manage the quality, operational performance, workforce and finances of the services they deliver ▪ Define and implement an integrated governance infrastructure for the newly merged organisation to ensure quality and safety of patient care is maintained ▪ Ensure framework is in place to monitor all sources of information and feedback about services and use it to identify and take action to address identified issues ▪ Achieve of Level 1 of the NHSLA Risk Management Standards and plan for the achievement of Level 2 NHSLA Risk Management Standards ▪ Publication of first Quality Account for community services and third Quality Account/Quality Report for mental health and learning disability services ▪ Put in place clear Board programme & timetable that maximises the input of the Board to strategy development and strategic decision making 	<p>Huw Huw Huw Huw Huw</p>		<ul style="list-style-type: none"> ▪ Service Line Management and decision rights framework on plan ▪ Board and sub board meeting structure in place and initial meetings held with ToRs developed ▪ Quality Accounts for both predecessor organisations published ▪ New board programme in place
<p>9. Increase our commercial acumen and business development capabilities leading to growth</p>	<ul style="list-style-type: none"> ▪ Fully analyse the market within which we operate and understand its implications for the Trust and develop a marketing plan ▪ Define the Trusts core services, create a business development plan & identify the resources needed to deliver it ▪ Identify, prioritise and progress opportunities to partner with others to improve service delivery ▪ Acquire Surrey Community Services and Ridgeway NHS Trust, and ensure the necessary action is to protect existing services delivered in Hampshire, Southampton, & Portsmouth ▪ Put in place a business planning process which ensures delivery of the organisational strategy 	<p>Lorraine Lorraine Lorraine Lorraine</p>		<ul style="list-style-type: none"> ▪ Initial Market and Competitor analysis undertaken, more in depth analysis being commissioned ▪ Process being finalised to sift and prioritise opportunities and develop process with the clinical services to prioritise opportunities in line with their plans ▪ Revision of the BP process being undertaken for launch in September for 12/13 ▪ Focus of activity on Ridgeway (PQQ to be submitted July 26th) and Sexual Health tender (shortlisted and presentation to commissioner 21st July)
<p>10. Develop our estate, purchasing, IT and technology infrastructure to support service transformation and productivity improvement</p>	<ul style="list-style-type: none"> ▪ Develop an estate strategy (incorporating a Sustainability Strategy) which ensures that our services occupy premises which are appropriate for the clinical model and which is more cost effective ▪ Deliver the estate reconfiguration required to enable achievement of the planned operational redesign during 2011/12, including ensuring the estates function is customer focussed ▪ Agree the future model of provision for estates and facilities services ▪ Deliver a procurement strategy that ensures value for money, incorporates innovation and improves buying behaviour ▪ Restructure IM&T team to provide the information services need to drive quality & efficiency improvement, repatriate agreed services from HIS, complete the planned roll out of systems (eg RiO) ▪ Develop a technology strategy which transforms the way services are delivered, and begin its implementation 	<p>David David David David Jessamy Jessamy</p>		<ul style="list-style-type: none"> ▪ IM&T restructure underway and recommendation on the future arrangements with the HIS being finalised ▪ RiO implementation on plan ▪ Further assessment of the estates rationalisation plans will be need in light of the refined clinical strategies

GREEN	Delivered/ On Target
AMBER	At risk of delay
RED	Overdue

Board Report

Meeting	Foundation Trust Board		
Date	28th July 2011		
Agenda Item	Item 5h Enclosure 14		
Author	Fred Mehta		
Title of Report	Investment Committee Report		
Purpose	To brief the Board on the activities of the Investment Committee meetings 13 th June and 5 th July 2011.		
Recommendation	That the Board should NOTE the report.		
Strategic Goals (please ✓ as appropriate)			
Service commitments: To deliver personal, clinically safe and effective services to each service user and carer.			
Patient experience: To continuously improve user experience.			
Financial health: To generate a surplus for re-investment in services and manage financial risk.			
Local accountability: To drive and enable local accountability.			
Customer focus: To understand our customers' needs and how to fulfill them.			
Social responsibility: To act in a socially responsible manner.			
Excellent employer: To be employer of choice for local health and social care staff.			
Teaching Trust: To work in partnership to provide excellent healthcare education and training.			
Research and development: To advance evidence based practice to the benefit of service users.			
To maintain effective governance throughout the Trust			✓
Implications (please ✓ as appropriate)			
Legal		Financial	✓
People		External Relationships	
Environmental		Equality & Diversity	
Human Rights		ICT	



Board Report

Date: 28th July 2011

Author: Fred Mehta

For: Noting

Subject: Investment Committee Report

Purpose

The purpose of this report is to brief the Board on the activities of the Investment Committee.

Report

Opportunity Pipeline

The opportunity pipeline for 2011/2012 is 128,633M of which 128M has been closed out with the acquisition of HCHC services. In addition to the above opportunities which were in our plan to Monitor, we have secured the IoW Council Learning Disability domiciliary care services for White Lodge at 793k pa, provisional start date 1st September 2011. The HPFT pipeline value for 2012/13 is currently valued at £10.5M. However, there is further potential of two opportunities currently being evaluated which are described below.

Strategy, Long Term Ideas and Opportunities

[Redacted content]

*Improving mental health
and wellbeing together*



- b) Financial modeling of combined and separate entities
- c) Establish the nature of the contract which is unknown, will it be a low fixed value contract with activity based tariff or some other mechanism.

Service Investments

All Opportunities in the pipeline were reviewed. Particular focus was placed on:

- 1. [REDACTED]
- 2. *e-Rostering across MH & LD.* An investment of £1,008,532 has been requested to implement e-Rostering in MH & LD, the requested monies relates to the period 2011/12, 2012/13 and 2013/14. This sum includes the cost of s/w licenses, implementation and support costs. While there is a view that there is a return on investment in Community Services from e-Rostering the value has not been quantified; no workforce reassignments or reductions appear to have been achieved as a result of e-Rostering. Since the sum requested refers mainly to MH & LD inpatient services, we have asked for a view on the actual savings achieved Vs cost at one of our community hospitals where e-Rostering has been implemented e.g. Lymington Hospital, so that the return on Investment can be accurately quantified.

Treasury Investments

Total interest earned to 30th June 2011 is £27,642 against the interest target of £30,000. In direct investments with commercial institutions, we secure a low interest from Barclays of 0.25%, however, this deposit offsets in part the working capital non-utilisation fee. In indirect investments, that is those via RLAM, many banks are offering interest rates above that available from the NLF (0.46%). However, RLAM have been hampered by some of the Investment limits that we have set. In particular, we set a limit of £3M on all UK clearing banks but a limit of £2M on all other banks with the equivalent Standards and Poor rating. As many overseas banks have an equivalent or better S&P rating than the UK clearing banks, and offer a better rate of interest e.g. Nordea 0.8%, the IC approved the increase in the investment limit on overseas banks to the same as UK clearing banks.

Disinvestments

A disinvestment of 2.772M has occurred with the transfer of Hampshire Substance Misuse Services to Solent Healthcare.

Key issues, Risks and Opportunities

Treasury guidelines may require to be further optimised to meet budget expectations.

Recommendation

The Board is asked to note this report.

Signed.....
Chairman of Investment Committee

*Improving mental health
and wellbeing together*



Board Report

Meeting	Foundation Trust Board		
Date	28 th July 2011		
Agenda Item	Item 6a – Self Declaration–Finance Enclosure 18 Confidential		
Author	David Robertson, Director of Finance and Corporate Services		
Title of Report	Quarter 1 Monitor Return and Self Certification – Finance		
Purpose	This report provides a commentary to support the detailed financial templates that are submitted to Monitor quarterly as part of their monitoring requirements.		
Recommendation	The Board to receive and approve the attached report for submission to Monitor and authorise the Chief Executive Officer to sign the Finance Declaration as per paragraph 10.		
<i>Strategic Goals (please ✓ as appropriate)</i>			
Service commitments:	To deliver personal, clinically safe and effective services to each service user and carer.		
Patient experience:	To continuously improve user experience.		
Financial health:	To generate a surplus for re-investment in services and manage financial risk.		✓
Local accountability:	To drive and enable local accountability.		
Customer focus:	To understand our customers' needs and how to fulfill them.		
Social responsibility:	To act in a socially responsible manner.		
Excellent employer:	To be employer of choice for local health and social care staff.		
Teaching Trust:	To work in partnership to provide excellent healthcare education and training.		
Research and development:	To advance evidence based practice to the benefit of service users.		
To maintain effective governance throughout the Trust	✓		
<i>Implications (please ✓ as appropriate)</i>			
Legal		Financial	✓
People		External Relationships	
Environmental		Equality & Diversity	
Human Rights		ICT	

Board Report

Date: 15th July 2011

Author: David Robertson

Director of Finance and Corporate Services

For: Board

Subject: **Quarter 1 Monitor Return and Self Certification – Finance**

1. Purpose of report and alignment to strategic goals

To update the Board on performance against the Trust's Annual Plan including financial ratings.

2. Summary

In line with plan the financial risk rating is scored at 3 at the end of quarter 1 and a risk rating of 3 is forecast for the next 12 months. This allows declaration 1 of the Monitor Finance Declaration to be completed.

3. Recommendation

The Board to receive and approve the attached report for submission to Monitor and authorise the Chief Executive Officer to sign the Finance Declaration as per paragraph 10.

**FINANCIAL PERFORMANCE (MONITOR REPORT)
KEY FINANCIAL HEADLINES FOR THE PERIOD 1st APRIL 2011 – 30th JUNE 2011**

CONFIDENTIAL

1. Context and Introduction

This commentary supports the detailed financial templates that are submitted to Monitor on a quarterly basis as part of their monitoring requirements. As submitted in the Trust's Monitor Financial Plan in May 2011, the Trust has a planned normalised target surplus for the year of £4.0 million (1.3% surplus margin), a planned closing cash balance at 31st March 2012 of £19.6 million and a planned overall financial risk rating for 2011/12 of 3. The purpose of this report is to detail progress against these targets as at the end of quarter 1, 30th June 2011.

2. Key Headlines – Quarter 1 2011/12

A summary of the key financial headlines is provided in the table below, supported by further information in the following pages.

Monitor Risk Rating based on month 3 and Monitor plan	Overall score of 3 against a planned rating of 3. All metrics scoring within acceptable ranges of planned rating.
Normalised Income and Expenses <i>(Income Statement)</i>	<ul style="list-style-type: none"> • Year to date normalised surplus of £1.0 million which is in line with plan. • Year to date EBITDA of £3.4 million which is in line with plan • £0.4 million adverse variance on income predominantly due to lower than planned income in relation to Facilities Management (FM) recharges off-set by a corresponding favourable expenditure variance (income recharges are not actioned until expenditure has been incurred).
Cost Improvement Programme	<ul style="list-style-type: none"> • Year-to-date adverse variance of £1.3 million against the June 2011 target of £3.9 million (excluding revenue generation schemes), which is being offset by the application of central reserves. • 61% (£2.9m) of total CIP target achieved recurrently
Statement of Position <i>(Balance Sheet)</i> as at 30 th June 2011	<ul style="list-style-type: none"> • Non current assets of £139.1 million, marginal adverse variance to plan due to slippage on the capital programme. • Net current assets of £6.6 million, £0.6 million favourable variance compared with plan due to the slippage on the capital programme. • Assets held for sale in line with plan as the sale of the first of two properties planned for sale during the year completed in June 2011.
Cash including capital expenditure (as at 30 th June 2011)	<ul style="list-style-type: none"> • £18.5 million cash balance at the end of June 2011, a £2.2 million adverse variance compared to plan. A cash transfer between the Trust and NHS Hampshire to reflect debtor and creditor arrangements agreed as part of the Business Transfer Agreement will be settled at the end of the second quarter. The forecast for the year end cash balance remains on plan. • £0.9 million capital investment incurred, 60% of the quarter's spend against plan. This slippage has arisen while final specifications are closely examined to ensure they retain strategic fit and are value for money.
Contracts	<ul style="list-style-type: none"> • 99% of clinical income contracts by value are currently signed.

Key risks & opportunities	<ul style="list-style-type: none"> • Contract Income: A number of minor contracts currently remain unsigned with the main clinical contracts now signed. • CIP Delivery: The level of CIP required remains high at £23.7m, with a number of schemes requiring approval by Overview and Scrutiny Committees. The CIP has been developed based on a downside scenario to ensure there is sufficient capacity to manage slippage. £3.5m of these are RAG rated red as high risk. • Redundancy: No funds are currently held in reserve to cover potential redundancy costs associated with operational service CIPs. Workforce plans are being developed to minimize the necessity for redundancy costs • Capital Receipts: A delay to the disposals of property will have an adverse impact on the Trust's cash position. The capital programme will be reviewed if insufficient cash is available to deliver the current plan • Cost Pressures: There may be additional cost pressures in year that have not been included in the financial plan. Additional CIP schemes will be identified to manage in-year cost pressures
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3. Income Statement to the end of June 2011

2011/12					2012/13
Fixed Annual Monitor Plan £m		Year to date - Qtr 1			Forecast Annual Plan £m
		Plan £m	Actual £m	Variance £m	
	Income				
275.0	Mandatory Clinical	68.8	68.6	-0.1	269.3
0.6	Non Mandatory Clinical	0.2	0.1	0.0	0.6
39.0	Other Income	9.7	9.5	-0.3	39.0
314.6	Total Income	78.7	78.2	-0.4	308.9
	Expenses				
-219.8	Pay Costs	-56.4	-56.7	-0.3	-211.9
-3.5	Drug Costs	-0.9	-0.8	0.1	-3.3
-77.7	Other Costs	-18.0	-17.3	0.6	-78.4
-300.9	Total Costs	-75.2	-74.8	0.4	-293.6
13.7	EBITDA	3.4	3.4	0.0	15.3
-2.0	Impairments/Restructuring Costs	0.0	0.0	0.0	0.0
-5.0	Depreciation	-1.2	-1.2	0.0	-5.0
0.0	Profit/(Loss) on Disposal	0.0	0.0	0.0	0.0
-1.0	Net Interest	-0.2	-0.2	0.0	-1.0
-3.8	PDC Dividend	-0.9	-0.9	0.0	-3.8
-11.7	Net surplus / (deficit)	-2.4	-2.4	0.0	-9.7
2.0	Non normalised	1.0	1.0	0.0	5.6
4.0	Normalised	1.0	1.0	0.0	5.6

3.1 Surplus

At the end of quarter 1, June 2011, the Trust is reporting a normalised surplus of £1.0 million which is in line with plan, and the Trust is on target to achieve the planned normalised surplus for the year of £4.0 million (1.3% surplus margin).

The Trust's forecast non-normalised position for the full year is a surplus of £2.0 million, after allowing for an estimated £2.0 million of restructuring costs in relation to the acquisition of Hampshire Community Health Care on 1st April 2011.

3.2 EBITDA

The Trust is reporting an EBITDA of £3.4 million (4.3%) which is in line with plan.

3.3 Income & expenses

The Trust's planned income for 2011/12 totalled £314.6 million. Income of £78.2 million has been achieved to the end of quarter 1 which is an adverse variance against the quarter 1 plan of £0.4 million. This is off-set by a corresponding favourable expenditure variance.

At the end of quarter 1, no private patient income has been received and the Trust is confident that it will not breach the PPI cap in year.

4. Statement of Financial Position (Balance Sheet) as at 30th June 2011

Statement of Financial Position (Balance Sheet)

2011/12						2012/13
31/3/12 Fixed Monitor Plan £m		31/3/12 Trust Annual Plan £m	Year to date month 3			Forecast Annual Plan
			Trust Plan £m	Actual £m	Variance £m	
140.9	Assets, Non Current	140.9	139.6	139.1	-0.5	140.9
	Assets, Current					
7.3	Trade Receivables	7.3	10.7	14.6	3.9	7.3
1.1	Prepayments	1.1	1.7	2.8	1.1	1.1
19.6	Cash *	19.6	20.7	18.5	-2.2	24.5
0.0	Assets Held for Sale	0.0	0.8	0.8	0.0	0.0
	Current Liabilities					
-16.0	Payables	-16.0	-16.9	-19.6	-2.7	-16.1
-1.0	Capitals Payables	-1.0	-0.8	-0.9	-0.1	-0.8
-4.9	Accruals + deferred income	-4.9	-5.9	-5.5	0.4	-4.8
0.0	PDC dividend Payable	0.0	-1.0	-1.0	0.0	0.0
-0.5	Borrowings	-0.5	-0.5	-0.4	0.1	-0.5
-0.2	Provisions	-0.2	-2.8	-2.7	0.0	-0.2
5.4	Net Current assets	5.4	6.0	6.6	0.6	10.5
	Liabilities, Non current					
-0.1	Provisions	-0.1	-0.1	-0.1	0.0	-0.1
-19.0	Borrowings	-19.0	-19.3	-19.4	-0.1	-18.5
-0.1	Other	-0.1	-0.1	-0.1	0.0	-0.1
127.1	Total Assets Employed	127.1	126.1	126.1	0.0	132.7
	Taxpayers Equity					
88.1	Public Dividend capital	88.1	88.1	88.1	0.0	88.1
5.5	Retained Earnings	5.5	4.5	4.5	0.0	11.1
0.0	Pensions Reserve	0.0	0.0	0.0	0.0	0.0
0.0	Donated Asset Reserve	0.0	0.0	0.0	0.0	0.0
34.3	Revaluation Reserve	34.3	34.3	34.3	0.0	34.3
-0.8	Miscellaneous	-0.8	-0.8	-0.8	0.0	-0.8
127.1	Total Taxpayers Equity	127.1	126.1	126.1	0.0	132.7

* Above excludes third party assets (patient cash) of £134,755

The table above details the Trust's Statement of Financial Position as at 30th June 2011.

Non current assets at £139.6 million are £0.5 million less than planned due to slippage on the capital investment programme.

Net current assets (£6.6m) show a favourable variance to plan as at 30th June 2011 due to underspending on capital expenditure. During the month, one of the two assets held for sale was sold, realising the planned disposal value of £0.3m. Net current assets at the end of the year continue to be forecast to be £5.4m. This will give the Trust a forecast year end liquidity rating of 31 days. At 30th June 2011, the liquidity rating is 31 days.

5. Cash Flow to the end of June 2011

The table below provides summarised details of the Trust's cash movements during the quarter to the end of June 2011. The cash balance as at 30th June 2011 is £18.5m, a £2.2m adverse variance to plan due to net adverse movements in debtor and creditor balances only being partially offset by lower than planned capital expenditure.

Work continues to finalise the cash transfer between the Trust and NHS Hampshire to reflect debtor and creditor arrangements agreed as part of the Business Transfer Agreement. It is expected that the necessary cash settlement will be enacted at the end of the second quarter.

Cashflow

2011/12						2012/13
Fixed Annual Monitor Plan £m		Annual Trust Plan £m	Year to date month 3			Forecast Annual Plan £m
			Trust Flexed Plan £m	Actual £m	Variance £m	
13.7	EBITDA	13.7	3.4	3.4	0.0	15.3
-1.8	Debtors	-1.8	-5.8	-10.9	-5.1	0.0
4.0	Creditors	4.0	8.3	10.6	2.3	-0.3
0.0	Non Cash I&E items	0.0	0.0	0.0	0.0	0.0
15.9	CF from operations	15.9	5.9	3.1	-2.8	15.0
-6.9	Capital Expenditure	-6.9	-1.5	-0.9	0.6	-4.9
1.5	Asset Sales Proceeds	1.5	0.3	0.3	0.0	0.0
-1.0	Net Interest	-1.0	-0.2	-0.2	0.0	-1.0
-3.8	Dividends paid	-3.8	0.0	0.0	0.0	-3.8
-0.4	Net Movement in loans	-0.4	-0.1	-0.1	0.0	-0.4
0.0	PDC received / (repaid)	0.0	0.0	0.0	0.0	0.0
-2.0	other - restructuring	-2.0	0.0	0.0	0.0	0.0
3.3	Net cash inflow/outflow	3.3	4.4	2.2	-2.2	4.9
16.3	Opening cash balance	16.3	16.3	16.3	0	19.6
19.6	Closing cash balance	19.6	20.7	18.5	-2.2	24.5

6. Investment & Disposal Strategy

At the end of June 2011, the Trust has spent £0.9 million on new capital investment. Capital expenditure is £0.6m lower than plan which is less than 75% of the year to date plan reported to Monitor in the 'forward financial risk' indicators. The underspend on the capex plan is due to project slippage while the

project specifications are robustly examined for operational fit and acceptable rate of investment return. It is expected that these projects will still complete by the year end, bringing capital expenditure in line with plan

One of the two disposals of assets held for sale planned for the year completed in June 2011 in line with the plan. The Trust expects to dispose of the remaining asset held for sale in the final quarter and additionally two further buildings are likely to become vacant and surplus to requirements which will be marketed for sale during the second quarter of 2011/12.

[REDACTED]

[REDACTED]

8. Cost Improvement Plans (CIPs)

The total Trust CIP/QIPP target for 2011/12 is £23.7 million (£21.4 million excluding revenue generation schemes). The total achieved recurrently at the end of quarter 1 is 61% (£2.9m). The Trust is also working with local PCTs during 2011/12 to assist in the delivery of savings on continuing care costs within the PCTs' budgets. The target for this is set at £0.5 million.

There is a year-to-date adverse variance of £1.3 million against the Trust's June 2011 CIP target (excluding revenue generation schemes) of £3.9 million which is currently being offset by the application of central reserves. This is variance is made up of:

- an adverse variance £0.7 million within the Specialist Mental Health and Learning Disabilities Directorate which is predominantly due to slippage on the Community Pathway Redesign scheme within the Adult Mental Health Division.
- an adverse variance £0.5 million within the Integrated Community Services Directorate which is predominantly due to slippage on a number of schemes within Adult, Childrens and Dental services.
- an adverse variance of £0.1 within Corporate services. Following the acquisition of HCHC on 1 April 2011 all corporate areas have produced new structures in order to achieve the 2011/12 savings targets. It is anticipated that these will be finalised during quarter 2.

At this stage in the financial year, it is forecast that the £23.7 million CIP will be delivered in 2011/12, with a proportion of this will be delivered on a non-recurrent basis.

9. Financial Risk

9.1 Financial Risk Rating

The table below demonstrates that the Trust remains on target to deliver an overall risk rating of 3 in 2011/12 against a planned overall risk rating for the year of 3.

Financial Risk Rating	2011/12 Qtr 1 Plan		Qtr 1 2011/12	
	Planned Performance	Rating	Actual Performance	Rating
Metric				
EBITDA margin	4.3%	2	4.3%	2
EBITDA, % achieved of plan	100%	5	99.2%	4
Return on assets	6.0%	5	6.0%	5
Income & Expenditure surplus margin	1.3%	3	1.3%	3
Liquidity Days	31 days	4	31 days	4
Overall Weighted Average		3		3

Trust performance against the additional forward financial risk indicators is detailed in the table below:-

Indicator	Result
Unplanned decrease in quarterly EBITDA margin in two consecutive quarters	No
Quarterly certification by Trust that FRR may be less than 3 in the next 12 months	No
Financial Risk Rating of 2 or less for any one quarter	No
Working capital facility used in reporting period	No
Debtors greater than 90 days past due date account for more than 5% of total debtor balances	No
Creditors greater than 90 days past due account for more than 5% of total creditor balances	No
Two or more changes in Finance Director in a twelve month period	No
Interim Director of Finance in place over more than one quarter end	No
Quarter end cash balance less than 10 days of annualised operating expenses	No
Capital expenditure less than 75% of plan for the year to date	Yes
Capital expenditure greater than 125% of plan for the year to date	No

10. Conclusion

The Trust's financial performance for 2011/12 is in line with plan in all areas and it is anticipated that the Trust will maintain a financial risk rating of at least 3 over the next 12 months.