

Agenda

Board of Directors

Tuesday 31 July 2012

9.00am – 12.00pm

Boardroom, Level 4, Royal Berkshire Hospital

Open Board Meeting – Part 1

Item	Lead	Time
The meeting will commence with a patient story.	Caroline Ainslie	9.00 – 9.05
1. Apologies for Absence	Stephen Billingham	-
2. Minutes for Approval: 26 June 2012 (Attached)	Stephen Billingham	9.05 – 9.10
3. Matters Arising		9.10 – 9.15
Performance Monitoring Items		
4. a) Chief Executive's Report (Attached)	Ed Donald	9.15 – 10.00
b) Quality and Patient Safety Report (Attached)	Emma Vaux/ Caroline Ainslie	
c) Integrated Performance Report (To follow)	Ian Stoneham	
d) Director of Finance's Report (Attached)	Craig Anderson	
Strategy/Major Items		
5. Quality of Earnings Report (Attached)	Craig Anderson	10.00 – 10.15
6. WBCH Utilisation (Attached)	Peter Malone/ Donna Rowell	10.15 – 10.30

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| 7. | Impact of Delays from Patients Medically Fit for Transfer and Whole System Response (Attached) | Caroline Ainslie | 10.30 – 10.45 |
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Governance Items

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| 8. | Monitor Quarterly Return (Attached) | Craig Anderson | 10.45 – 10.55 |
| 9. | Committee Annual Reports
a) Clinical Governance Committee
b) Charity Committee | Janet Rutherford | 10.55 – 11.00 |
| 10. | Revised Board and Council Protocols (Attached) | Keith Eales | 11.00 – 11.05 |
| 11. | Minutes of Meetings:
(Attached) | | 11.05 – 11.15 |
| | a) Special Council of Governors – 25 June 2012 | Keith Eales | |
| | b) Clinical Governance Committee – 5 July 2012 | Janet Rutherford | |
| | c) EPR Governance Committee – 9 July 2012 | Ed Donald | |
| | d) Special Council of Governors – 11 July 2012 | Stephen Billingham | |
| | e) Charity Committee – 12 July 2012 | Janet Rutherford | |
| | f) Joint Constitution Working Group – 13 July 2012 | Keith Eales | |
| | g) Verbal report from the Council of Governors – 26 July 2012 | Stephen Billingham | |

Information Items

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| 12. | Information Items (Attached)
a) Schedule of Outstanding Actions
b) Board Agenda Plan | Keith Eales | - |
| 13. | Date of Next Meeting
25 September 2012, Boardroom | - | - |
| 14. | Exclusion of the Press and Public (Verbal) | Stephen Billingham | - |

Closed Board Meeting - Part 2

The following section of the meeting will be closed to the press and public as the material to be discussed discloses exempt information as defined by the Freedom of Information Act.

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| 15. | Financial Forecast Report (Section 43 FOI Act) (Attached) | Craig Anderson | 11.15 – 11.30 |
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16.	Shaping the Future Consultation Response (Section 43 FOI Act) (To follow)	Ed Donald	11.30 – 11.40
17.	Managed Staff Bank Service (Section 43 FOI Act) (Attached)	Craig Anderson	11.40 – 11.50
18.	Mass Prophylaxis Centre (MPC) (Sections 31, 38 FOI Act) (Attached)	Ed Donald	11.50 – 12.00
19.	Quality and Patient Safety Report – Exempt Appendices (Section 40 FOI Act) (Attached)	Emma Vaux/ Caroline Ainslie	-
	Close		12.00

Minutes of the Board

Board

Tuesday, 26 June 2012

9.00am – 12.50pm, Boardroom, Royal Berkshire Hospital, Reading

Members Present

Mr. Tim Caiger	(Acting Chairman)
Mr. Edward Donald	(Chief Executive)
Ms. Caroline Ainslie	(Interim Director of Nursing)
Mr. Craig Anderson	(Director of Finance)
Dr. Lindsey Barker	(Care Group Director, Networked Care)
Mr. John Barrett	(Non-Executive Director)
Mr. Brian Hendon	(Non-Executive Director)
Mrs. Janet Rutherford	(Non-Executive Director)
Mr. Ian Stoneham	(Commercial Director)
Mr. Michael Winslow	(Non-Executive Director)
Dr. Emma Vaux	(Interim Medical Director)

In attendance

Ms. Janine Clarke	(Director of Workforce Development & Human Resources)
Mr. Keith Eales	(Director of Corporate Affairs & Secretary)
Ms. Lisa Glynn	(Acting Care Group Director, Urgent Care)
Mr. Philip Holmes	(Director of Estates & Facilities) (for minute 110/12)
Mr. Peter Malone	(Care Group Director, Planned Care)
Dr. John Swinburn	(Associate Medical Director, Informatics) (for minute 96/12)
Ms. Elizabeth White	(Head of Informatics) (for minute 96/12)

Apologies

The meeting commenced with a patient story from the Chief Executive.

94/12 Minutes: 29 May 2012

The minutes of the meeting held on 29 May 2012 were approved as a correct record and signed by the Chairman.

95/12 Matters ArisingMinute 72/12 Chief Executive's Report (capacity in the health economy)

The Board requested an update on the report requested with regard to trends in emergency department attendances, admissions and discharges and the action being taken to address current concerns about activity in the Trust.

The Chief Executive advised that he had held an initial meeting with the Interim Director of Nursing and Janet Rutherford. In addition, NHS Berkshire West was undertaking a wider review of capacity in the health economy.

The Board commented that, at this stage, an interim briefing note for Board members would be appropriate setting out the issues and actions to address concerns. The Chief Executive undertook to provide this. In addition, the Chief Executive undertook to provide a monthly briefing on delayed discharges, system capacity issues and the support required from commissioners as part of the integrated performance report, which would be led by the interim Director of Nursing.

96/12 Chief Executive's Report

The Chief Executive introduced a report giving a strategic context to developments in the health economy, setting out progress on the annual plan themes and commenting on the overall performance of the Trust.

The Chief Executive reported on the key messages in the speech given by the Chief Executive of the NHS, Sir David Nicholson, at the NHS Confederation Annual Conference. He had commented that, given the scale of change, it had been a successful year for the NHS. The next phase in the change process was to consolidate on the gains made in delivery of NHS constitution standards and to focus on outcomes. He had commented that many of the challenges faced by the NHS, such as the growing number of people over the age of 85 and the need to support more people with long term conditions to self care at home, were international in nature. However, the NHS faced an additional challenge given its universal nature.

Sir David had commented that FTs who saw their future as hospital care were likely to fail whereas those who focused on pathways of care in partnership with NHS providers were likely to prosper. He noted that efficiency on its own would not be sufficient to meet the £20b challenge, the NHS needed to radically re-design its traditional models of care. The Chief Executive noted that the new way of working introduced at the Trust in December 2011 was in step with this strategic direction and aligned with the approach being taken by clinical commissioning groups in west Berkshire.

The Board commented that, given these challenges, a dialogue with the unitary authorities, and a briefing for the unitary authority partner Governors, would be important as would close contact with Berkshire Healthcare NHS Foundation Trust.

The Chief Executive reported on the 'Shaping the Future' engagement exercise underway in east Berkshire which addressed changes in the provision of acute services. The proposals confirmed that the Bracknell Healthspace would proceed, using the facilities at the Bracknell Clinic.

The Board discussed its general approach to the document. The Board endorsed a partnership approach with Frimley Park Hospital NHS Foundation Trust and local GPs to the provision of the Healthspace at the Bracknell Clinic and more broadly to acute services in east Berkshire. In this context, the proposed location of the Healthspace in the Bracknell Clinic was welcomed. However, it was also considered that the solution for acute services in east Berkshire should provide sufficient flexibility for the provision of day surgery and endoscopy at the Bracknell Clinic. It was considered that clarification should be sought on the timing and role of the proposed treatment facility on the Heatherwood Hospital site. The Board concluded by agreeing that a sub-group of Directors should meet to develop the Trust response to Shaping the Future.

The Chief Executive advised that the Trust continued to experience high numbers of patients remaining in the Trust who were medically fit for discharge. The Trust was incurring costs of £250,000 a month to in keeping beds open for these patients. Commissioners had agreed, in principle, to reimburse these costs.

The Chief Executive reported on the Electronic Patient Record (EPR) go-live on 18 June. He thanked all staff for 'going the extra mile' to make the launch a success and for their ingenuity in ensuring a positive patient experience through free sudoku, quizzes and cups of tea to compensate for the slower service as staff got to grips working with a new IT system.

The Head of Informatics and the Associate Medical Director, Informatics attended to provide a summary of the issues in respect of EPR go-live to date.

The Head of Informatics advised that there had been no major issues and staff had adapted to the system better than had been expected. Queues had been kept to a reasonable level and space was available in the car park for arriving patients. The arrangements put in place to support the go-live process in the coming week were explained, with attention being given to reducing the backlog of booking patients to clinics. The Associate Medical Director, Informatics explained that there had been significant supportive feedback for the system from clinicians.

The Chief Executive confirmed that the revised EPR business case would be submitted to the July Board meeting.

The Chief Executive gave an overview of governance and finance issues in the Trust. Monitor's quarter 4 summary, which rated the Trust as amber-red for governance and an FRR of 3, was noted.

The Chief Executive commented that he had reported to the last meeting that a green governance rating from Monitor was anticipated at the end of quarter 1. However, it now seemed likely that, at best, the Trust would be rated as amber-green and at worst amber-red. This was due to challenges in meeting the A&E and cancer targets, made more difficult

by the significant number of patients delayed in their discharge and the break-down of a linear accelerator during quarter 1 which had reduced capacity available although no cancer patients care had been compromised.

With regard to the A&E target, prior to EPR go-live the Trust had been above the 95% target threshold. However, since go-live the data was taking longer to validate and the position of the Trust was not clear. The Chief Executive explained that the Trust had been given additional time to resubmit data post-validation.

Clarification was sought as to whether the challenges in achieving the target were attributable to EPR or additional patients arriving in the emergency department at the time of go-live. The Acting Care Group Director, Urgent Care advised that EPR had undoubtedly had an effect. However, attendances were also high and on a par with the peak winter period, which was causing an additional capacity challenge along with the points already raised regarding delayed discharges.

The Chief Executive advised that, in respect of the cancer targets, the 31 day target had not been achieved due to capacity issues and patient choice. Whilst the 62 day target was likely to be achieved, there was limited leeway. Assurances were sought that the 31 day target would be achieved in June. The Care Group Director, Planned Care confirmed that this would be the case. Clarification was also sought with regard to the extent to which the failure in achieving the target could be attributed to patient choice. He advised that whilst the position was partly attributable to patient choice, this was taken account of in setting the target at below 100%. A further cause had been the break down of a linear accelerator as explained earlier and this had now been repaired. The opening of the 5th linear accelerator in quarter 2 would provide additional capacity and resilience to mitigate the risk of this happening in the future.

The Chief Executive advised that the Executive had asked the Urgent and Planned Care Groups to identify any investment required to ensure that the targets were achieved in the future and to create headroom to surpass these important standards for patients. The funding would be identified from additional savings, PCT funding or if necessary a discussion with the board about the level of surplus that was acceptable in order for these standards to be guaranteed.

The Chief Executive reported that the significant increase in patients facing delays to their discharge was placing a significant risk on the ability of the Trust to deliver the A&E target and the financial plan for quarter 1. The host PCT had agreed in principle to fund an extra £1.5m in quarter 1, in recognition of these additional cost pressures outside of the Trusts control. This meant at the end of May 2012 the Trust had achieved an FRR 3 and its budget plans although the key risks going forwards remained delivery of the elective activity, control of drug costs and delivery of CIPs.

The Chief Executive confirmed that the doctors' day of action on 21 June had caused minimal disruption in the Trust.

Resolved: that the report be noted.

97/12 Quality and Safety Report

The Interim Medical Director and the Interim Director of Nursing introduced the monthly quality and safety report.

The Board noted the position in respect of the Hospital Standardised Mortality Ratio (HSMR). The HSMR for 2011/12 was 93.2, which was in the 'within expected' range. The HSMR for 2011/12 was expected to re-benchmark to 102. The crude mortality rate for May was 1.43% (107 patient deaths).

The Board noted that there had been four cases of C Diff associated diarrhoea in May.

There had been two serious incidents reported in May-a patient fall and a Grade 3/4 pressure ulcer.

The Board noted that there had been 35 formal complaints and 18 compliments received in the month.

The Board noted that the Care Quality Commission report in respect of termination of pregnancies had been received. The report confirmed that the Trust was compliant with the relevant regulations being reviewed.

Further information was sought in respect of the two 'never events' relating to wrong site surgery. It was noted that the Care Quality Commission had requested information about the events. The Care Group Director, Planned Care gave an overview of the review that had taken place following the incidents and assured the Board that the seriousness of the situation was recognised by those involved.

The Board noted the recent increase in the number of falls within the Trust and sought clarification with regard to the possible causes of this. The Interim Medical Director commented that the increase in falls had coincided with the establishment of the Care Group structure. The new structure could have been a distraction from the previously robust focus on falls prevention. The Chief Executive commented that the higher levels of activity within the Trust, above the level for which the Trust would be staffed for at this time of year, could also have had an impact. The Board was assured that meetings of the Falls Steering Group had restarted and Care Group Directors of Nursing and Matrons were addressing the issue.

Clarification was sought as to whether the Trust set an overall performance standard against the NHS Safety Thermometer. The Interim Director of Nursing advised that 95% was an appropriate overall standard.

An assurance was sought that the Trust was taking an appropriate level of action in respect of the continuing positive Legionella water hygiene results. The Acting Care Group Director, Urgent Care advised that the Estates Department had continued to give assurances that risks were being appropriately mitigated and that it was safe to continue to provide services to patients.

Resolved: that the report be noted.

98/12 Integrated Performance Report

The Commercial Director advised that he was seeking to enhance the reporting of performance information to the report. This work was not yet complete. He advised that the revised report would be distributed to the Board in a week.

99/12 Director of Finance Report

The Director of Finance submitted a report on the financial performance of the Trust to May 2012.

The Director of Finance advised that the year to date deficit was £1.196m versus a budget deficit of £0.5m. However, commissioners had agreed to provide additional funding of £1.5m to cover incremental cost incurred and year on year loss of Neonatal level 3 income. Of this sum, £1m was attributable to May.

The Director of Finance explained that

- income for the year, at £52.2m, was marginally ahead of budget. However, this position benefited from one time carbon management income and higher drug charges. Underlying activity was £500,000 below plan.
- pay costs, at £15.30m, continued a downward trend
- drug costs were £0.241m adverse to budget
- non-pay, excluding drug costs, was £0.309m adverse to budget, reflecting non-delivery of cost improvement plans

The Director of Finance advised that cash, at £34.9m, was £1.96m better than budget.

The Director of Finance advised that the Financial Risk Rating for the year to date was 2.3. This would increase above 3 in the light of the additional financial support from commissioners.

The Director of Finance concluded by drawing attention to three key issues - the need to recover elective income, the importance of recovering the shortfall in the cost improvement programme and the challenge of meeting the cost of likely investment needed to meet the A&E and cancer national targets.

Clarification was sought as to whether the drugs overspend, which amounted to 25% year on year, would be recovered. The Director of Finance advised that this would not be the case. The Trust had planned for a 5% increase in drugs costs. However, the increase was in excess of this. The assessed risk to the Trust was £2.5m. The Director of Finance undertook to provide a quarterly analysis of drug expenditure in 2011/12.

The Chief Executive commented that there were two key issues to be addressed - the cost of the Trust asset base and drugs expenditure. With regard to the asset base, the key actions were to increase activity at the Bracknell Clinic and to dispose of surplus assets. In respect of drug costs, until now the absence of a pharmacy IT system had limited the availability of evidence to seek to reduce drugs expenditure and to accurately charge commissioners. A system was now in place and this would provide the opportunity for an evidence based discussion.

The Board noted that the production of a quality of earnings statement for 2011/12 would be submitted to the next Board meeting.

The Director of Finance outlined the detail of the requisitions requiring approval, proposed amendments to Standing Financial Instructions in respect of budget virements and approval to extend the Trust Working Capital Facility.

The Board welcomed the new format for the Director of Finance report.

Resolved: that

(a) the report be noted

(b) that a quarterly analysis of drug costs in 2011/12 be distributed to Board members

(c) the following purchase requisitions be approved (figures excluding VAT)

Requisition number	Details	Amount £
4279153	NHSLA premium	7,108,830
4280637	PCEU occupancy charge	518,742
	Cerner EPR Implementation	1,500,000
	Cerner EPR Support ; operations management contract	500,000
	Cerner EPR implementation; Application management contract	6,000,000

(d) Standing Financial Instructions be amended in respect of budget virements as proposed in the report

(e) The existing Committed Working Capital Facility of £20m with Lloyds TSB Bank PLC be extended for a year to 31 May 2013.

100/12 Review of General Surgery

The Care Group Director, Planned Care submitted a summary of a follow up report into General (colorectal) Surgery in the Trust and a subsequent action plan.

The Care Group Director, Planned Care explained that the initial report had been commissioned in January 2011. The supplementary report had been completed in April 2012.

The Board noted that the supplementary report had highlighted considerable improvement since the initial review. However, a number of areas required improvement and these were subject to an action plan.

Resolved: the draft report and action plan be noted.

101/12 Patient Experience - NHS Choices Feedback

The Interim Director of Nursing submitted a report setting out the action taken to improve the Trust's rating on the NHS Choices website.

The Interim Director of Nursing advised that the NHS Choices website provided the opportunity for patients and visitors to leave feedback about their experience and whether or not they would recommend the hospital to a friend. Currently, 70% of patients would recommend the hospital. The number of contributions on the site was low, with, on average, one or two responses a month.

The Interim Director of Nursing explained that since April 2012 a quick response code had been printed on all Networked Care patient correspondence with a strap line encouraging feedback on the NHS Choices website. In addition, posters were now displayed in all wards and departments encouraging feedback. A named individual was responsible for daily monitoring of the NHS Choices website and coordinating feedback to comments left. The Board noted that there had been an increase in the number of comments left on the site.

The Interim Director of Nursing advised that it was now proposed to include the quick response code on all correspondence. In addition, ward clerks would be contacting all patients who had provided compliments to encourage use of the NHS Choices website. Pro-active marketing of the website would be undertaken and the opportunity for uploading local data explored.

Resolved: that the report be noted.

102/12 Transformation of Pathology Services

The Director of Finance and the Care Group Director, Networked Care submitted a report on progress with the review, by the Trust and Heatherwood & Wexham Park Hospitals NHS Foundation Trust, into creating a single pathology service for Berkshire.

The Care Group Director, Networked Care advised that one bid remained from the initial 24 expressions of interest. This meant that there was no competitive tension to test the value for money of the remaining bid. As a result, an in-house option had been developed to be used as a broad based comparator to test value for money and affordability. It was anticipated that both the external and in-house bids would be developed into final business cases for submission to both Trust Boards in September 2012.

Resolved: that the report be noted.

103/12 Review of the Trust Constitution

The Director of Corporate Affairs & Secretary submitted a report seeking the involvement of the Board in a review of the Trust Constitution.

The Director of Corporate Affairs & Secretary explained that the Council of Governors had discussed commencing a review of the Constitution in the light of the Health and Social Care Act. It was suggested that the review would most appropriately be undertaken by a joint working group of the Board and Council of Governors.

Resolved: that

(a) the establishment of a joint working group with the Council of Governors to review the Constitution be endorsed

(b) Janet Rutherford and the Commercial Director represent the Board on the working group.

104/12 Corporate Risk Register

The Director of Corporate Affairs & Secretary submitted the corporate risk register (incorporating the Trust Assurance Framework).

The Director of Corporate Affairs & Secretary advised that the Executive had held a workshop to review the reporting of risks to the Board. The general conclusions of the workshop were that it was appropriate:

- To develop a Board assurance framework to underpin the integrated business plan, which would be reviewed quarterly by the Board

- To establish a corporate risk register which would bring together red and amber operational risks for review by the Executive on a monthly basis
- To review risks at Care Group level during the monthly performance meetings with the Executive

The Board noted the current red risks in respect of water hygiene, ophthalmology follow up appointment delays, EPR implementation and the IT contract with CSC and insufficient ICU capacity.

Resolved: that

(a) the conclusions of the Executive workshop on the reporting of risk be endorsed

(b) the appropriate risks to be included in the Board assurance framework be identified by a working group of Board Directors

(c) the corporate risk register for June be noted.

105/12 Minutes of Meetings

The Board received the draft minutes of the following meetings

EPR Governance Committee	25 May, 7 June, 11 June, 14 June 2012
Council of Governors	31 May

The Chairmen drew attention to significant issues discussed at the meetings.

Resolved: that the minutes be received and the recommendations contained therein approved.

106/12 Information Items

The Board received, for information, the following reports

- schedule of outstanding items
- Board agenda plan

107/12 Date of Next Meeting

Resolved: that the next meeting be held at 9am on Tuesday, 31 July 2012.

108/12 Vote of Thanks

The Board recorded its thanks to Tim Caiger for his work and contribution as Acting Chairman.

109/12 Exclusion of the Press and Public

The Board noted that, had the meeting been in public, the press and public would have been excluded from the meeting at this stage given the exempt nature of the remaining business, as defined by the Freedom of Information Act. The Governor present left the meeting at this stage.

110/12 Engineering Contract

[Section 43, Freedom of Information Act]

The Director of Estates & Facilities attended to submit a report on progress with the re-tendering of the outsourced mechanical, electrical and building maintenance services. The Board noted that the tender process and cost references in the report were considered to be commercially confidential.

The Director of Estates & Facilities gave an overview of the tender process and the discussions held with those tendering to provide an overview of the service. An assurance was sought that those bidding were aware of the position of the services within the Trust. The Director of Estates & Facilities confirmed that every effort was being made to ensure that this was clear.

The Board noted details of the bids received, the financial and workforce implications and the timescale for concluding the process.

Resolved: that

- (a) the status of the tender process to date be noted**
- (b) the intention to seek reductions in the tenders to an affordable level be noted**
- (c) the Chairman, Chief Executive and Director of Finance be authorised to appoint the successful contractor prior to the next Board meeting**
- (d) a further report on the appointment be submitted to the July Board.**

111/12 Bracknell Clinic Update

[Section 43, Freedom of Information Act]

The Care Group Director, Networked Care, submitted a report and gave a presentation on progress towards providing further patient services at the Bracknell Clinic. The Board noted that the information was, at this stage, commercially confidential.

The Care Group Director, Networked Care set out key information in previous business cases submitted to the Board, current running costs and activity at the Clinic, shortlisted and longer term options for the site and progress towards increasing current activity at the Clinic. This included diagnostic, renal, cancer, all outpatient specialities, day surgery and endoscopy being performed at RBBC to generate a total income per annum of £14m to £16m to enable the clinic to drive a profit to pay for the annual running costs (including the loan repayment) of £4m. This would be achieved by a combination of direct income for services provided by the Trust and rental from Frimley, BHFT and primary care provider partners.

The Chief Executive commented that it would be appropriate for the Board to meet the Board of Frimley Park Hospital NHS Foundation Trust and for a similar meeting to take place at Executive level to discuss joint working given the earlier agreement to work in partnership.

Resolved: that the approach set out in the report for developing the Bracknell Clinic be endorsed.

112/12 Quality and Safety Report Exempt Appendix

[Section 40, Freedom of Information Act]

The Board received a confidential appendix setting out details of serious incidents reported in May.

There had been two serious incidents reported in the month - one patient fall and one Grade 3/4 pressure ulcer. The Board noted the details of each.

The Board noted the schedule of open serious incidents as at 31 May.

Resolved: that the report be noted.

113/12 Transformation of Pathology Services

[Section 43, Freedom of Information Act]

The Director of Finance and the Care Group Director, Networked Care submitted a report setting out confidential information in respect of progress with the review, by the Trust and Heatherwood & Wexham Park Hospitals NHS Foundation Trust, into creating a single pathology service for Berkshire.

The Board noted the procurement process undertaken to date, the detailed dialogue with bidders, the financial analysis and next steps. The Board also noted detail of the intra NHS comparator.

The Chief Executive commented that it would be appropriate for the Board to meet the Board of Heatherwood & Wexham Park Hospitals NHS Foundation Trust and for a similar meeting to take place at Executive level, to discuss the development of the joint approach. This was endorsed by the Board.

Resolved: that the report be noted.

114/12 Review of General Surgery

[Section 40, Freedom of Information Act]

The Board received the follow up report in the review of General (colorectal) surgery undertaken in April 2012. The report contained personal information that had been excluded from the presentation by the Care Group Director, Planned Care in part 1 of the meeting.

Resolved: that the report be noted.

115/12 Part 2 Minutes of the Council of Governors 31 May 2012

[Section 40, Freedom of Information Act]

The Board received the confidential minute of the Council of Governors meeting held on 31 May 2012, relating to the registration of the Chief Nurse and Director of Public & Patient Affairs.

An assurance was sought that systems had been changed to prevent a similar lapse in registration in the future. The Director of Workforce Development & Human Resources explained the background to the lapsed registration and assured the Board that processes had been changed to prevent a re-occurrence.

Resolved: that the minute be noted.

Chairman

Date 31 July 2012

Board of Directors

Title: Chief Executive's Report

Date: 31 July 2012

Lead: Ed Donald

Purpose: To report on the key issues and action being taken to deliver the Trust's strategic objectives, governance and financial risk ratings in support of the Trusts vision to deliver the best healthcare in the UK for patients in our community.

Key Points:

- **Strategic issues** – the Trust has responded to the Shaping the Future pre-consultation exercise and is working in partnership to deliver the HealthSpace concept at the Royal Berkshire Bracknell Clinic (RBBC). Ascot and Bracknell Clinical Commissioning Group have asked the Board to consider re-naming the RBBC the HealthSpace. The Trust has supported the Expression of Interest to create a Thames Valley Academic Health Science Network and is actively engaged in the creation of an employer led Thames Valley Local Education and Training Board. Good progress is being made in relation to the Trusts strategic themes; developing the specialist centre, delivering care closer to home and working to achieve integrated care with patients and partners.
- **Governance issues** – the Trust is forecasting delivery of an amber/green rating. Care Groups are developing plans to surpass the cancer, 4 hour A&E and 18ww standards to assure delivery in each of the remaining quarters within the constraints of available resources.
- **Financial issues** – the Trust is forecasting delivery of a FRR 3 for quarter 1 and is on track with its budget plan. This follows non-recurrent support from Berkshire west PCT in recognition of the extra costs associated with significant numbers of medically fit patients delayed in their discharge from hospital. The executive is focused on mitigating the risks associated with delivery of the income and savings plans in year.
- **Operational issues** – the main focus remains on the launch of the Cerner Millenium IT system to mitigate the inevitable impact on patient experience of such a large scale change. An action plan is in place to tackle the key issues and this will be managed through the re-establishment of the weekly EPR Governance meetings, led by the Chief Executive in the first instance.

Decision required: The Board is asked to NOTE the results for quarter 1, the key issues in the report along with the action being taken to mitigate the associated risks. The Board is also asked to give consideration to changing the name of the Royal Berkshire Bracknell Clinic to the HealthSpace.

FOI Status This report will be made available on request

1.0 Strategic issues

- 1.1 The Trusts response to the **Shaping the Future** pre consultation exercise was agreed by a sub-group of the Board and has been circulated to all members. The response welcomed the proposal that Royal Berkshire Bracknell Clinic (RBBC) becomes the Healthspace diagnostic and treatment centre.
- 1.2 Following the support of the Board, a partnership proposal is being developed with Frimley Park NHS Foundation Trust. This will cover the delivery of **HealthSpace** services at the RBBC. Day surgery is also being considered due to the theatre capacity constraints at both Trusts and our mutual desire to offer Choice to patients in this area of east Berkshire.

Work with local GPs to deliver the urgent care centre at RBBC is progressing. The aim is to open this service during winter 2012, subject to the outcome of public consultation on Shaping the Future. Discussions have also started with Berkshire Healthcare NHS Foundation Trust to relocate community services to the RBBC.

A revised business case setting out the impact of these partnership arrangements for the Trusts return on investment will be presented to the September 2012 Board meeting. In the meantime, Ascot and Bracknell Clinical Commissioning Group (CCG) have asked the Board to consider changing the name of the RBBC to the HealthSpace.

- 1.3 The Department of Health has asked for expressions of interest to establish further **Academic Health Science Networks**. Oxford University Hospitals NHS Trust is leading this work. The aim is to create a network of partners with a common interest in improving the health of local populations. This is to be achieved through the application of research and education in the delivery of new models of care and treatments which might be the catalyst for the development of small businesses and economic growth.

The Trust, along with the University of Reading and Berkshire west clinical commissioning groups have given their support to the expression of interest and to be members of a 'Thames Valley' Academic Health Science Network once it is authorised. It is likely that membership will be a requirement for access to CQUIN funding in the future.

- 1.4 The **Thames Valley Local Education and Training Board** has been approved to operate in shadow form by the Department of Health. It will have a budget of £160m and be accountable for the workforce strategy and delivery of high quality education for 3,000 students across all professional groups.

This is an important step in the creation of an employer led education organisation representing a workforce of 41 000 people. An independent Chairman will be appointed during the summer. In the meantime, I will continue as the interim Chairman working with colleagues across Thames Valley to support the establishment of this new organisation.

- 1.5 The development of **Specialist Centre** services continues to make good progress with the opening of the **5th radiotherapy treatment suite** scheduled to treat its first patients in September 2012. This consolidates the Trusts position as a cancer centre, providing the capacity and resilience needed to sustainably support delivery of the national radiotherapy standards in this area.

The **hyper-acute stroke service** delivered the second fastest thrombolysis times in the NHS last year, with 90% of stroke patients being admitted to the stroke unit in July 2012. The stroke team, led by Dr Emma Vaux (interim Medical Director) is now focused on improving admission of stroke patients within 4 hours and early supported discharge, particularly for those with complex needs. The Trust is part of the Dr Foster global comparators network and we are learning from the best in the world to deliver the highest standards of care for the benefit of patients admitted with a stroke to the Royal Berkshire.

- 1.6 Delivery of **Care Closer to Home** is a central part of the Trusts clinical services and estate strategies. Progress in recent years has been slow in making best use of the excellent facilities at **West Berkshire Community Hospital**. The Planned Care Group Director will report to the Board on the current position, plans to increase the number of patients treated in existing clinics and the day surgery unit along with an increase in the range of services that GPs and patients will be able to access in the year ahead.

Townlands clinic continues to be popular and is well used by local GPs and patients in Henley. An update on progress with regards the **RBBC** is given in section 1.2 above. The work in each of these areas will be taken forwards by an executive working group, led by the Commercial director to support delivery of the Care Closer to Home strategy, the associated clinical service and estate strategies. Combined, these strategies have an impact on the ability of the Trust to reduce its overheads whilst consolidating and increasing its market share.

- 1.7 The Networked Care Group Director will provide the Board with a verbal update on plans to take forward the **Integrated Care** element of the clinical services strategy with good early progress being made on the development of a Diabetes service proposal.
- 1.8 As discussed at the last Board meeting, the business case options for the delivery of a **Pathology partnership** with Heatherwood and Wexham Park are planned to be available for consideration and a decision in September 2012. A detailed briefing will be provided to Board members in advance of this meeting, to support the decision making process in relation to selection of the preferred option.

2.0 Governance issues

- 2.1. The **forecast Monitor rating for quarter 1 is amber/ green** which improves upon the previous amber/red rating. This is a significant achievement given the impact of Cerner Millennium go-live and the high number of patients medically fit for discharge which have led to high occupancy levels and winter escalation beds remaining open.
- 2.2. The key issue is to develop sufficient headroom in the delivery of the A&E, cancer and 18 week standards. Care groups are developing costed action plans for the executive to consider. If these plans result in a cost pressure that impacts the £3m year end surplus target, recommendations on the choices to be made will be brought to the Board for discussion and approval.

- 2.3. Monitor has advised that the Trust will undergo a **stage 2 review of the annual plan**. This will be undertaken by PWC working with the Trust during August and September. The primary reason for the review is to provide assurance in relation to the quality and financial elements of the plan. It will include an assessment of the governance arrangements in place to manage the key risks and challenges in these areas. It was emphasised that this work will support the Board through the transition and should be viewed positively as it would establish a clear baseline in advance of developing the 5 year strategy.
- 2.4. The strategy for **reducing Mortality (SHMI and HSMR)** has 2 elements covering quality improvement and the quality of coding. Working with CHKS, the Trust now has access to patient level data that will enable the identification of areas for quality improvement or to improve the quality of coding. It is expected that this will lead to a reduction in the Trusts SHMI and HSMR. The SHMI and HSMR are 'as expected' currently. This approach aims to ensure the Trust achieves 'better than expected' outcomes in the next 3 years.
- 2.5. The Trust has established a Coding Steering Group comprising Care group directors, Medical director and coding staff who have agreed an implementation plan for coding from notes. Indications from our pilot in T&O from Autumn of last year show that coding from notes both improves our SHMI score and increases income as the coding picks up the greater complexity of the episodes encountered. The Trust will review the outcome of this work on a monthly basis and will share the results in the Integrated Performance Report.

3.0 Finance issues

- 3.1 A **FRR of 3 was achieved for quarter 1** in line with the budget plan. Non-recurrent support from Berkshire West PCT was received in recognition of the cost pressures created by the high volume of patients medically fit for transfer that could not be discharged to community or social care.
- 3.2 The key financial issues going forwards are delivery of the income plan, delivery of the CIP and action to reduce the level of non-pay spend in line with actual activity and budget.
- 3.3 An emerging risk is the potential overspend of the EPR budget if staff need more support beyond the budgeted 8 weeks. It is also becoming apparent that there are extra administrative costs associated with the system, which are being calculated. More detail is given on these risks and mitigating action in the Finance and Integrated Performance reports.

4.0 Operational issues

- 4.1 The **Cerner Millennium** system is in the 6th week of implementation at the time of writing this report. The key issues and action being taken to resolve them will be presented to the Board by Dr Swinburn and Elizabeth White. While staff have been learning how to use the new system there has been an inevitable impact on patient experience. The Trusts response to these challenges is set out in the Integrated Performance Report.

The key action to address the issues that have emerged for staff using the system focus on: sign-off of clinic builds with every consultant; extra support for the call centre; clearance of backlog work; integration of Medisoft and CMIS with Cerner; development of summary information in key clinical areas and an assessment of the administrative running costs going forwards.

- 4.2.1 The estates engineering & maintenance contract has been awarded to Norland Managed Services, who will assume site wide responsibility from 16 August 2012. Their focus will be to maintain the momentum around engineering compliance but with a renewed emphasis on outward facing reactive repairs, through their 'fabric Plus' repairs service, which will see a grouped approach to bundling and addressing the historical minor repairs issues across the site.
- 4.2.2 The Trusts engineering team is arranging a **Water Hygiene 'Patient Safety Summit'** on 24 July, which will be supported by two national water hygiene experts, both of whom support the Department of Health. The aim of the session is to review the compliance and performance around the Centre Block specifically and how this compares with peer group hospitals. The safety summit will be attended by the Infection, prevention and control team and various clinicians to further raise the understanding and awareness of the Trusts comparable level of compliance. It will also support an evidence based review around the appropriate schemes of control and any remaining investment.

5.0 People

Interviews for the Director of Nursing and Medical Director are scheduled for the week commencing 23 July. I will provide a verbal update to the Board on the outcome of these interviews

6.0 Media interest

- 6.1 The Trust featured heavily in regional media coverage around members of staff and patients participating in the Olympic torch relay. Global TV coverage was also achieved.
- 6.2 The Radio 4 Case Notes team along with Dr Mark Porter pre recorded two items this month – one item on the X box Kinect work was broadcast on 17 July and the ICU item will feature within the next few weeks.
- 6.3 The Audiology teams fundraising effort to climb Snowdon featured heavily.
- 6.4 The appointment of the new Chairman featured in local media.
- 6.5 Positive feedback from local MP Alok Sharma following a visit to the theatres team.

Contact: Ed Donald, Chief Executive.

Phone: 0118 322 7230

Royal Berkshire NHS Foundation Trust

Board of Directors Briefing

Title: Quality and Patient Safety Report

Date: 31 July 2012

Lead: Emma Vaux, Interim Medical Director
Caroline Ainslie, Interim Nursing Director

Purpose: This paper is to update the Board on significant issues related to clinical quality, patient safety, infection prevention and control, clinical standards and patients' experience. The paper relates to issues occurring during June 2012.

We are reporting this month using the current accepted format for the Quality and Safety Board Report. However, we plan to change the report format to enable a clear focus on what the Board needs to pay attention to, who owns the issue and how the issue is being addressed with a clear timeline. In addition, progress on targeted improvement initiatives would be reported monthly with both visual representation and narrative.

Key Points:

Best patient experience

- There were 26 formal complaints and 26 compliments received.
- There were 9 serious incidents (no Never Events) reported to the PCT in June: 3 x Pressure ulcer, Confidential information leak, 2 x Fall, Communicable disease & infection issue, Delayed diagnosis, Baby born in poor condition
- There were 1 child and 1 adult safeguarding incidents reported.
- A joint CQC/Ofsted Inspection of Children's Safeguarding and LAC services in West Berkshire Local Authority Area took place 9-20 July 2012.
- There have been 2 Maternity unit diversions

Best health outcomes

- The Trust's Hospital Standardised Mortality Ratio (HSMR) for 2011/12 is 93.2, which is expected to re-benchmark to 102
- The HSMR 12 months rolling (May-11 to Apr-12) is 94.4
- The crude mortality rate for Jun-12 is 1.69% (114 patient deaths). This is within normal 'control limits'
- The SHMI for Oct11-Dec11 is 1.07 (within expected range)
- There were 2 Hospital-associated (post 48hr) *Clostridium difficile* cases

Best value healthcare

- The last hospital associated MRSA was in March 2010.
- We did not reach the VTE risk assessment target (90%) in June, with only 63%, potentially losing £20k of CQUIN funding.
- The two serious incidents resulting in fractured neck of femur injuries from falls in June will have cost the Trust an estimated £7,962.
- The three serious incidents resulting in grade 3 pressure ulcers in June will have cost the Trust an estimated £30,000.

Best place to work, train and learn

- The Trust is 3rd highest recruiting site in the UK (highest in Thames Valley) for the ProMiSe study, an important study looking at the

Decision required:	Approve
Freedom of Information (FOI) Status	Appendix 1 to this report contains confidential information which falls within the Freedom of information Exemptions guidance Section 40 – Personal information; as it contains detailed information on incidents that could be associated to the personal data (name) of patients, staff and public.

1 BEST PATIENT EXPERIENCE

1.1 Patient Safety Incidents

- (a) There were 9 serious incidents (no Never Events) reported to the PCT in June: 3 x Pressure ulcer, Confidential information leak, 2 x Fall, Communicable disease & infection issue, Delayed diagnosis, Baby born in poor condition. Full details are included in the appendix and will be discussed at the Clinical Governance Committee.
- (b) There were 2 Amber incidents undergoing local RCA. See appendix for details.

1.2 Safeguarding

- (a) There was 1 child safeguarding incident reported in June.
- (b) There was 1 adult safeguarding incident reported in June (see appendix for details).
- (c) A joint CQC/Ofsted Inspection of Children's Safeguarding and LAC services in West Berkshire Local Authority Area took place 9-20 July 2012.

1.3 Learning Disability

- (a) The Trust scores 21/24 against the Learning Disability: Six Lives Criteria (see appendix for details).

1.4 Complaints

- (a) Complaints are higher than last year but are falling. Of the 26 complaints received in June, 12 related to clinical treatment (10 medical, 2 nursing), 9 related to communication (including behaviour and attitude), 4 to administration. There has been an increase in PALS queries relating to administration, from 45% in May to 53% in June. It is believed that this relates to EPR and the team have already seen a further increase in July. Details of this will be provided in July's report.
- (b) The complaints response time is down to 76% (against a target of 90% within 20 working days). Only 24% complainants received a final response within 25 working days in June (42% in May). This relates to percentage of people responded to directly, or contacted to say that the response will be late. To improve the response rate we will now send out initial holding letters to inform complainants if the final response is expected to be delayed beyond 25 working days.
- (c) Now that the Care Groups are embedded, it has been realised that PALS/complaints staff are not required evenly. Therefore, resources within office have been reassigned to provide relevant support for each Care Group. Actions to identifying barriers to timely completion are also underway.

2 BEST HEALTH OUTCOME

2.1 Mortality Metrics

- (a) The Trust's Hospital Standardised Mortality Ratio (HSMR) for 2011/12 is 93.2
- (b) The HSMR for 2011/12 is expected to re-benchmark to 102
- (c) The HSMR 12 months rolling (May-11 to Apr-12) is 94.4
- (d) The HSMR for elective admissions 12 months rolling (May-11 to Apr-12) is 127.8 (32 patient deaths out of an expected 25) – this is within expected range
- (e) The Trust's monthly HSMR for Apr-12 (most recent validated monthly data) is 91.8
- (f) The crude mortality rate for Jun-12 is 1.69% (114 patient deaths). This is within normal 'control limits'

- (g) The SHMI for Oct11-Dec11 is 1.07 (within expected range) and less than the previous value: 1.09.

2.2 Reducing Mortality (SHMI and HSMR)

- (a) The strategy for reducing SHMI and HSMR continues: firstly putting in place quality improvements in areas identified by mortality reviews, incidents, complaints and audits and secondly by reviewing patient level details from mortality "red alerts" and identifying changes to coding. To date these alerts have been generated from Dr Foster data that do not include patients who die out of hospital.
- (b) Using the CHKS data has now meant that we can start to review those areas that are flagged within SHMI, such as pneumonia 30 day mortality. These patient level data can now help us to identify areas for improvement in either patient care or coding that may lead to a reduction in the SHMI mortality.

2.3 CQC Ref A591 - Mortality outlier alert for 'therapeutic endoscopic procedures on biliary tract'

- (a) The CQC are satisfied with our response, and the regional CQC team will follow up our progress implementing the action plan.
- (b) Following this review, a real-time coding review of the 20 cases a month of therapeutic endoscopic procedures on biliary tract will be undertaken to determine whether coding from notes will affect the HSMR for this particular procedure.

2.4 Never Events – wrong site surgery

- (a) The Trust submitted its response to the CQC on 11 June.

2.5 National Audits

- (a) The Trust will not be participating in the Carotid Interventions Audit 2011-12, as although we have 7 relevant patients, we ceased to provide the service in May 2012 and it would not be cost effective to complete the audit. This is one of the NCAPOP audits (mandated by the National PCT contract).

2.6 Dr Foster Hospital Guide 2012

- (a) Information is being collated for the annual Dr Foster hospital guide. The guide provides an independent examination of hospital performance in the UK and offers both health professionals and patients the opportunity to access comparative data on local and national service provision. All data will be published on the website www.drfoosterhealth.co.uk in November along with a written report highlighting certain areas of interest. This report is usually highlighted in the Press.
- (b) For the first time this year there is a section on Trust Board Activity & Patient Safety, our draft responses are attached in the appendix.

2.7 Infection Prevention and Control

(a) MRSA and MSSA

- (i) There have been no cases of MRSA bacteraemia reported during June. The last hospital associated case was in March 2010. The HCAI objective in relation to post 48 hr MRSA bacteraemia has been set for zero for 2012/13. Berkshire West PCT have been allocated an MRSA objective of four for 2012/13
- (ii) There have been no cases of Hospital acquired MSSA bacteraemia in June. There is no set HCAI objective/ target.
- (iii) Statistics, published at a conference at the Royal College of Physicians in 2008, identified that every case of MRSA costs the NHS an extra £9,000.

(b) Escherichia coli (E. coli) bacteraemia

- (i) There were two cases of *E. coli* bacteraemia diagnosed 48 hours after admission in June. There is no set HCAI objective.

(c) Clostridium difficile

- (i) In June RBFT reported two *Clostridium difficile* cases. This brings the total to seven being trust attributed cases against our internal stretch target of 9.

(ii) **Table: Trust Attributed *Clostridium difficile* cases 2012/13.**

Month 2012	Trust Attributed cases	Community* Attributed cases	Department of Health Target (annual 77 cases)	Internal stretch target (36)
April	1	11	7	3
May	4	9	6	3
June	2	4	6	3
Total	7	24	19	9

*Community Attributable " those reportable cases identified as non trust attributed i.e. from specimens collected and processed at RBFT within 48 hrs of admission or from community locations".

(d) Infection Control Serious Incidents

- (i) There was one Infection Prevention and Control Serious Incident reported for the month of June. This was in relation to the lack of reporting of a notifiable case of meningitis. There is a root cause analysis in progress in collaboration with the health protection agency.

(e) Water hygiene

- (i) There continue to be Legionella positive water samples received in June 2012 from various locations across the trust. There is a review to develop a long term plan for centre block with 2 external legionella experts planned for 24th July. Point of use filters remain on all outlets in centre block, and local disinfection, investigation and retesting of all affected outlets continues.
- (ii) *Pseudomonas aeruginosa* positive results have been returned for specimens collected as part of routine monitoring in augmented care areas. Actions taken to reduce the potential risk of infection include an enhanced cleaning and de-scaling programme of water outlets plus the installation of point of use filters.

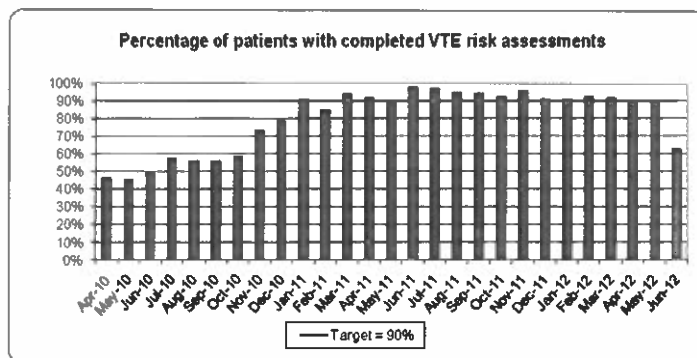
3 BEST VALUE HEALTHCARE

3.1 NICE Guidance

- (a) There are two NICE Technology Appraisals guidance that have not yet been assessed for relevance or compliance and have breached the 3 month implementation deadline:
- (i) TA245 Venous thromboembolism - apixaban (hip and knee surgery) – Trauma and Orthopaedics
 - (ii) TA241 Leukaemia (chronic myeloid) - dasatinib, nilotinib, imatinib (intolerant, resistant) - Haematology

3.2 VTE

- (a) We did not reach the VTE risk assessment target (90%) in June, with only 63%. This was in part due to the change over to EPR on 18 June and the challenges of using a new system to record VTE risk assessments. A remedial action plan has been put to the PCT to work towards achieving the 90% target as soon as possible (see appendix), to mitigate against losing funding for the CQUIN payment worth approximately £20k per month. The action plan has a 3 month timeframe to regain the 90% assessment by September 2012.



- (b) Discussions are continuing via the Drugs and Therapeutics Committee regarding the use of enoxaparin instead of tinzaparin. The Trust had to change drugs in January due to a National shortage of tinzaparin, and has kept enoxaparin.

3.3 Pressure ulcers

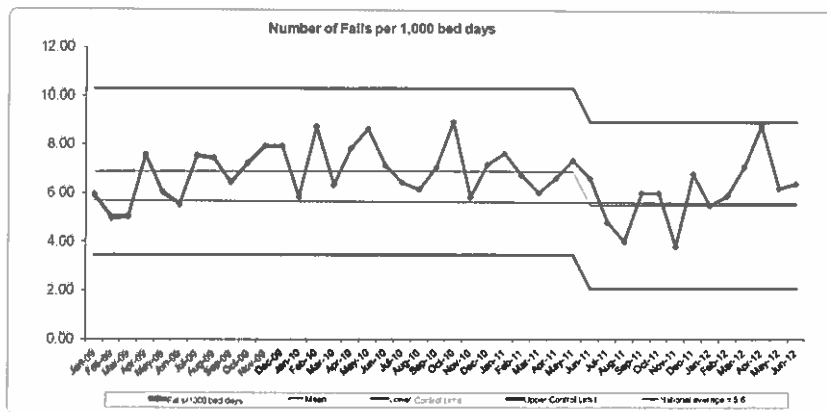
- (a) The Department of Health produced the Pressure Ulcer Productivity Tool in 2009 to help calculate the cost of care (see table).

Grade of pressure ulcer	Central estimate of cost of pressure ulcer care at 2008/09 prices
Grade 3	£10,000
Grade 4	£14,000

- (b) The three serious incidents relating to hospital-associated grade 3 pressure ulcers in June will have cost the Trust an additional estimated £30,000.
- (c) The following actions are being taken to reverse the increasing trend of hospital-acquired pressure ulcer (HAPUs):
- (i) Re-launch of the Pressure Ulcer Prevention Group – a request has been sent to the Directors of Nursing of each care group for nomination of matrons and ward sisters for this group. The purpose of this group is to provide guidance in the reduction of HAPU incidents and to maintain the highest standards of care in pressure ulcer prevention and management in this Trust.
 - (ii) There also needs to be an increased level of engagement of senior staff, both at Care Group and Trust Board level, to provide the necessary leadership to drive the programme of actions in the reduction of HAPU incidents. There needs to be another meeting of senior nursing staff of the Care Group with the Trust's Chief Nurse and the Tissue Viability Nurse Consultant to develop an action plan to reduce the number of HAPU incidents.
 - (iii) Implementation of a new Pressure Ulcer Prevention and Management Care Bundle – A new Care Bundle for patients at risk of pressure ulcer development went through the process of consultation with clinical staff in May 2012 and is now awaiting final approval before implementation in June 2012. The aim of the revised Care Bundle is to act as a checklist for clinicians of all the essential elements of care in the prevention of pressure ulcer development. The trigger for the implementation of the Bundle is the identification of patients at risk by using the Trust approved pressure ulcer risk assessment tool.
 - (iv) Continuing Implementation of education and training programme for clinical staff on pressure ulcer prevention. The Tissue Viability team is at present working with the Practice Educators in the development / procurement of an e-learning package as an education tool on pressure ulcer prevention.

3.4 Falls

- (a) The number of falls data per 1,000 bed days for June is 6.4, shown in the SPC chart below to be within expected range. There were 117 falls in June and 80% Care bundle completion.



- (b) The Falls steering group has been reinstated, and RCP FallSafe recommendations are being implemented across the Trust.
- (c) The NPSA produced average costs for inpatient falls in 2007 (see table), although this does not begin to calculate the human cost in lack of confidence it goes some way to placing value on falls reduction strategies.

Level of harm from falls	NPSA estimated costs
High (Red)	£2,289 (to £3,981 for #NOF)
Moderate (Amber)	£324
Low (Yellow)	£66
None (Green)	£41

- (d) The two serious incidents resulting in fractured neck of femur injuries from falls in June will have cost the Trust an additional estimated £7,962.

4 BEST PLACE TO WORK, TRAIN AND LEARN

4.1 Revalidation of doctors

- (a) Revalidation: Appraisal rate Consultants: 75% in June, SAS/Staff Grade: 60% in June
- (b) South Central are holding an Top Up Training day for appraisers on 25th September.
- (c) The GMC has launched a new campaign to work with Responsible Officers (Richard Dodds) to agree the dates that licensed doctors will revalidate in the first, second and third years of revalidation. By Friday 20 July: using GMC Connect, the RO will submit a list of doctors that the GMC believes has a prescribed connection with the RBFT. By Friday 14 September: the RO will develop and submit the RBFT schedule for making recommendations about doctors.

4.2 Research and Development

- (a) As of the 15th July, RBFT, under the direction of the Urgent Care research team, is the 3rd highest recruiting site in the UK (highest in Thames Valley) for the ProMiSe study, an important study looking at the protocolised management of severe sepsis. 44 hospitals are currently participating.

5 RECOMMENDATIONS

5.1 The Board is asked to:

NOTE: There were 9 serious incidents reported to the PCT

NOTE: A total of 2 *Clostridium difficile* positive samples (post 48 hours) were reported

NOTE: The HSMR 12 months rolling (May-11 to Apr-12) is 94.4

6 ATTACHMENTS

6.1 The following are attached to this report:

- Appendix 1: Incident Report (FOI Exemption Section 40)

- Appendix 2: Learning Disability Six
- Appendix 3: Dr Foster Hospital Guide 2012: Trust Board Activity & Patient Safety
- Appendix 4: VTE remedial action plan

7 CONTACT

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Caroline Ainslie, Interim Nursing Director (0118 322 7445)

Appendix 2 Learning Disability: Six Lives Criteria

This reporting requirement is determined by Appendix B of Monitor's Compliance Framework 2012/13 lists: "Certification against compliance with requirements regarding access to healthcare for people with a learning disability" to be monitored quarterly as one of the Trust's targets and indicators. This is a self-certification that the Trust is meeting the six criteria for meeting the needs of people with a learning disability, based on recommendations set out in *Healthcare for All* (DH, 2008). Monitor's Compliance Framework states: NHS foundation trust boards are required to certify that their trusts meet requirements of all 6 criteria at the annual plan stage and in each quarter. Failure to do so will result in the application of the service performance score for this indicator.

		Score Jun 2012	Max score	Actions planned
1	Mechanisms in place to identify and flag patients with learning disabilities	4	4	
1a	Protocols that ensure pathways of care are reasonably adjusted to meet health needs of learning disability patients	4	4	
2	Availability of comprehensible information	3	4	Easy read appointment letters for patients with learning disability need to be factored in to EPR
3	Protocols in place to provide suitable support for family carers who support patients with learning disabilities including the provision of information regarding learning disabilities, Mental Capacity Act (2007), Disability Discrimination Act (1995) and Carers Act (1995)	4	4	
4	Protocols in place to routinely include training on learning disability awareness, relevant legislation, human rights, communication techniques and person centred approaches in staff development and induction programmes	4	4	
5	Protocols in place to encourage representation of people with learning disabilities and family carers on Trust Boards, local groups and other relevant forums which seek to incorporate their views and interests in the planning and development of health services.	4	4	
6	Protocols for auditing practices and demonstrating findings	2	4	Audit of some elements of practice will be available at end of Aug 2012
	TOTAL	21	24	

Appendix 3: Dr Foster Hospital Guide 2012: Board Section Answers
Trust Board Activity & Patient Safety (University of Birmingham Research Project)

ID	Question	Answer	Comments
18	How many board members are there in your organisation?	10	
19	Over the course of the last year, what percentage of board meeting time has been devoted specifically to discussing patient safety issues?	1-30%	
20	Over the past year, have board members received formal training in relation to patient safety?	no	Leading Improvement in Patient Safety Programme was undertaken by Board members in 2009/10
20.1	IF YES , what training and development programmes have been attended?	Not applicable	
21	Have the board set explicit measurable goals for improving performance in relation to patient safety?	yes	
21.1	If YES , please specify these measurable goals?	<p>1. Providing a positive patient experience by improving staff courtesy and communication, measured by reducing the average (mean) number of complaints received relating to behaviour and attitude from 4.76 to 4.3 and by increasing the weighted score from the rolling inpatient survey for the question: "Involved as much as desired in decisions about care and treatment" from an average of 83 to an average of 85 for April 2012-March 2013.</p> <p>2. Improving the Outpatient Experience by doubling patient participation in the online NHS Choices feedback (from 31 to 62 responses per year) by March 2013.</p> <p>3. Decreasing hospital-associated infections by reducing the numbers of patients who are infected with Clostridium difficile while in hospital to less than 77 patients by March 2013.</p> <p>4. Reducing harm from sepsis by ensuring that at least 70% of patients (in the Emergency Department and Clinical Decision Unit) with a diagnosis of sepsis receive antibiotics within an hour by March 2013.</p> <p>5. Ensuring timely informed discharge by increasing the</p>	

ID	Question	Answer	Comments
		numbers of patients who are “Informed about medication side effects” measured by the rolling patient survey weighted score for that question, from 65 to 70 by March 2013.	
22	Have strategic goals and objectives related to patient safety been distributed to staff groups within the last 12 months?	yes	
22.1	IF YES , which staff groups have received these goals and objectives (please tick all that apply):		
	Ambulance:	no	
	Allied Health Professionals:	yes	
	Doctors:	yes	
	Health Informatics:	yes	
	Management:	yes	
	Nursing:	yes	
	Healthcare Science:	yes	
	Wider Healthcare Team:	yes	
	Other (Please Specify):		
23	Does the board have formal procedures for reporting inappropriate behaviours in relation to patient safety on a regular basis?	no	The Trust has current Incident reporting and whistleblowing policies
23.1	IF YES , what are these procedures?		
24	Are there procedures for proactively responding to the reporting of staff concerns (e.g. “whistle blowing”) about patient safety?	yes	
24.1	IF YES , what are these procedures?	The Trust has a current whistleblowing policy	
25	Which of the following informal sources of information (‘soft intelligence’) related to patient safety are reported at all board meetings? Please indicate all that apply		

ID	Question	Answer	Comments
	Executive walk-arounds:	no	Executive walk-arounds reported to Board on a quarterly basis
	Patient stories:	yes	
	Board members shadowed clinicians to better understand patient safety issues:	no	
	Board members engaged clinicians to better understand patient safety issues:	no	Minutes of Clinical Governance Committee contains soft intelligence directly from clinicians
	Other (please specify):		
26	Which of the following quantitative ('hard') data sources related to patient safety are reported at all board meetings?		
	Infection rates:	yes	
	Mortality rates:	yes	
	Morbidity rates:	no	
	Readmission rates:	yes	
	Incident rates and levels of harm:	yes	
	Patient Safety Surveys:	no	
	Formal Complaints processes:	yes	
	Medication errors:	yes	
	CQC Quality and Risk Profiles (QRPs):	yes	when available from CQC
	Staff safety (injuries and/or sickness):	yes	
	Implementation of safety alerts:	yes	
	Formal written reports about safety performance:	yes	
	Other (please specify):		
27	How many members of the board have clinical backgrounds?	3	
28	Does the board have a formal subcommittee that discusses patient safety issues?	yes	Clinical Governance Committee
28.1	IF YES , how many times a year does this subcommittee meet?	6	
29	Are patient safety measures included in the Chief Executive Officer's performance review?	no	
29.1	IF YES , please provide details		

ID	Question	Answer	Comments
29.2	Does the board use any national reporting measures of patient safety?	yes	
29.3	IF YES , please provide details	Patient Safety Thermometer, Trigger Tool review, incident benchmarking via NRLS, Dr Foster's Patient Safety indicators	
29.4	We are interested in the relative importance of a number of activities within your organisation. Please rank the following in order of importance to the board (with '1' being the most important and '6' being the least important)		
	Financial performance:	1	
	Clinical effectiveness:	1	
	Patient Safety:	1	
	Patient Experience:	1	
	Achieving waiting time targets:	1	
	Staff satisfaction:	1	

Remedial Action Plan in respect of VTE Risk Assessments – RBFT004

The following document sets out a remedial action plan to bring performance back in line with national standards and or contracted targets.

Service / Performance Area	% of all adult inpatients who have had a VTE risk assessment on admission to hospital using the clinical criteria of the national tool
Executive Sponsor Royal Berkshire NHS Foundation Trust	Peter Malone
Project Lead Royal Berkshire NHS Foundation Trust	Kirsty Ward
Completion Date	September 2012

Issue	Action Required	Specific Milestone	Responsible	Due Date
The Trust implemented a new patient management system/electronic patient record (EPR) on 18 June 2012. VTE Risk assessments should now be undertaken on the electronic system whilst previously they were undertaken on paper and flagged on the Bed Manager system (Bedman). There are issues with the build of the new system. Since the introduction of EPR the percentage of	VTE risk assessments undertaken in the Emergency Department need to be carried across so they can be viewed by the Clinical Decision Unit / Wards so they are included in the Unify report	80% by end July 2012 85% by end August 2012 90% by end September 2012	Elizabeth White	July 2012
	Ward staff require educating as to how to view VTE risk assessments undertaken in the pre-op assessment clinic. SOP to be developed by Sarah Cherrill.		Matrons / Ward sisters/ Charge nurses / Sarah Cherrill	July 2012
	More computer tablets to be obtained to enable		Elizabeth White	July 2012

risk assessments showing as completed has fallen. For the month of June this was 63%.	efficient data capture.			
	New drug chart to contain prompt to complete VTE risk assessment		Sarah Cherrill	16 July 2012
	Consultants to ensure that VTE risk assessments are completed electronically.		Care Group Directors / Consultants	July 2012
	New intake of junior doctors to undertake training on EPR and electronic VTE risk assessments		Richard Dodds / Medical Education	August 2012
	Report on number of VTE risk assessments captured electronically to be ran weekly for weekly review and dissemination to clinical teams		Sian Morgan, Kirsty Ward, Kat Young	Weekly / ongoing
	Wards to use outcome of Safety thermometer VTE prophylaxis to identify where standards are not met and develop action plans appropriately.		Ward Sisters/ Charge nurses	Monthly / ongoing

Board of Directors

Title: Integrated Performance Report - June 2012

Date: 31 July 2012

Lead: Ian Stoneham – Commercial Director

Purpose

To update the Board on the Trust's performance in relation to the standards set by the Care Quality Commission (CQC), Monitor, a Commissioners and the Board. To identify key risks and mitigating actions to assure improvement and delivery.

Summary

In June the Trust met all its CQC quality registration standards and will submit a Green/Amber governance rating to Monitor. This compares favourably with a red / amber rating for the last quarter ended 31 March 2012 especially against the background of the new EPR system.

Governance Issues

The impact of implementing the Cerner Millennium system on the Trust's ability to deliver performance standards has been considerable. However, staff have worked hard to learn the new system and to undertake high volumes of manual data validation to assure accurate reporting. This will continue and given this context, Monitor have agreed to accept the final validated performance for the Trust at the end of each quarter, as the basis for the Trust's governance risk rating.

Implementation of the new system has also had an impact on patient experience with a rise in PALs queries relating to patient administration issues Staff are working hard to minimise the impact of this.

The two key issues leading to an amber/ green governance rating are in cancer as follows:

- lower than expected cancer 62 day waits attributable to delays for radiotherapy /machine downtime together with the complex patient pathways, and
- lower than expected cancer 2 week waits attributable to data issues following the implementation of the new EPR system. This result is likely to improve with validation.

A full report will come to the next Board setting out the reasons for any lower than expected performance, and the actions and outcomes expected of these.

Decisions /Actions required:

The Board is asked to note the report

Trust Board Integrated Performance Report

July 2012

Report Period Month 3 (information ending June 2012)

Reported by Ian Stoneham - Commercial Director

Trust Board Integrated Performance Report (IPR)

Executive Summary	Governance Risk Rating	page	1
	Financial Risk Rating	page	2
	CQC Update	page	3
	Patient Experience Dashboard	pages	4 - 5
	Best Healthcare Outcomes Dashboard	page	6
	Value for Money Dashboard	page	7
	Best Place to Work, Train & Learn Dashboard	page	8

Exception Report - Patient Experience	Complaints	Report	1	page	9
	13, 18 & 26 week waiting times	Report	2	page	10
	Cancer waiting times	Report	3	page	11
	A&E performance	Report	4	page	12

Exception Report- Best Healthcare Outcomes	Clinical Outcomes	Report	5	page	13
	Maternity Services	Report	6	page	14
	Pressure Ulcers	Report	7	page	15
	Patient Falls & VTE	Report	8	page	16

Exception Report -Value for Money	Contract Performance Notices	Report	9	page	17
	Cost Improvement Programme	Report	10	page	18
	Delayed Transfers of Care	Report	11	page	19
	Average Length of Stay	Report	12	page	20

Exception Report -Best Place to work, Train & Learn	Workforce	Report	13	page	21
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Routine Report: Value for Money	CQUINS	Report	14	page	22
	Infection Prevention & Control	Report	15	page	23
	Monitor Return	Report	16	page	24

Rag Rating Colour Key for Reports:

No colour = on track to achieve target

Amber = some risk to delivery of target - requires monitoring

Red = significant risk to delivery of target - requires immediate action

Executive Summary									Monitor Governance Risk Ratings				Page 1
Target Indicator per 2012/13 Compliance Framework	Threshold	Weighting	Annual Plan: Risk/ No Risk	Actual	Forecast Qtr 1	Quarter 2	Quarter 3	Quarter 4					
C diff	77	1	No	7	0.00								
MRSA	0	1	No	0	0.00								
Cancer 31 days wait for 2nd or subsequent surgery	94%	1	No	98.00%	0.00								
Cancer 31 days wait for 2nd or subsequent Drugs	98%	1	No	98.60%	0.00								
Cancer 31 days wait for 2nd or subsequent radiotherapy	94%	1	No	94.00%	0.00								
Cancer 62 day wait for 1st treatment	85%	1	No	85.00%	0.00								
Cancer 62 day wait for 1st treatment screening	90%	1	No	87.00%	1.00								
18 Wks Referral to treatment admitted	90%	1	No	93.82%	0.00								
18 Wks Referral to treatment non admitted	95%	1	No	99.47%	0.00								
18 weeks Incomplete Pathways	92%	1	No	95.90%	0.00								
Cancer 31 day wait from diagnosis to treatment	96%	0.5	No	96.80%	0.00								
Cancer 2 wk (All cancers)	93%	0.5	No	91.80%	0.50								
Cancer 2 Wk (breast symptoms)	93%	0.5	No	93.00%									
A&E Clinical Quality - total time in A&E	95%	1	No	95.10%	0.00								
Minimising delayed transfers of care	7.50%	1	No	5.30%	0.00								
Requirements for access to healthcare for people with LD	TBA	0.5	No	pass	0.00								
Summary CQC performance													
Risk of actual, failure to deliver mandatory services		4	No		0								
CQC compliance outstanding		2	No		0								
CQC enforcement notice in effect		4	No		0								
Moderate CQC concerns regarding the safety of healthcare provision		1	No		0								
Major CQC concerns regarding the safety of healthcare provision		2	No		0								
Unable to maintain or certify minimum published CNST level		2	No		0								
					1.5								
Totals			Green		Amber/Green								
Scores :			0=Green		>=1 <2 Amber Green		>=2<4 Amber/Red		>=4 Red				
Commentary													
Current Position													
The Trust governance target reflected in the 2012/13 Annual Plan is green. In June the Trust met all its CQC quality registration standards and will submit an Amber/Green governance rating to Monitor for Quarter 1. This compares favourably with a red / amber rating for the last quarter ended 31 March 2012, especially against the background of implementing the new EPR system. A&E 4 hour standard was achieved for quarter 1													
Action:													
Continue discussions with BWPCT and BHFT to address the volume of patients who are medically fit for discharge and expedite discharge.													
Complete validation initiatives													
Continue the development of this IPR													

Impact of actions: Reduce the number of beds that have remained open since winter to enable sufficient capacity for winter 2012/13. Improvement in the quality and accuracy of the report
Board Report: Commercial Director

Monitor Equivalent Risk Rating

Criteria	Metrics	Actual
Achievement of Plan	EBITDA achieved (Actual as % of plan)	4
Underlying Performance	EBITDA margin (EBITDA as % of income).	3
Financial Efficiency	Return on assets excluding dividend (surplus as a % of average assets	2
Liquidity	Liquidity ratio (days)	3

Rating after overriding rules

2.7

Over-riding rules - Monitor
One financial criteria scored at 1 or 2 - max 2 or 3 respectively
Two financial criteria scored 1 or 2 - max 1 or 2 respectively
PDC dividend not paid in full - max 2

Commentary
The FRR for June of 2.7 continued the improvement seen during the first quarter from a low of 1.7 in April and 2.3 last month. However it should be noted that the Underlying Performance rating of 3 was only narrowly achieved with an EBITDA margin for the first quarter of 5%
Action: Focus on the delivery of the income plan and delivery of CIPs and reduction of non pay in line with activity and budgets
Impact: Closer alignment to budgets
Board Report: Director of Finance

Summary of current CQC performance

The Trust has an unconditional licence from the CQC to practise at all of its five registered locations and is fully compliant with Monitor's CQC requirements.

CQC Inspections

- a) There has been notice of CQC inspections since the last report to the Board
- a. On Monday the 25th June 2012 the Trust was given notification of a joint inspection by the CQC and Ofsted of West Berkshire Local Authority and its partners with respect to local safeguarding and looked after children's services. The inspection will include health services commissioned by Berkshire West PCT. The onsite inspections and focus groups will start on Monday the 9th July and last two weeks.
 - b. The Berkshire Cancer Centre is having a visit from CQC Radiation Inspectors on 16th July 2012 regarding a patient's radiotherapy treatment reported to them in 2011. The CQC has indicated that it requires additional information on the treatment of the patient in relation to IR(ME) Regulations.
- b) A completed action plan relating two inspections at the Royal Berkshire and West Berkshire Hospitals in December 2010 and January 2011 will be submitted to the CQC by the end of the month. The Trust will be requesting that that the CQC review and remove as appropriate risks from the inspections that currently appear within the Quality and Risk Profile for the Trust from future profiles..

Commentary - Quality and Risk Profile

Current Position: Within the June 30th 2012, Quality and Risk Profile (QRP) there are no red or amber risks at summary Outcome Level.

Overall Outcome performance has stayed the same since the May 31st QRP in all but one of the Outcomes. The risk rating within Outcome 6, Co-operating with other providers has improved from high neutral to low neutral due to an improvement in the months January – March 2012 from the previous quarter of the ratio of total number of days delayed to the total number of occupied bed days over the quarter where delay is attributable to social care.

Action: Review QRP & develop action plan for red or high amber item level risks.

Impact of the action: The actual number of negative item level risks within this Outcome 9 has reduced in-month, the CQC has explained the increase in

Commentary - In-month requests by the CQC

CQC Ref A591 - mortality outlier alert for 'therapeutic endoscopy procedures on biliary tract'

The CQC has confirmed that it will take no further action following the Trust's investigation and report into this mortality outlier relating to deaths following therapeutic endoscopic procedures on the biliary tract within November 2011.

Never Events 'Wrong site surgery'.

On May 28th, 2012 the CQC requested information about two Never events where wrong site surgery (on the incorrect side) was performed during two different surgical spinal procedures (November 2011 and January 2012). Following an internal review of these events, a report was sent to the CQC on July 10th, 2012 outlining the results of the internal investigations and action taken by the Trust.

Board Report: Director of Corporate Affairs

1. Executive Summary Patient Experience Page 4														
		Target 2012/13	Out-turn 2011/12	Apr-12	May-12	Jun-12	YTD	Organisation requiring data					Exception Report	
								Monitor	DOH	CQC	PCT	Board	Number	Page
Patient Experience	Patient Experience (1) Board Responsibility: Interim Director of Nursing Caroline Ainslie													
	Complaints - % timely response	90%	93%	73%	82%	76%	77%				√		1	9
	Formal complaints	-	393	43	35	26	104				√			
	Patient Survey - Overall rating	-	94%	93%	96%	91%	94%		√		√			
	Mixed sex accommodation - breaches	0	1	0	0	0	0		√		√			
	Patient Experience (2) Board Responsibility: Planned Care Group Director Peter Malone													
	Admitted in 18 weeks percentage	90%	94.9%	94.0%	93.7%	91.0%	93.8%	√	√		√		2	10
	Non admitted in 18 weeks percentage	95%	99.5%	99.7%	99.3%	98.8%	99.5%	√	√		√			
	18 weeks Incomplete pathways	92%	no data	no data	95.9%	91.2%	95.9%		√		√			
	18 weeks - Admitted 95th percentile	<=23	19-20	18-19	18-19	20-21			√		√			
	18 weeks - Admitted Median Wait	tba	7-8	6-7	7-8	6-7			√		√			
	18 weeks - Admitted backlog	350	415	431	478	819			√					
	18 weeks - Non - admitted 95th percentile	<=18.3	10-11	10-11	12-13	12-13			√		√			
	18 weeks - Non admitted Median Wait	tba	1-2	1-2	1-2	1-2			√		√			
	13 week outpatient waits	99.97%	99.9%	99.88%	99.68%	99.78%	99.78%		√		√		3	11
	26 week inpatient waits	99.97%	99.6%	99.89%	99.32%	99.8%	99.67%		√		√			
	Audiology Waits	tba		100.00%	100.00%	99.78%	100.00%		√		√			
	Diagnostic Waits	tba		100.00%	100.00%	99.80%	100.00%		√		√			
	2 week wait for suspected cancer	93%	94.7%	91.4%	93.4%	88.8%	91.8%	√	√		√			
	31 day first treatment: all cancers	96%	96.5%	96.3%	94.4%	96.9%	96.8%	√	√		√			
	31 day subsequent treatment - Drugs	98%	99.5%	100%	95.9%	100%	98.6%	√	√		√			
	31 day subsequent treatment - Surgery	94%	96.3%	100%	100%	88%	98.0%	√	√		√			
	31 day subsequent treatment Radiotherapy	94%	96.7%	89.7%	85.7%	100.0%	94.0%	√	√		√			
	62 day standard: all cancers	85%	85.0%	84.8%	81.2%	83.3%	85.0%	√	√		√			
	62 day consultant upgrade: all cancers	not pub	91.7%	66.7%	66.7%	100%	88.2%	√	√		√			
	62 day screening standard: all cancers	90%	90.1%	90.0%	90.9%	82.6%	87%	√	√		√			
	2 week wait breast symptoms	93%	93.1%	86.7%	97.4%	84.0%	93%	√	√		√			
	C&B direct booking as % of total referrals	60%	56%	62%	61%	data	62%		√		√			
	C&B slots unavailable	0.04	0.06	0.07	0.07	0.05	0.06		√		√		tba	tba
	PROMS			Report to be developed					√					

		Target 2012/13	Out-turn 2011/12	Apr-12	May-12	Jun-12	YTD	Organisation requiring data					Exception Report			
								Monitor	DOH	CQC	PCT	Board	Number	Page		
Patient Experience	Patient Experience (3) Board Responsibility: Urgent Care Group Director - Sue Edees															
	A&E attendance within 4 hours Type 1&2	95%	95.7%	97.9%	94.9%	92.7%	95.1%	√	√		√		4	12		
	A&E Unplanned re-attendance rate	<5%	2.3%	2.3%	1.9%	1.0%	1.7%				√					
	Total time spent in A&E - 4 hr wait (95th percentile)	240 mins	246	239	239	247	242				√					
	A&E Left department without being seen	<5%	3.3%	3.1%	4.2%	3.4%	3.6%				√					
	A&E Time to initial assessment (95th percentile)	<15 mins	0	0	0	0	0				√					
	A&E Time to treatment in department (median)	<60 mins	70	66	75	77	73				√					
	Mothers booked < 13 weeks	tba	89.3%	87.5%	87.5%	88.4%	88.4%		√		√					
	Learning disability target (multiple questions)	tba	pass	pass	pass	pass			√							
Patient Experience (4) Board Responsibility: Interim Medical Director Emma Vaux																
Electronic Discharge letters in 24 hours	tba		93%	93.50%	94.3%	data	93.9%				√					
Best Healthcare Outcomes	Best Healthcare Outcomes (1) Board Responsibility: Interim Medical Director Emma Vaux															
	HSMR (56 diagnoses) rolling year	75		94.9	94.9	93.2	94.4			√				7	15	
	30 day emergency re-admission rate	tba		6.8%	6.6%	6.9%	8.2%	7.3%				√		Detailed in Q&S report		
	30 day elective re-admission rate	tba		2.9%	3.1%	3.5%	4.4%	3.6%				√				
	Unplanned return to theatre in 48 hrs	n/a		0.04%	0%	0%	0%	0%				√				
	Risk Assessment VTE	90%		83.8%	90.1%	91.0%	63.9%	81.7%		√		√				
	Best Healthcare Outcomes (2): Board Responsibility: Interim Director of Nursing Caroline Ainslie															
	MRSA bacteraemias	1		0	0	0	0	0	√	√		√		7	15	
	Clostridium Difficile post 48 hours	77		107	1	4	2	7	√	√		√				
	MRSA screening for elective patients (DH Guidance)	100%		No data						√		√				
	MSSA surveillance	tba		16	0	0	0	0		√		√				
	E Coli	tba		n/a	Report to be developed											
	Patient falls	5.6 per 1,000 bed days		5.8	8.2	6.2	6.4	6.9				√		9	17	
	Incident (Red clinical reported)	0		51	4	3	10	17				√				
Serious falls (i.e. Severe Injury/Death)	0		18	1	1	2	4		√		√					
Pressure Ulcer Incidence	1.42		1.47	2.8	2.1	1.1	2.00				√		8	16		

		Target 2012/13	Out-turn 2011/12	Apr-12	May-12	Jun-12	YTD	Organisation requiring data					Exception Report	
								Monitor	DOH	CQC	PCT	Board	Number	Page
Best Healthcare Outcomes	Best Healthcare Outcomes (3) Board Responsibility: Urgent Care Group Director Sue Edees													
	Caesarean Section rate	24%	26%	27%	27%	24%	26%				√		6	14
	Normal Births	63%	58%	56%	61%	59%	59%				√			
	% Vaginal births following C Section	tba	57.50%	56%	47%	41%	48%				√			
	Mothers breast feeding	nat av	78.7%	76.8%	76.8%	77.7%	77.1%		√		√			
	Mothers smoking at the time of delivery	<7.4%	8.2%	8.1%	7.5%	7.0%	7.6%		√		√			
	# Neck of Femur Surgery in 36 hours	75%	73.32%	75.0%	93.8%	Data	84.4%				√			
	Stroke pts spend 90% time in stroke unit	80%	80.98%	73.1%	84.3%	93.0%	83.5%		√		√			
	TIA pts scanned in 24 hours	75%	89.5%	100%	100%	89.0%	96.3%		√		√			
	Best Healthcare Outcomes (4) Board Responsibility: Networked Care Group Director Lindsey Barker													
	Think Glucose: Diabetes Assessment	83%	91.35%	94.3%	93.8%	96.1%	94%				√			
	Diabetes Discharge Plan of Care	90%	99.77%	100%	100%	100%	100%				√			
	Trust Membership													
	Total		23,278	23,261	23,429	23,421		√						
	Public		18,123	18,455	18,431	18,446		√						
	Staff		5,155	4,806	4,998	4,998		√						
	Media coverage by tone:	Positive	58%	71%	72%	87%						√		
		Negative	19%	7%	19%	4%						√		
		Neutral	23%	22%	9%	9%						√		

1. Executive Summary															Value for Money					Page 7	
Value for Money		Target 2012/13	Out-turn 2011/12	Apr-12	May-12	Jun-12	YTD	Organisation requiring data					Exception Report								
								Monitor	DOH	CQC	PCT	Board	Number	Page							
	Value for Money (1) Board Responsibility: Director of Finance Craig Anderson																				
	(£m)																				
	Income	£315.63	317.41	24.07	28.15	26.58	78.80	√				√	Detailed in Director of Finance Report								
	Direct costs	-£289.66	(303.74)	(24.77)	(25.08)	(24.96)	(74.82)	√				√									
	EBIDTA	£25.97	13.68	(0.71)	3.07	1.62	3.98	√				√									
	Other costs	-£22.80	(22.53)	(1.80)	(1.77)	(1.92)	(5.49)	√				√									
	Net surplus/deficit	£3.16	(8.85)	(2.51)	1.30	(0.30)	(1.51)	√				√									
	Cost improvement Programme	£12.50	18.20	0.92	0.45	0.78	2.15	√				√	12	20							
	Value for Money (2) Board Responsibility: Care Group Directors Peter Malone, Lindsey Barker & Sue Edees																				
	Average elective length of stay	2.0	2.80	2.6	3.1	2.4	2.7		√			√	14	22							
	Average non-elective length of stay	5.0	4.40	4.3	4.8	3.9	4.4		√			√									
	New to follow up outpatient ratio	TBC	2.38	TBC	TBC	TBC	TBC					√									
	Elective inpatients	1,474*	9,646	712	795	647	11,800		√		√	√									
	Non-elective inpatients	7,573*	43,206	3,469	3,795	3,844	54,314		√		√	√									
	Day cases	5,605*	33,344	2,452	2,927	2,269	40,992		√		√	√									
	New attended outpatients	28,278*	170,362	13,320	14,820	13,092	211,594		√		√	√									
	Outpatient DNA rate	5.0%	6.9%	7.3%	7.1%	4.1%	6.3%					√									
	Outpatient cancellation rate	TBC	26.6%	29.2%	30.3%	31.0%	30.1%					√									
	Bed occupancy rate	85%	83.1%	85.8%	87.8%	TBC	TBC					√									
	Availability of patient records	100.0%	No data									√									
	Delayed discharges	3.5%	4.31%	4.90%	5.74%	5.27%	5.30%	√	√		√	√			13	21					
	Theatre utilisation rate	98%	98.3%	98.9%	98.9%	97.8%	98.6%					√									
	Last minute non-clinical cancelled operations	A:<=0.8%	0.53%	0.23%	0.27%	data	0.25%		√		√	√									
	Last minute cancelled ops not rebooked in 28 days	A:<=5%	2.20%	0.23%	0.27%	data	0%		√		√	√									

* Activity target is YTD and is based on the unsigned version of the plan using a 3 yr profiling process - it also excludes QIPP Impact.

1. Executive Summary																Value for Money & Best Place to Work, Train and Learn				Page 8	
Value for Money		Target 2012/13		Out-turn 2011/12	Apr-12	May-12	Jun-12	YTD	Organisation requiring data					Exception Report							
									Monitor	DOH	CQC	PCT	Board	Number	Page						
	Value for Money (2) Board Responsibility: Care Group Directors Peter Malone, Lindsey Barker & Sue Edees																				
	Coding completeness	100%		99.4	99.30%	97.4%	84.9%	93.8%				√	√								
	Ethnic coding	85%		89.8%	90.0%	89.0%	89.8%	89.6%		√			√								
	NHS number coding (IP)	99%		99.6%	99.6%	99.6%	99.0%	99.4%		√			√								
	Value for Money (3) Board Responsibility: Director for Corporate Affairs Keith Eales																				
	FOI's requests received	TBC		328	34	33	18	85					√								
FOI breaches of statutory deadline	TBC		15%	18%	25%	6%	16%					√									
Best Place to Work, Train & Learn	Best Place to Work, Train & Learn Board Responsibility: Director of HR Janine Clarke																				
	Staff in post	12%		4,224	4,296	4,316	4,327	4,313					√								
	Workforce turnover	1%		11.95%	1.6%	0.7%	0.8%						√								
	Vacancy rate	5%		4.17%	5.3%	5.3%	4.9%	5.2%					√								
	Sickness and absence rate (previous month)	2.8%		3.10%	3.5%	3.1%	3.3%	Not Avail					√	16	24						
	Agency spend % of total staff cost	5.3%		5.81%	4.3%	4.0%	5.1%	4.5%					√								
	Appraisal rate	95%		63.3%	49%	54%	60%	54%					√								
	Medics EWTD compliance %	tbc											√								
	Staff costs as a % of income	tbc		59.05%	63.99%	55.02%	58.15%						√								

Patient Experience

Report 1: Patient Complaints

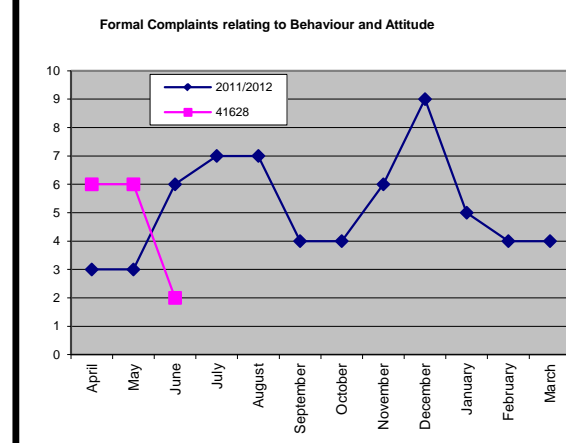
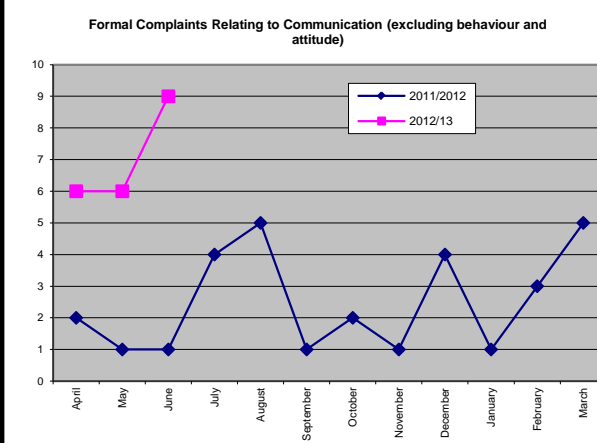
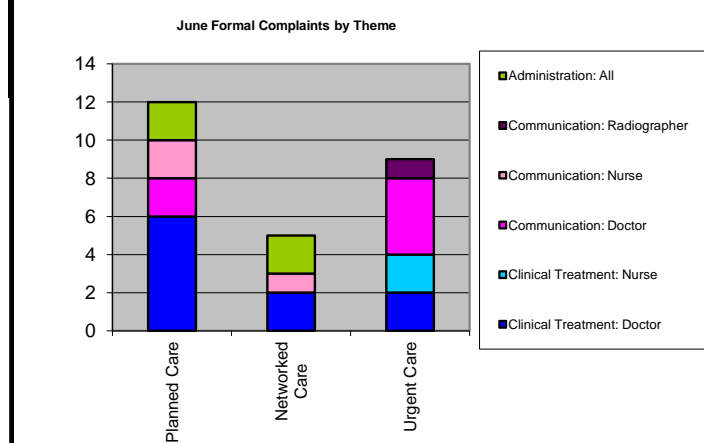
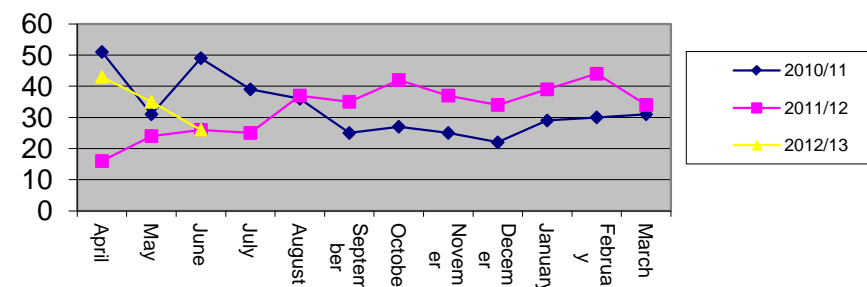
Page 9

April - June 2012

Formal Complaints Received Each Month Between 2009 - 2012

	Complaints	% response in 25 days	% response in 25 days OR extension agreed*	PALS	Local Resolution Meetings	Compliments
April	43		73%	180	5	24
May	35	42%	82%	185	12	18
June	26	24%	76%	202	5	26

Two complaints were referred to the Ombudsman in June (Maternity and Elderly Care). The maternity one has subsequently been closed. We have had notification that the Ombudsman will not be investigating 09/131 (Dermatology) or 11/161 (Orthopaedics)



Commentary

The total number of formal complaints has been lower again this month. Of the 26 complaints received in June, 12 related to clinical treatment (10 medical, 2 nursing), 9 related to communication (including behaviour and attitude), 4 to administration. There has been an increase in PALS queries relating to administration, from 45% in May to 53% in June. It is believed that this relates to EPR and the team have already seen a further increase in July. Details of this will be provided in July's report.

Action: Investigate, root cause and mitigate damage. Work is continuing to reduce the number of in patient outliers who are more likely to have cause to complain.

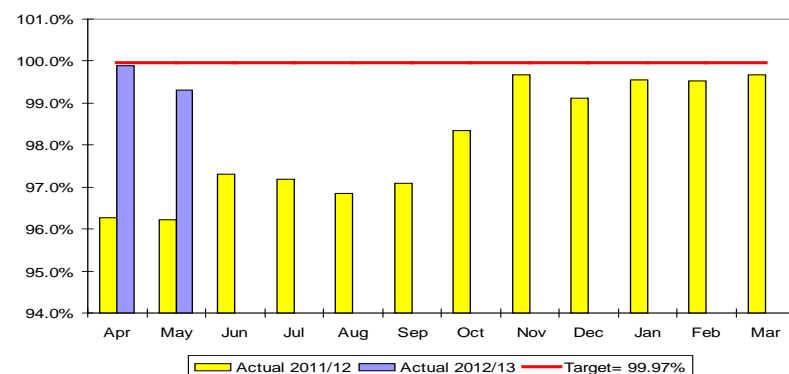
Impact of actions : Formal complaints although remaining higher than last year are falling.

Board Report: Interim Director of Nursing

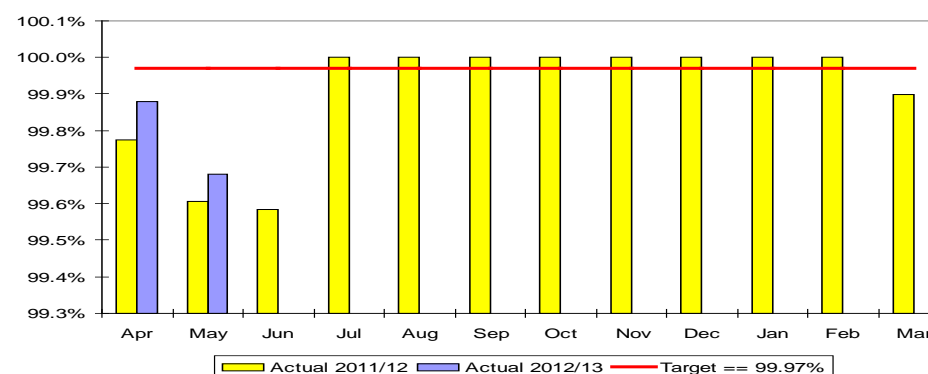
13 weeks	Target
13 week first outpatient appointment	>=99.97%
18 weeks	Target
Admitted percentage	90%
Admitted 95th percentile	23 weeks
Admitted Median Wait	
Non admitted percentage	95%
Non - admitted 95th percentile	18.3 weeks
Non admitted Median Wait	
26 weeks	Target
26 week inpatient waits	>=99.97%

Apr-12	May-12	Jun-12	YTD
99.88%	99.68%	99.78%	99.78%
94.0%	93.7%	91.0%	93.8%
18-19	18-19	20-21	
6-7	7-8	6-7	
99.7%	99.3%	98.8%	99.5%
10-11	12-13	12-13	
1-2	1-2	1-2	
99.89%	99.32%	99.8%	99.67%

26 week inpatient standard



13 week standard for first OP appointment



Commentary: The Trust has achieved the 18 week RTT targets for both the admitted and non admitted pathways. The average length of waits within this group are also within the targets set by the PCT following significant improvement. Validation is on going for the long waiters (over 26 weeks admitted and 13 weeks non admitted) as the data is not reliable - this is a result of the EPR system continuing the 'clock' for individual patient pathways incorrectly. In reality, these pathways have completed and therefore the clock should have 'stopped'.

Action: Steps are underway to make the required software changes to resolve this issue.

Board Report: Director of Planned Care

	Target	May-12 Trust	Jun-12 Trust	YTD Trust
Two Week Wait	93%	93.4%	88.8%	91.8%
2 week wait breast symptom	93%	97.4%	84.0%	93%
31 day 1st treated	96%	94.4%	96.9%	96.8%
31 day Chemo.	98%	95.9%	100%	98.6%
31 day Surgery	94%	100%	88%	98.0%
31 day Radiotherapy	94%	85.7%	100.0%	94.0%
Other	94%	100%	100%	100.0%
62 day (2ww)	85%	81.2%	83.3%	85.0%
62 day upgrade	notpub	66.7%	100%	88.2%
62 day screening	90%	90.9%	82.6%	87%

Commentary

These results represent the latest position. Further validations are underway and the only YTD target that is expected to fail is the 2ww. This has been impacted by a lack of capacity in Gastroenterology & Endoscopy and Respiratory Medicine. Action plans are in place to address these issues. The PCT have sign off these plans. EPR has had a significant impact on the ability to manage the referral process however the 2ww process has now been corrected in month4

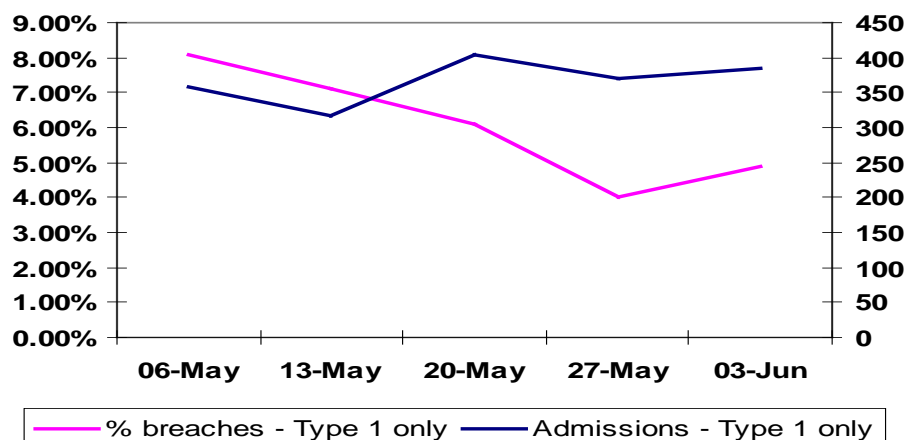
Action: Plans have been agreed

Impact of actions : Achievement for quarter 2 is predicted to be achieved

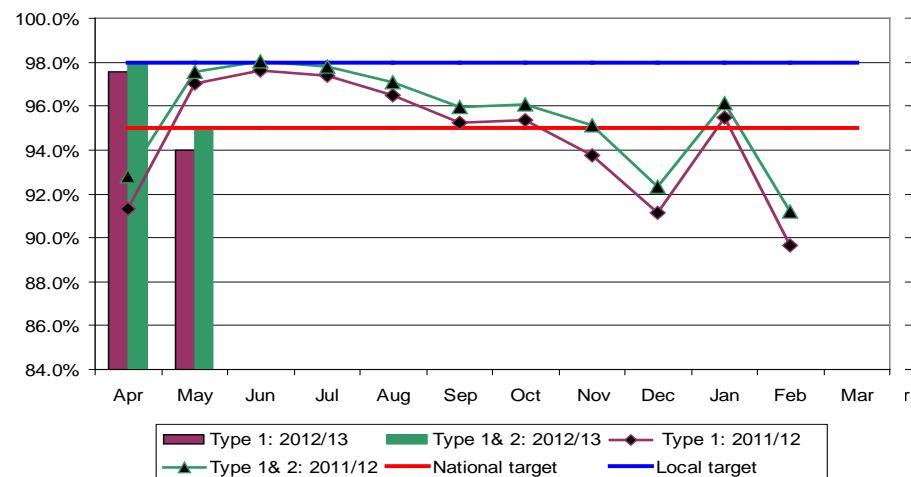
Board Report: Director of Planned Care

	Target	Apr-12	May-12	Jun-12	YTD
A&E attendances - Type 1 only	N/A	6339	8695	6,857	21,891
Seen within 4 hours - RBBH site Type 1 only	95%	97.54%	94.02%	91.57%	
Seen within 4 hours - RBH site Type 1 & 2 only	95%	97.9%	94.9%	92.7%	95.1%
Unplanned re-attendance rate	<5%	2.3%	1.9%	1.0%	1.7%
Total time spent in A&E (95th percentile)	<4 hours	239	239	247	242
Left department without being seen	<5%	3.1%	4.2%	3.4%	3.6%
Time to initial assessment (95th percentile)	<15 mins	0	0	0	0
Time to treatment in department (median)	<60 mins	66	75	77	73

Breaches by week and admissions from A&E



Performance seen within 4 hours by Type 1 & 2 categories



Commentary

Current Position

Commentary: The Trust performance for Q1 was 95.10% which was an excellent performance given the challenges faced by the department since the implementation of EPR. An extensive validation exercise was undertaken and we were able to resubmit our data for one of the weeks post go-live. However, the national report from DoH reports our performance as 94.98% as they have not yet updated their report with our resubmitted data. They have confirmed that they will republish their report at the end of August. Our performance at the time of writing this report for quarter 2 is 96.47%.

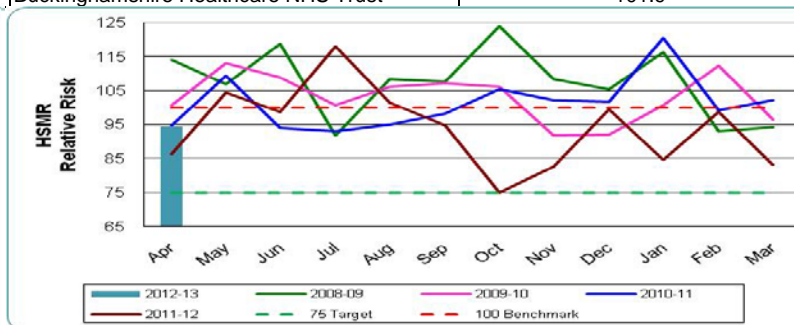
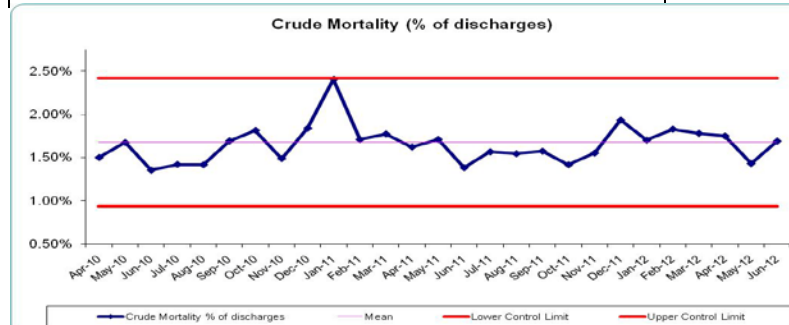
Actions: Continue to work with partners to ensure there is sufficient capacity for the winter; complete internal bed reconfiguration model.

Impact of actions : Winter plans completed as a health system.

Board Report: Director of Urgent Care

HSMR (Hospital Standardised Mortality Ratio) is calculated as a percentage of observed deaths to the expected number, adjusted for complexity of case-mix, age sex and co-morbidities. Scores greater than 100 indicate worse than average performance.

Trust	HSMR Rolling 12 months	Trust	HSMR Rolling 12 months
Imperial College Healthcare NHS Trust	64	Taunton and Somerset NHS Foundation Trust	84.8
University College London Hospitals NHS Foundation Trust	69.4	Milton Keynes Hospital NHS Foundation Trust	88
Frimley Park Hospital NHS Foundation Trust	72.6	Heatherwood and Wexham Park Hospitals NHS	87.5
North West London Hospitals NHS Trust	78.4	Royal Berkshire NHS Foundation Trust	94.4
Hampshire Hospitals NHS Foundation Trust	88.5	Oxford University Hospitals NHS Trust	96.2
University Hospitals Bristol NHS Foundation Trust	83.1	Doncaster and Bassetlaw Hospitals NHS Founda	98.2
		Buckinghamshire Healthcare NHS Trust	101.9



Commentary

Current Position

- The Trust's Hospital Standardised Mortality Ratio (HSMR) for 2011/12 is 93.2
- The HSMR for 2011/12 is expected to re-benchmark to 102
- The HSMR 12 months rolling (May-11 to Apr-12) is 94.4
- The HSMR for elective admissions 12 months rolling (May-11 to Apr-12) is 127.8 (32 patient deaths out of an expected 25) – this is within expected range
- The Trust's monthly HSMR for Apr-12 (most recent validated monthly data) is 91.8
- The crude mortality rate for Jun-12 is 1.69% (114 patient deaths). This is within normal 'control limits'
- The SHMI for Oct10-Sep11 is 1.09 (within expected range) – the next SHMI update is due at the end of Jul-12

The SPC (statistical process control) chart has upper and lower confidence limits based on the first 24 data points. Interpretation rules for special causes i.e. whether the process is out of control: 1) Any point outside the control limits, 2) A run of 7 points all above/below the central line or all increasing/decreasing, 3) any unusual patterns (e.g. cyclical), 4) the proportion of points within the middle 1/3 of the region between the control limits differs from 2/3.

Action: The monthly review of mortality alerts is ongoing. A project to look at EDs, coding and notes for "Therapeutic endoscopic procedures on biliary tract" is starting to see whether changes will affect HSMR.

Impact of actions : A move away from peaks

Board Report: Interim Medical |Director

Key Performance Indicators drawn from the Maternity Dashboard.

		RAG rating parameters		Apr-12	May-12	Jun-12
		Goal/ Green	Red Flag			
Births	Benchmarked to 5900 per annum	< 466/ month	> 520 / month	491	491	481
Normal Vaginal Delivery	Spontaneous vaginal delivery (proportion of total)	63%	<60%	56%	61%	59%
Marsh Midwifery led Unit	Number of Deliveries (proportion of total)	10%	< 7%	15%	14%	14%
Homebirths	Number of deliveries (proportion of total)	> 5%	< 3%	3%	4%	3%
C. Section	Elective Rate	10%	> 11.34 %	11%	12%	12%
	Emergency Rate	< 15%	> 18%	16%	15%	12%
Staffing	Hours per week of dedicated consultant time on delivery suite	60 hrs.	< 60 hrs.	68.6	70.5	65
	Midwife : birth ratio	1 : 35	> 1 : 41	01:33	01:36	01:35
	No. midwifery vacancies	< 5%	> 10%	4%	6%	5%
Complaints	No. of Complaints	< 3	> 7	5	5	2
	Number of times unit diversion policy implemented	< 1	> 3	2	2	2

Commentary

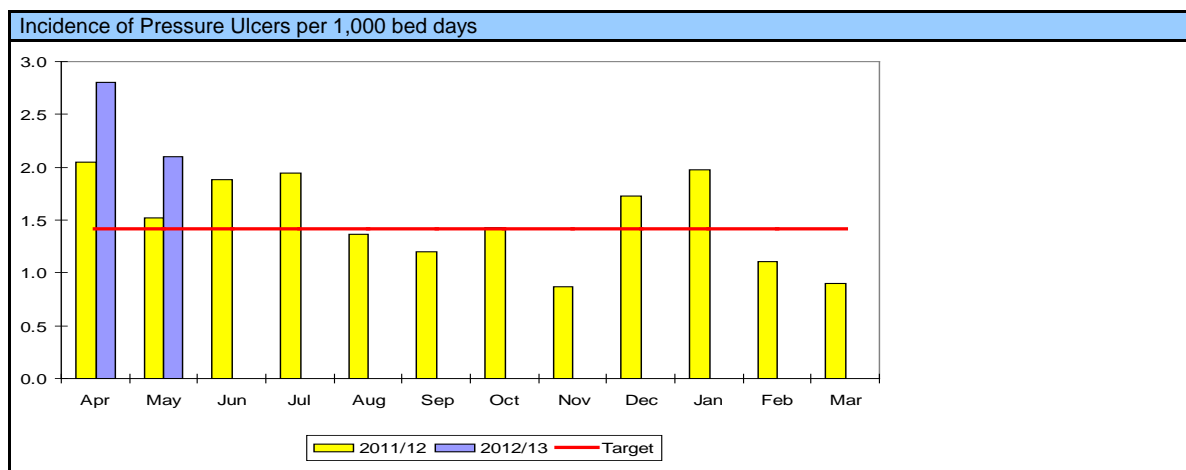
Current Position: The percentage of normal deliveries fell back slightly. The number of births remains between the Green and Red flags. However the elective C section rate is now above the red flag.

Action: Monthly reviews of all elective caesarean sections booked and ongoing work with consultants and other medical staff to ensure that women are able to make informed choices.

Impact: Intensify work plan to contain numbers within the expected indicators.

Board Report: Urgent Care Group Director

Target per 1,000 bed days	Apr-12	May-12	Jun-12	YTD
1.42	2.8	2.1	1.1	2.00



Commentary

Current Position: There has been an increase in Hospital Acquired Pressure Ulcers (all grades) since December 2011. The increase in pressure ulcers correlates with the opening of escalation capacity to cope with increased demand where there is an increased reliance on temporary staff to provide care. See quality report for further commentary.

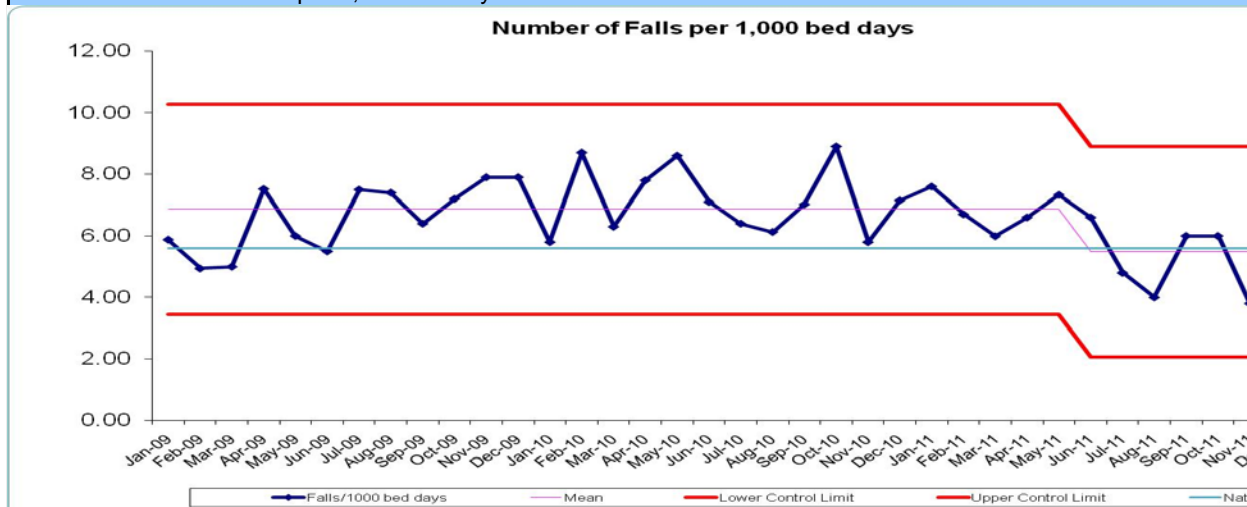
Actions: (i) Re-launch of the Pressure Ulcer Prevention Group (ii) There also needs to be an increased level of engagement of senior staff, both at Care Group and Trust Board level, to provide the necessary leadership to drive the programme of actions in the reduction of HAPU incidents. There needs to be another meeting of senior nursing staff of the Care Group with the Trust's Chief Nurse and the Tissue Viability Nurse Consultant to develop an action plan to reduce the number of HAPU incidents. (iii) Implementation of a new Pressure Ulcer Prevention and Management Care Bundle – A new Care Bundle for patients at risk of pressure ulcer development went through the process of consultation with clinical staff in May 2012 and is now awaiting final approval before implementation in June 2012. (iv) Continuing Implementation of education and training programme for clinical staff on pressure ulcer prevention.

Impact of actions : Too early to assess the impact of the actions taken

Board Report: Interim Director of Nursing

Target per 1,000 bed days	April	May-12	June	YTD
5.6	8.2	6.2	6.4	6.9

Incidence of Patient Falls per 1,000 bed days



Commentary

Current Position: (a) The number of falls data per 1,000 bed days for June is 6.4, shown in the SPC chart above to be within expected range. There were 117 falls in June and 80% Care bundle completion.

Action: Falls Steering Group has restarted and Care Group Directors of Nursing and Matrons are re-focusing on falls prevention. Further details can be seen in the [Quality and Safety Board Report](#)

Impact of actions : Too early to assess the impact of the actions taken

Board Report: Interim Director of Nursing

Contract Query Notices issued by the Commissioners in accordance with clause 47

Date Issued	CQN ID	Summary	Care Group & Lead Manager	RAP Agreed	Completion Date Due	Status	Closed	Potential Penalty
21/05/2012	CQN001	1. 18 weeks in General Surgery and failure to achieve the minimum of 92% incomplete pathway. 2. Failure to achieve the minimum of 92% incomplete pathway	Planned Care Steve Green	14/06/2012	30/06/2012	RAP agrees remedial actions for compliance against this target by end of Quarter 1 2012/13. Point 1 - Failed May Point 2 - Pass May	No. Need 3mths consecutive achievement	None
21/05/2012	CQN002	18 Weeks RTT wait below the 32-33 weeks bracket as reported in Unify2 return	Planned Care Steve Green	14/06/2012	30/06/2012	RAP agrees remedial actions for compliance against this target by end of Quarter 1 2012/13. Failed May	No. Need 3mths consecutive achievement	None
14/06/2012	CQN003	Failure to achieve 94% of subsequent radiotherapy treatments within 31 days for April.	Planned Care Steve Green	04/07/2012	30/09/2012	RAP agrees remedial actions for compliance against this target by end of Quarter 2 2012/13. Failed May, June	No. Need 3mths consecutive achievement	None
14/06/2012	CQN004	Failure to manage the provision of waiting times for cancer referrals within 2 weeks in at least 93% of cases for April.	Planned Care Steve Green	04/07/2012	30/06/2012	RAP agrees remedial actions for compliance against this target by end of Quarter 1 2012/13. Passed May	No. Need 3mths consecutive achievement	None
14/06/2012	CQN005	Failure to manage the provision of waiting times for symptomatic breast referrals within 2 weeks in at least 93% of cases for April.	Planned Care Steve Green	04/07/2012	30/06/2012	RAP agrees remedial actions for compliance against this target by end of Quarter 1 2012/13. Passed May	No. Need 3mths consecutive achievement	None

Commentary

Current Position: 5 contract query notices have been opened during the year by WBPCT. A second remedial plan has been requested from the planned care director.

Impact of the actions: All remedial actions are on track to be closed with the exception of CQN004, following a 3 month consecutive months of above target performance.

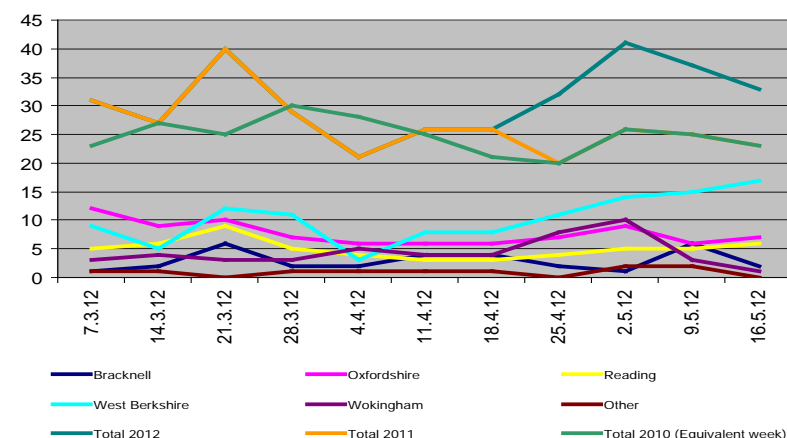
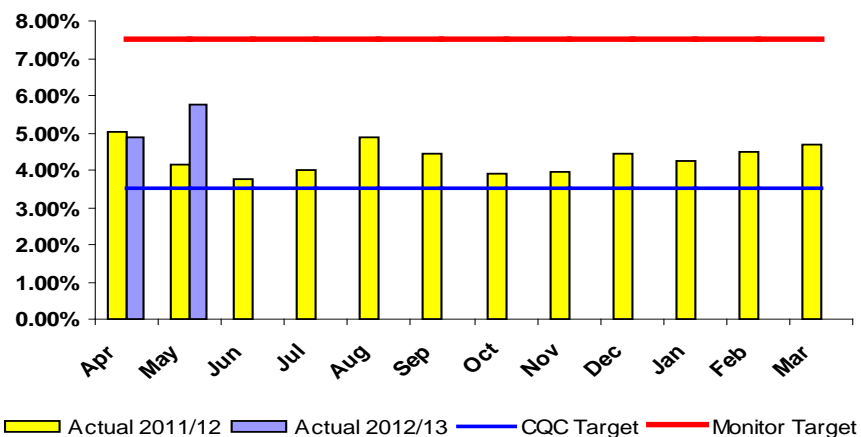
Board Report: Commercial Director

PMO Governance Report May 2012 - CIPs and Income Generation Schemes					Exception Report 10:		Page18
Project Description	Exec Sponsor	In Year Annual Plan Target	Mth 3 Actual 12/13 (£000's)	YTD Actual (£000's)	RAG (based on CIP delivery)	Current Risk Rated Forecast (£000s)	Comments
Efficient Resource Planning, including: Trust wide skill mix review Corporate function review Active Management of vacancies Stopping of EPR PAs	Director of Workforce & OD	1,000	283	484	Green	1174	A high level review of all corporate functions overheads has now commenced with trend analysis and benchmarking to be completed by the end of Aug12. This is in addition to the NHSi work reviewing opportunities in payroll, finance and the patient contact centre. The Care Group Directors of Nursing have developed plans around skill mix and shift patterns and these are now beginning to deliver savings.
Efficient Capacity Planning, including: Review of Outpatients Review of theatre utilisation Decontamination contract & services Pathology shared services Bed base review	Commercial Director	2,500	0	0	Red	855	The reconfiguration of CDU scheme has been moved in the resource programme accounting for the difference in this programme's figures from last month. The Synergy contract is due to be agreed at the end of July with savings of c£550k per year. Principles for modelling the bed base have been agreed and the teams are working up potential changes in specialties / workforce. The pathology options have been developed to OBC/FBC status and show significant savings to both Trusts. Final decision on the way forward will be taken at September Trust Board.
Efficient Procurement & Stock Control	Finance Director	3,000	202	380	Amber	3021	Procurement continue to work across all functions of the Trust to deliver a further £3m of in year savings. A significant programme of projects has been identified and are being developed alongside Care Groups.
Drugs Spend, including: Review of Trust formulary Policing of non formulary Reduction in FP10 usage Review of cancer regimes	Networked care Group Director	1,000	240	241	Amber	887	Initiatives for reducing drug expenditure this year are reliant to some extent on the implementation of JAC, which commenced on 25th June. The first set of data that can be used for informing opportunities will be ready by the beginning of August. Other work streams include the review of Trust formulary and the use of non-formulary drugs.
Efficient Infrastructure & IT, including: Review of EPR contract with Cerner De-scoping of CSC contract Various individual estates & facilities projects	Finance Director & Director Estates & Facilities	2,000	3	3	Red	986	Estates & Facilities are building their project plans to incorporate transport savings, new ways of working within the Trust and reviewing the use of space within the Reading site. The plans are in development, with the majority of schemes commencing in mth 3. However, there is significant risk that the target savings for Estates of £750k will not be delivered in full, as most of the opportunities identified are income generation schemes.
Carry Forward projects from FY11/12	Finance Director	3,000	0	1000	Green	3000	The carry forward value is £3m - this will be phased to show £1m achieved in each of the first 3 quarters in line with the budget.
TOTAL CIPs FY 12/13		£12,500	£728	£2,108		£9,923	
Money for Value - income generation schemes		£4,280	£1,084	£1,094	Amber	£4,752	Includes schemes such as CQUINs, asset rationalisation and additional income from a more efficient and detailed EDL process.
Money for Value - additional income for activity			£2	£2			Incremental support of £1.5m received from BWPCT in recognition of high numbers of medically fit for discharge patients within the Trust, which has impacted on our ability to deliver CIP savings in this area.
TOTAL MONEY FOR VALUE FY 12/13		£4,280	£2,584	£2,584		£6,000	
Commentary							
Current position	The current PMO risk rating of the CIP programme is £9.6m against our target of £12.5m, which reflects the delay in the commencement of projects at the start of the year.						
Actions	New opportunities are being identified to both meet the 2012-13 target and to build up a pool of CIPs initiatives to carry forward into subsequent years. These are focused on drugs exploiting opportunities for savings made possible by the implementation of new software, non-pay starting with a commercial sector "money saver analysis" and pay, starting with a review of pay spend in all corporate areas This is due to finish at the end of August with clear plans for implementation signed off in September. Projects have been realigned and resourced to focus on to our top 10 CIPs projects in value and size, A non pay money saver analysis is being specified and is likely to undertaken by a specialist firm. Incremental funding of £1.5m received from BWPCT has been reflected in the Money for Value income stream						
Impact of action	Visibility on further savings						
Board Report:	Commercial Director						

	CQC Target	Apr-12	May-12	Jun-12	YTD
% of Delayed discharges	3.5%	4.90%	5.74%	5.27%	5.30%

Weekly Delayed Transfers by Unitary Authority

Delayed transfers by month YTD

**Commentary**

Current position - Discussions continue with PCT and BHT to address the volume of patients who are medically fit for discharge and expedite discharge.

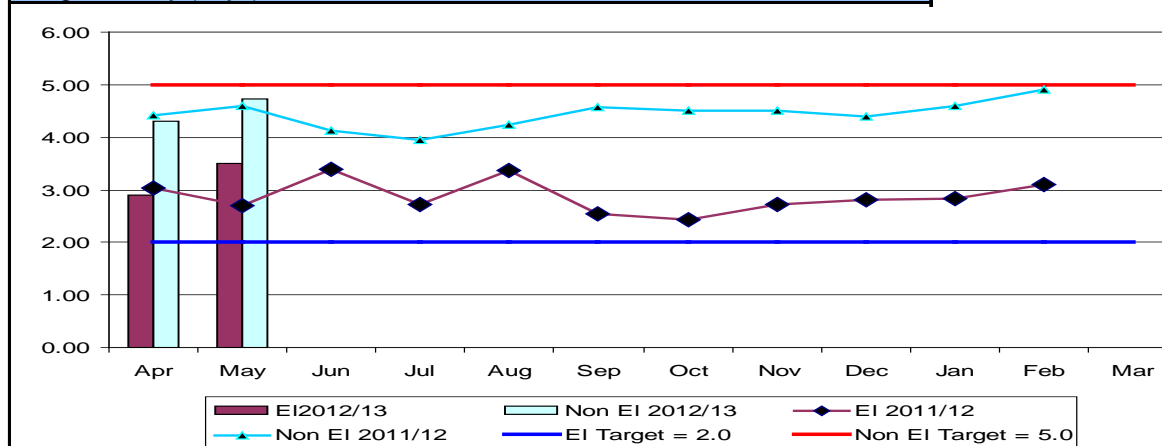
Action: CEO meeting planned for August to support Berkshire Unitary to improve delays. Care Groups are focusing on internal delays within our control such as waits for diagnostic procedures. The reconfiguration of beds is being planned to introduce an internal step down facility in advance of winter pressures.

Impact of actions : Too early to assess the impact of the actions taken

Board Report: Interim Director of Nursing

	Target	Jun-12
Elective length of stay	2.0	2.40
Non elective length of stay	5.0	3.90
New to follow-up ratio (contract)	TBC	TBC
	Target	Year to date
Elective length of stay	2.0	2.70
Non elective length of stay	5.0	4.40
New to follow-up ratio	2.0	TBC

Length of stay (days)



Commentary

Current Performance: Elective LoS is higher than target

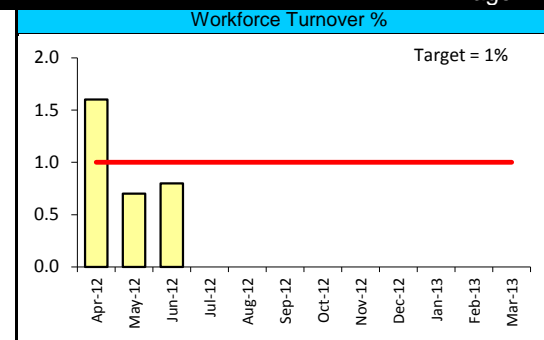
Action: Principles have now been agreed with regards to re-allocation of beds across the Trust and the next step is for this to be implemented - likely timescale August. seeking to ring fence planned care beds focused on increasing bed availability /reducing LoS)

Impact: The latest draft CHKS report identifies that the Trust's Length of Stay April 11 to March 2012 is compared favourably with peers

Board Report: Directors of Care Groups

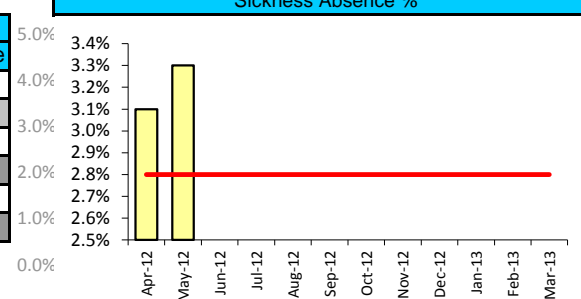
	Month Target / Limit
Workforce turnover %	1.0
Vacancy rate %	5.0
Sickness rate % (previous month)	2.8
Agency spend % of total staff cost	5.3
Appraisal rate %	95.0
Medics EWTD compliance %	100.0

Jun-12				
Trust	Urgent	Planned	Networked	Corporate
0.8	0.8	0.9	0.8	0.7
4.9	2.8	5.9	-3.1	16.7
3.3	3.2	3.3	2.4	4.5
5.1	6.8	4.7	2.2	6.3
60.0	58.4	55.3	69.5	59.5



	12M Target / Limit
Workforce turnover %	12.0
Vacancy rate %	5.0
Sickness rate % (previous month)	2.8
Agency spend % of total staff cost	5.3
Appraisal rate %	95.0
Medics EWTD compliance %	100.0

Jun-12				
Trust	Urgent	Planned	Networked	Corporate
12.7	12.1	12.4	15.0	11.7
3.2	3.4	3.2	2.8	3.8
60.0	58.4	55.3	69.5	59.5



Commentary

Current Position: The trust sickness absence level has risen from 3.1% to 3.3% and remains above the 2012-13 target of 2.8%. The percentage of staff who have had an appraisal has risen from 53.7% in May to 60% in June. A review of the appraisal trajectory shows that main areas are falling below planned levels of completed appraisals. The vacancy rate has reduced from 5.3% in May to 4.9% in June; however, nursing vacancies continue within the Care Groups. Networked Care Group is showing an over-establishment against budget of 3.1%, this is due to a budget reconfiguration at the beginning of the year - the Care Group is working towards this new budgeted figure and is under spent on pay at the end of quarter 1. The new system for scrutiny of new posts coming into effect in July. Agency usage remains lower than the Trust target of 5.1%; Urgent Care Group has continued to rely on a significant amount of agency nursing staff to support the continued opening of winter escalation wards and to fill vacant nursing posts.

Action: Robust and appropriate management of all sickness cases continue. Weekly monitoring of appraisals is continuing and Care Groups/Corporate RBH required to identify plans to get back on track. Nursing recruitment plans are being developed to support the bed configuration for this winter to ensure there is minimal reliance on agency staff.

Impact of actions : The impact of the above actions will be reported in July 2012

Board Report: Director of HR

Value for Money CQUINs										
Report 14: CQUINs										Page 22
Numerator	Denominator	Frequency of Data Collection	Final Indicator Period (for payment)	Payment Threshold	Goal Weighting	Value of CQUIN (£'s)	Performance this month	CQUIN forecast (£'s) IBR	RAG Rating	Comment
Number of adult inpatient admissions reported as having had a VTE risk assessment on admission to hospital using the clinical criteria of the national tool (including those risk assessed)	Number of adults who were admitted as inpatients (includes day cases, maternity and transfers; both elective and non-elective admissions)	Monthly	Monthly	Payment paid monthly on achievement of 90% on a month by month basis	5.0%	£340,190	63.0%	£255,143	Amber	Remedial action plan completed . YTD forecast is risk adjusted for the expectation that due to the implementation of EPR there will be a delay in reaching the expected target.
Index-based score reflecting positive responses to the 5 questions within the composite indicator	N/A	Annual	Adult inpatient survey 2011/12 (based on inpatient episodes between July and August 2011)	68.5 = 80% 69 = 90% 69.5 = 100%	5.0%	£340,190	Not Applicable	£272,152	Amber	Previous surveys have indicated that the Trust achieves the lowest scores around medication advice. As a result of this and in order to provide a relevant action plan, ward pharmacists are being recruited. A leaflet is being produced which will accompany the patient medication on discharge. Meridian survey showing positive results. Wards are also undertaking "intentional rounding".
Number of admissions of patients aged 75 and over, who have been screened as at risk of dementia, reported as having had a dementia risk assessment within 48 hours of admission to hospital, using the hospital dementia risk assessment tool	Number of patients aged 75 and over, who were admitted as inpatients, who have been screened as at risk of dementia, (includes day cases, patients with a length of stay of less than 48 hours, transfers; both elective and non elective admissions	Monthly	1 April 2012-31 March 2013	90.00%	2.0%	£136,076	To be analysed for 1st quarter	£136,076	Green	The Dementia Steering Group has been set up with the first meetings already held. The Group are working toward obtaining the monthly data well in advance of the collection period which is not due until later in the year. An awareness campaign is also being initiated.
Number of admissions of patients aged 75 and over identified as at risk of having dementia who are referred for specialist diagnosis	Number of patients aged 75 and over who were admitted as inpatients who underwent a dementia risk assessment (includes day cases, patients with length of stay of less than 48 hours, transfers; both elective and non-elective admissions)	Monthly	1 April 2012-31 March 2013	90.00%	1.5%	£102,057	To be analysed for 1st quarter	£102,057	Green	
Number of months per quarter for which a complete record of Safety Thermometer survey data covering all appropriate patients in all appropriate settings for all relevant measures is submitted.	Total number of relevant months in the quarter (usually 3).	Data will be collated locally using the NHS Safety Thermometer tool on a single day per month (day to be determined locally in each provider). This monthly data will be uploaded by each provider to the NHS Information Centre on a quarterly basis (i.e. data representing the 3 constituent months in a single quarter uploaded to the IC quarterly) Further information will be provided in due course on how to submit data.	July 2012 to March 2013	1) Submission of data representing 3 surveys for the 3 consecutive months in a single quarter will trigger 33.3% of the yearly total possible payment 2) Submission of data for 2 complete quarters will trigger 66.6% of the total possible payment	5.0%	£340,190	100%	£340,190	Green	
Number of young adult patients attending the young adult diabetes clinic	Number of young adult patients booked into clinic	Monthly		DNA rate 25% (of the 75% available) = 50% DNA rate 23% (of the 75% available) = 70% DNA rate 20% (of the 75% available) = 100%	4.0%	£254,500	June DNA RATE 32%	£254,500	Green	The YTD DNA rate is 19% thereby achieving the target threshold. Initiative in place to extend the clinic with information access underway utilising SKYPE and Face book digital technologies .
The SHA is proposing to lead a piece of work to develop a local basket of procedures that are considered most amenable to coal directed inter		Quarterly	End of Q4.	Delivery of trajectory.	4.0%	£254,500	Not Applicable	£254,500	Amber	Awaiting further details on the recording and reporting of this CQUIN
By the end of Q1 the commissioner and provider will have an understanding of the current number of digital contacts provided and the opportunities to improve on this.	N/A	Quarterly	30 days after the end of Q4.	End of Q1. Jointly agreed action plan, setting out increases in levels of digital contacts with milestones and trajectories for delivery for the remainder of the year.	4.0%	£254,500	Not Applicable	£254,500	Amber	Awaiting further details on the recording and reporting of this CQUIN
By the end of Q1, commissioners and providers will agree a baseline of current wait times for the following three steps in the pathway for non-complex and complex wheelchairs: - referral to first contact - first contact to order of chair - order to receipt of chair in working order by the patient		Quarterly	Q4	Delivery of action plan, milestones and trajectories	4.0%	£254,500	Not Applicable	£254,500	Green	The baseline for the service improvement has been set and the improvement target will be agreed by the end of July. Initiatives completed or in the pipeline to facilitate improvement include: - A more detailed referral form to help identify what wheelchair is needed. - Partnership with private sector dealer to hold stock off site - Purchase of £50k of stock to call off (funded by commissioner).
No. of referrals identified and made into the following services from ED and CDU: Community IV UTI, Community Cellulitis, Community Rapid Response and Reablement, during the time that these services are available.	N/A	Monthly starting in June 2012		738 'accepted' referrals to the above named services will result in full payment of the CQUIN. 615 = 80% 677 = 90% 738 = 100%	16.0%	£1,081,332	55	£865,066	Amber	Meetings are being arranged with Berkshire HealthCare Trust to promote and embed the services within their clinical team for community UTI and Community IV.
For all three categories of patients the following detail must be provided: NHS no. Referral source (GP / Self presented)	N/A	Monthly starting in June 2012		Provision of full data set for each month of 12/13, commencing in June 2012.	4.0%	£191,168	Occupational Therapy data loaded.	£191,168	Green	The data collection template is established and data has been loaded for June 2012.
OPCS and HRG codes as per master document: PLCV LIST BY PROCEDURE AND HRG RT12		Monthly	Activity at the end of March 2012.	Payment will be made if the activity figures below are not exceeded: Spinal Surgery - 173 Primary hip joint replacement - 298 Primary knee joint replacement -334	10.0%	£636,250	No performance measure available this month	£636,250	Green	The procedure codes to measure are agreed. Performance figures to date are not available to report.
Number of patients who have used the osteoarthritis of the hip and knee arthritis patient decision aids in the secondary care environment	Number of patients eligible (i.e. not used the patient decision aids in primary care in the previous 6 months) for whom the patient decision aid could be used, specifically in relation to osteoarthritis of the hip and knee arthritis	Monthly from Q2	TBC	100%	2.5%	£159,063	No performance measure available this month	£159,063	Green	Patient decision aids in development and planned for implementation.
Joint production of a shared decision making tool in spinal surgery				Q1 - Set up of Joint Working Group, with agreed project plan Q2 - Meet milestones agreed for achievement in Q2 Q3 - Meet milestones agreed for achievement in Q3 Q4 - Meet milestones agreed for achievement in Q4	2.5%	£159,063	No performance measure available this month	£159,063	Green	
Progress will be monitored via a project plan which will be monitored via a Joint Working Group. The plan will scope the project and detail jointly agreed milestones that will trigger partial payment of the CQUIN.	N/A	Update report quarterly	01/03/2013							
N/A	N/A	Baseline audit conducted in Q1, against hips, knees and spines. Jointly produced action plan between secondary and primary care representatives and re-audit in Q3.	01/03/2013	Production of two clinical audit reports, and one action plan	2.5%	£159,063	No performance measure available this month	£159,063	Green	Clinical audit, to measure quality of referral information and use of local policies and decision aids, of hips and knee replacement and spinal surgery is being planned.

Number of adult patients admitted to the ED and CDU with a diagnosis of sepsis who receive intravenous antibiotics within one hour of medical assessment.	Number of patients identified as having sepsis in ED and CDU.	Monthly	01/03/2013	70% = 80% 80% = 90% 90% = 100%	7.0%	£445,375	60%	£311,763	Amber	Sepsis Group has been established with an agreed action plan.
Using the NPSA Intrapartum Toolkit, which needs to be completed at least 85% of the time, the aim is for 100% of women on the Delivery Suite receive 1:1 care in labour.	N/A	Monthly	Monthly	94% = 40% 96% = 60% 98% = 80% 100% = 100%	4.0%	£254,500	98%	£203,600	Amber	Targeting midwifery resources to delivery suite.
Patient survey - need to agree return rate and improvement on two questions already being asked. Women who give birth in all areas - extended to MLU once fully operational	N/A	Monthly	Monthly from May 2012	Q1 <35% Q4>85%	4.0%	£254,500	Q1 16% Q4 95%	£254,500	Green	Questionnaires are now being issued for all deliveries on the delivery suite and midwifery led unit.
Number of patients who achieve their preferred place of death	Number of patients who died where the death was expected (identified as being on the Liverpool care Pathway or similar)	To be confirmed	End of March 2013	Production of audits and agreed action plans.	6.0%	£381,750	Project plan updated monthly	£381,750	Green	PCT and palliative care review deaths in monthly clinical governance meeting and identify issues where patients have not achieved Planned Place of Death (PPD). Record all training delivered and proactive interventions to improve processes.
Increase the number of HIV tests undertaken in the trust by x (or x%) NEED BASELINE Improve on 2011/12 clinical audit results, ensuring that at least x% of acute medical patients with HIV clinical indicator diseases are tested for HIV. Via an education programme, ensure that all relevant clinical staff (DEFINE) complete an HIV testing module.	n/a		End of March 2013		5.5%	£349,938	82 April 2011 vs 76 April 2012	£349,938	Amber	Agreed CQUIN definition needed. Education package has commenced. 110 case note audit will take place to replicate sample from last year.
TBC	TBC	TBC	TBC	TBC	8.0%	£35,305	Not Applicable	£35,305	Amber	Agreed definition needed
Number of patients with eGFR<=/=20 known to a nephrologist for 3 months from 1 st April 2012 who have had a decision regarding their suitability for transplant.	Number of patients with eGFR<=/=20 known to a nephrologist from April 2012 for 3 months.		Q2 – Q4	80%	12.0%	£52,957	Apr 73% May 74%, June 77%	£52,957	Green	Expect to achieve the target performance of over 80% from July '12
Number of peritoneal or home dialysis patients	Number of dialysis patients	TBC	31.3.13	26%	12.0%	£52,957	Apr 25%, May 25%, June 24%	£0	Red	A challenging target because home dialysis can only be offered to clinically appropriate patients. Confirmation needed that the performance measure will be as at 31st March 2013
Number of patients with CKD (low clearance, RRT and post-transplant) who have registered with Renal Patient View.	Number of CKD patients(low clearance, RRT and post-transplant)	TBC	31.3.13	15% improvement on 38%	8.0%	£35,305	Apr 36% invites, 37.1% with data. May 35% & 36%, Jun 37% & 37%	£0	Red	All eligible patients will be invited and encouraged to join the Renal Patient View Service.
Number of pre-emptive transplants	Number of renal transplants	Quarterly	Q2 – Q4	8 Patients	8.0%	£35,305	2 in Apr / May	£35,305	Green	On track to deliver full year contract value.
Number of patients who require anaemia management with haemoglobin levels as per NICE guidance. .	Number of CKD patients who require anaemia management.		31-Mar-13	85%	8.0%	£35,305	Apr 82%, May 82%, Jun 81%	£35,305	Green	Effort will be targeted to improve audit and implementation protocols
TBC	TBC	TBC	TBC	TBC	4.0%	£17,652	Not Applicable	£17,652	Amber	Agreed definition needed
Infants <32/40 or <1500g who receive TPN by D3	All infants <32/40 or <1500g once exceptions have been reported	monthly	Quarterly	Q1 - Provide baseline proportion data for FY 2010/11, agree targets for Q2,3,4 with SCs Q2 - meet target Q3 - meet target Q4 meet target	8%	£35,305	82%	£35,305	Green	Q1 target met,
The number of South Central patients with an immunoglobulin infusion date within the last quarter for whom there are no missing data for the database fields listed above. (NB the SCG will not fund treatment for any patient who is not entered onto the database and identifiable as a South Central patient.)	The total number of South Central patients who have an immunoglobulin infusion date within the last quarter. (NB the SCG will not fund treatment for any patient who is not entered onto the database and identifiable as a South Central patient.)	Ongoing	31.3.13	95%	8.0%	£35,305	< 95%	£35,305	Amber	The team are validating the data recorded on the national IVIG database for RBH patients who have received immunoglobulin infusion treatments to ensure that all required fields are complete.
Number of South Central patients with an immunoglobulin infusion date in the last quarter whose treatment has been approved by the regional immunoglobulin panel. Red urgent indications are excluded from this requirement.	Number of South Central patients with an immunoglobulin infusion date in the last quarter, excluding red urgent indications	Continuous	31.3.13	95%	4.0%	£17,652	100%	£17,652	Green	Processes for prescribing IVIG within the trust are in line with the Department of Health demand management programme and RBH are an active member of the Thames Valley IVIG panel
TBC	TBC	TBC	TBC	TBC	100.0%	£49,317	Not Applicable	£49,317	Amber	Agreed definition needed
						£6,853,127		£6,211,001		

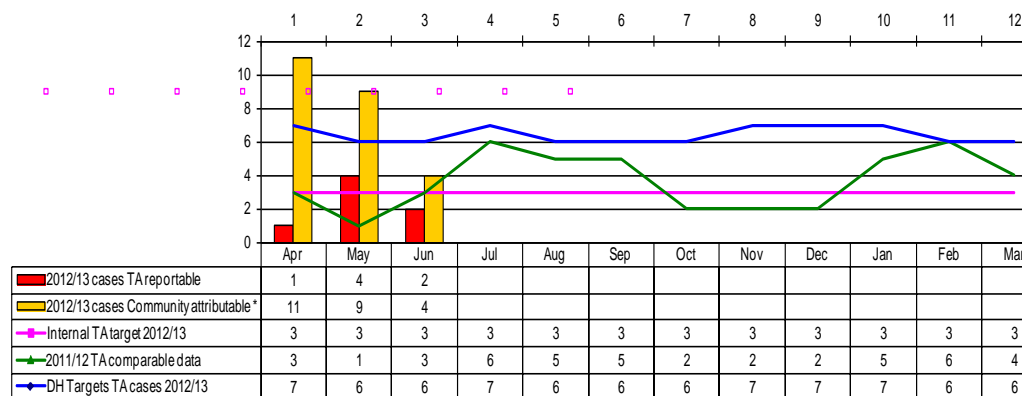
Clostridium difficile cases after 48 hours against targets

	Target	May-12 Actual	Jun-12 Actual	YTD
MRSA BSI cases (post 48hrs)	0	0	0	0
Clostridium difficile cases (post 48 hours)	7	4	2	6
MRSA screening elective (DoH)	100%	No data	No data	No data
Hand hygiene compliance	95%	96%	98%	97%
Bare below the elbows compliance	100%	99%	99%	99%

	Target	Actual	Actual	YTD
MRSA BSI cases	0	0	0	0
Post 48 hr Clostridium difficile cases	19	5	7	12

	Actual	Actual	YTD
Other organisms	May-12	Jun-12	
MSSA post 48 hrs specimens	0	0	0
E coli BSI post 48 hr specimens	5	0	5

TA Clostridium difficile performance against targets 2012/13 and previous actual totals (2011/12)



Commentary

Cumulative totals for Clostridium difficile cases after 48 hours against RBH target

Current position: There have been no incidence of hospital acquire MRSA and Cdiff remains under control

Action: Keep under close review

Impact of actions: Cdiff and MRSA continue to be contained within trajectory

Board: Interim Director of Nursing

Worksheet "Monitor Return"

Declaration of risks against healthcare targets and indicators for 2012-13 by Royal Berkshire

These targets and indicators are set out in the **Compliance Framework 12/13**Key: must completeDefinitions can be found in Appendix B of the **Compliance Framework 12/13**

NOTE: If a particular indicator does not apply to your FT then please enter "Not relevant" for those lines.

Target or Indicator (per Compliance Framework 12/13)	Threshold or target YTD	Scoring	Risk declared at Annual Plan	Score	Quarter 1 Actual Performance	Achieved /Not Met	Any comments or explanations	Score
Clostridium Difficile -meeting the C.Diff objective	0	1.0	No	0	7	Achieved	A short comment or explanation can be entered in this column if you wish.	0
MRSA - meeting the MRSA objective	0	1.0	No	0	0	Achieved		0
Cancer 31 day wait for second or subsequent treatment - surgery	94%	1.0	No		98.0%	Achieved		
Cancer 31 day wait for second or subsequent treatment - anti cancer drug treatments	98%	1.0	No		98.6%	Achieved		
Cancer 31 day wait for second or subsequent treatment - radiotherapy	94%	1.0	No	0	94.0%	Achieved		0
Cancer 62 Day Waits for first treatment (urgent GP referral for suspected cancer)	85%	1.0	No		85.0%	Achieved		
Cancer 62 Day Waits for first treatment (from NHS cancer screening service referral)	90%	1.0	No	0	87.0%	Not met		1
Maximum time of 18 weeks from point of referral to treatment in aggregate, admitted patients	90%	1.0	No		93.8%	Achieved		
Maximum time of 18 weeks from point of referral to treatment in aggregate, non-admitted patients	95%	1.0	No		99.5%	Achieved		
Maximum time of 18 weeks from point of referral to treatment in aggregate, patients on incomplete pathways	92%	1.0	No	0	95.9%	Achieved		0
Cancer 31 day wait from diagnosis to first treatment	96%	0.5	No	0	96.8%	Achieved		0
Cancer 2 week wait from referral to date first seen, all urgent referrals (cancer suspected)	93%	0.5	No		91.8%	Not met		
Cancer 2 week wait from referral to date first seen, symptomatic breast patients (cancer not initially suspected)	93%	0.5	No	0	93.0%	Not met		0.5
A&E: maximum waiting time of 4 hours from arrival to admission/transfer/discharge	95%	1.0	No	0	95.1%	Achieved		0
Community care data completeness - referral to treatment information completeness	50%	1.0	No		0.0%	Not relevant		
Community care data completeness - referral information completeness	50%	1.0	No		0.0%	Not relevant		
Community care data completeness - activity information completeness	50%	1.0	No	0	0.0%	Not relevant		0
Community care data completeness - patient identifier information completeness	TBC	0.0	No		0.0%	Not relevant		
Community care data completeness - End of life patients deaths at home information completeness	TBC	0.0	No		0.0%	Not relevant		
Care Programme Approach (CPA) patients receiving follow up contact within 7 days of discharge	95%	1.0	No		0.0%	Not relevant		
Care Programme Approach (CPA) patients having formal review within 12 months	95%	1.0	No	0	0.0%	Not relevant		0
Minimising MH delayed transfers of care	<7.5%	1.0	No	0	5.3%	Achieved		0
Admissions to inpatient services had access to crisis resolution / home treatment teams	95%	1.0	No	0	0.0%	Not relevant		0
Meeting commitment to serve new psychosis cases by early intervention teams	95%	0.5	No	0	0.0%	Not relevant		0
Data completeness, MH: identifiers	97%	0.5	No	0	0.0%	Not relevant		0
Data completeness, MH: outcomes for patients on CPA	50%	0.5	No	0	0.0%	Not relevant		0
Ambulance Category A call - emergency response within 8 minutes (Red 1 & 2 calls consolidated for Q1)	75%	1.0	No	0	0.0%	Not relevant		0
this row intentionally hidden at Q1 FY 1213, to be Used for new red 2 8 min ambulance target in Q2	75%	1.0	No		0.0%	Not relevant		
Ambulance Category A call - ambulance vehical arrives within 19 minutes	95%	1.0	No	0	0.0%	Not relevant		0
Compliance with requirements regarding access to healthcare for people with a learning disability	N/A	0.5	No	0		Yes		0
Risk of, or actual, failure to deliver mandatory services	N/A	4.0	No	0		No		0
CQC compliance action outstanding (as at 30 Jun 2012)	N/A	special	No			No		
CQC enforcement action within last 12 months (up to 30 Jun 2012)	N/A	special	No			No		
CQC enforcement notice currently in effect (as at 30 Jun 2012)	N/A	4.0	No			No		
Minor CQC concerns or impacts regarding the safety of healthcare provision (as at 30 Jun 2012)	N/A	special				No		
Moderate CQC concerns or impacts regarding the safety of healthcare provision (as at 30 Jun 2012)	N/A	special	No			No		
Major CQC concerns or impacts regarding the safety of healthcare provision (as at 30 Jun 2012)	N/A	2.0	No	0		No		0
Unable to maintain, or certify, a minimum published CNST level of 1.0 or have in place appropriate alternative	N/A	2.0	No	0		No		0
Trust unable to declare ongoing compliance with minimum standards of CQC registration	N/A	special	No			No		
Has the Trust has been inspected by CQC (in the quarter ending 30 Jun 2012)	N/A	special				No		
If so, did the CQC inspection find non compliance with 1 or more essential standards	N/A	special			no of standards 0	Not relevant		
Results left to complete			0			0		
Total Score			0			1.5		
Override Rating			GREEN				Enter the reason for any non-scoring related rating override.	
Indicative Governance risk rating			GREEN			AMBER-GREEN		

Board of Directors

Title: Director of Finance Report

Date: 31 July2012

Lead: Craig Anderson

Purpose: To update the Trust Executive and Board on the financial results of the Trust for June 2012.

Decision requested To NOTE the contents of this report.

To APPROVE the contract and purchase requisitions detailed in section 3 of this report.

EXECUTIVE SUMMARY

Financial Targets

The key financial aim in for 2012/13 is to maintain our FRR of 3 through ; delivering a surplus of £3.2m, being 1% ; and maintaining a cash balance of £20m. The latter would ensure that there can be some slippage in surplus whilst still being able to maintain our FRR of 3, as we saw in 2011/12. In terms of CIP achievement the Trust is planning to achieve a £12.5m of purely cost savings for the year. We are also targeting income opportunities of some £6m to mitigate income risk and cost CIP risk within in the plan. The Trust has completed a forecast in the month which confirms our ability, at this point in time, to meet our budgeted surplus, although significant risks and opportunities exist. This is the subject of a separate paper to the Board.

Month 3 Year to Date Position

Area of Review	Key Highlights	Month Rating	Year end rating
FRR	June year to date FRR 2.7.which rounds to a 3 for reporting purposes to Monitor. Key to achieving FRR of 3 for Q1 was achievement of EBITDA margin of 5%. .		
Financial Position	Year to date deficit of £1.5m versus budget deficit of £1.575m. Underlying activity below plan but booked incremental income from the PCT of £1.5m to cover incremental incurred cost and year on year loss of Neonatal level 3 income.		
Activity / Income	Year to date income of £78.8m, £0.8m better than budget. Incremental income from PCT (£1.5m) to cover some incremental costs and year on year reduced neonatel income, higher drugs income and one time carbon management income, compensating for underlying PCT activity some £950k below plan.		
Expenditure	Year to date expenditure of £80.3m, £0.7m higher than plan due to higher escalation costs due to medically fit for discharge patients, higher drugs expenditure (£0.4m) and lower CIP savings (£0.5m). Offset by one time benefits such as delay in EPR implementation (£0.5m). It should be noted that expenditure in June was marginally lower than budget.		
EBITDA	Year to date EBITDA is 5.05% versus budget 5.1%.		
Cash	Cash of £32.25m, £2.25m better than budget.		
Capital	Year to date expenditure of £3.75m, £0.8m above plan.		
CIPs	Year to date delivered CIPs total £2.1m, £0.5m behind plan, predominantly non pay.		

In order to ensure that activity is delivered, costs managed and the CIP programme fully delivers, weekly meetings with key managers are in place to review weekly activity and cost reports where relevant and to monitor delivery of CIPs.

1 Financial Position.

Overall position compared to budget and to last year

The financial position in summary as reported by the Trust is shown below compared to budget and the prior year.

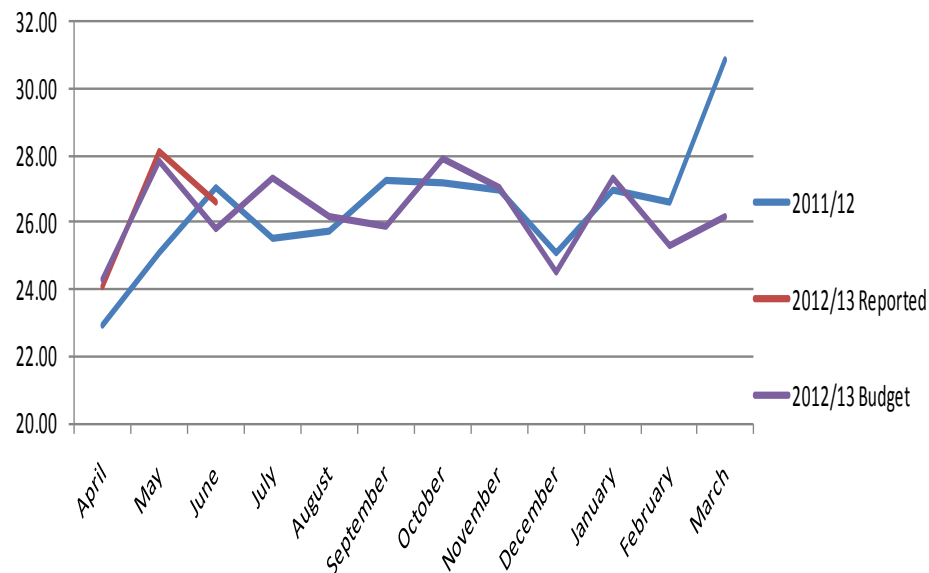
£'m	Period		Year to Date		YTD Prior Year
	Actual v	Budget*	Actual v	Budget*	Actual
Income	26.58	0.75	78.80	0.82	75.12
Pay Costs	(15.45)	(0.10)	(46.16)	(0.02)	(45.28)
Drugs costs	(2.47)	0.03	(7.87)	(0.41)	(6.26)
Non Pay Costs (excl drugs)	(8.37)	0.12	(24.43)	(0.19)	(22.40)
Other	(0.59)	(0.01)	(1.82)	(0.10)	(1.93)
Exceptional Items	(0.00)	(0.00)	(0.02)	(0.02)	0.01
Surplus/(deficit)	(0.30)	0.79	(1.50)	0.08	(0.74)
FRR	2.7				
	Period		Year to Date		
	Actual	Budget	Actual	Budget	
Cashflow from operations	(2.63)	(3.00)	(4.54)	(6.80)	
Cash	32.25	30.00	32.25	30.00	
EBITDA	1.62	0.81	3.98	4.01	
EBITDA margin	6.08%	3.12%	5.00%	5.14%	

* Variance to budget

- Quarter one FRR was 2.7, which rounds to a 3 in Monitors analysis.
- Year to date deficit of £1.5m, £0.08m better than budget but £0.8m worse than prior year.
- Year to date income is £0.82m better than budget with incremental PCT income of £1.5m and higher drugs income of £0.8m being offset by lower than budgeted activity.
- Income is £3.68m (4.9%) higher than prior year of which approx £1.4m (1.9%) relates to higher drugs recoveries and £1.2m (1.6%) relates to lower contract provisions with the balance (1.4%) reflecting real growth net of the tariff deflator.
- Year to date pay is broadly on budget and is 1.9% higher than prior year.
- Year to date drugs cost is £0.4m adverse to budget and £1.61m (25.7%) higher than prior year. Our recovery percentage is 65% versus 54% for the same period prior year. An additional appendix has been included which shows the drugs income and expenditure by quarter for 2011/12 and for 2012/13 actual and budget.
- Year to date non pay excluding drugs was £0.2m adverse to budget and £2m (9% higher than prior yr)
- Cash at June was £2.25m better than budget

Income

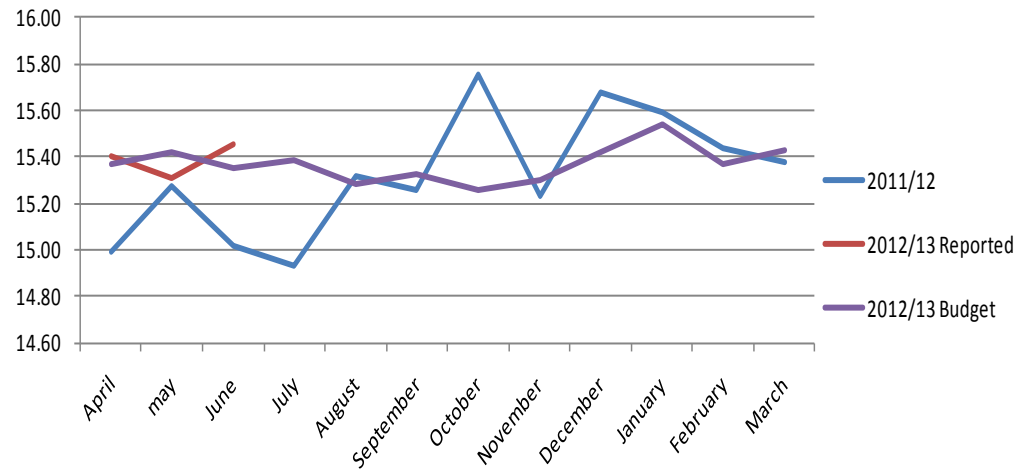
Monthly Income



- Included in income in the month is £1.5m of additional income from the PCT to cover the cost of patients medically fit for transfer and the lost NICU level 3 income.
- Whilst visibility of activity reported through EPR was sufficient for us to be able to calculate reported income in the usual way we do have a high number of episodes based on estimated tariffs. We have agreed with the PCT a three month window in which we need to correctly code and validate all activity.
- Notwithstanding the above we continue to see PCT activity running behind plan but offset by higher than plan Private Patient and Drugs income.
- We are awaiting outcome of an audit ahead of providing for non elective readmissions.

Pay

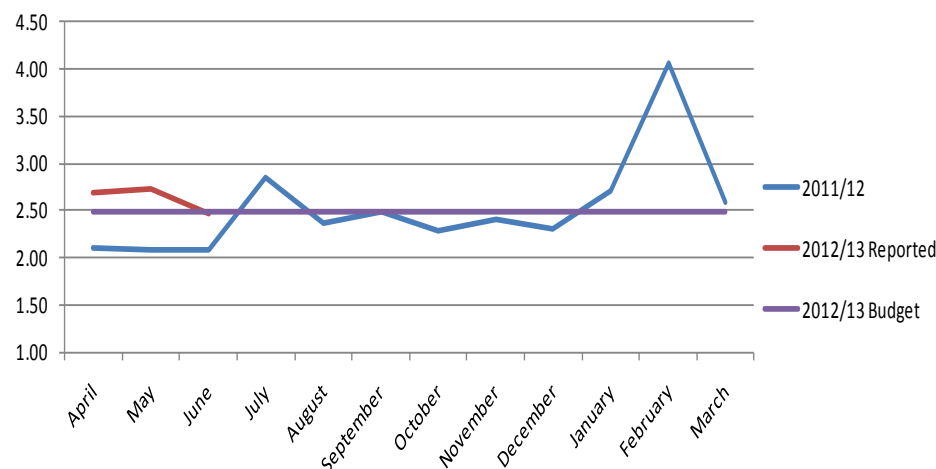
Monthly Pay



	Actual			Budget		
	<u>This mnth</u>	<u>Last mnth</u>	<u>Y-T-D</u>	<u>PY</u>	<u>Month</u>	<u>Y-T-D</u>
Pay as a % of income	58%	55%	59%	60%	59%	59%

- Pay in June was £15.5m, which was £0.2m more than in May. The increase is solely a result of June being a five week month for agency costs and weekly paid staff, compared to May which was only four weeks.
- Year to date Pay is on budget, despite the hospital being fuller than planned for this time of the year.
- The ratio of bank to agency costs for nursing agency in June was 72.01% compared to 84.58% in May.
- Work continues to further develop the CIP savings in pay with the appointment of Deloitte to undertake a whole Trust headcount benchmarking exercise and the use of the NHS Innovation Institute to review support service areas. The output of these reviews is expected early August.

Non Pay Costs – Drugs



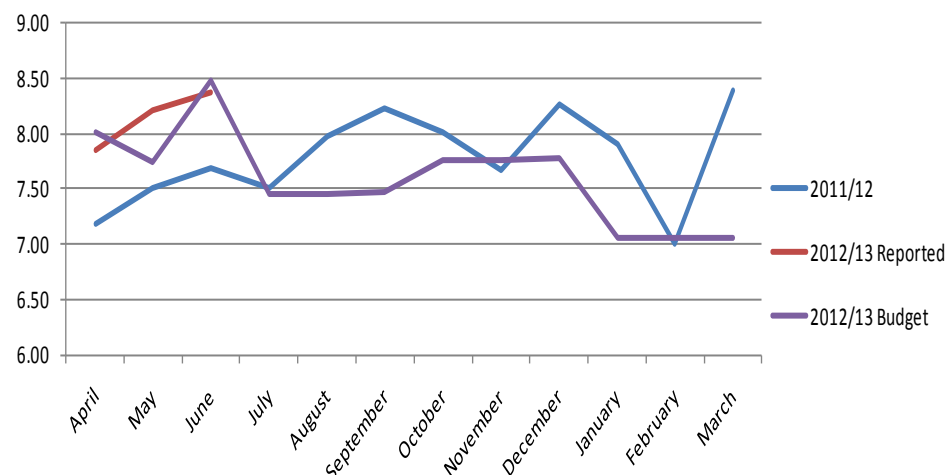
Monthly Drugs Cost

Drugs income as a percentage of drugs cost						
	2012 Jan	2012 Feb	2012 Mar	2012 April	2012 May	2012 June
	58.8	55.2	75.5	58.8	65.2	73.5
Rolling 6 months average						64.1
Rolling 6 months average (excluding March 2012)						62.0
(after excluding £1,095,000 stock adjustment in Feb 2012)						

- Drugs costs were under spent against budget by £29k in the month but are over spent by £414k year-to-date. This represents a significant risk against our whole year budget.
- The current month included a one-off credit of £240k for Pegfilgrastin in Planned Care.
- From 1st July we will see a 15% reduction in the price of Lucentis which will save £174k this year.
- During the month the Trust's pharmacy sold £118k of drugs to the Lloyds pharmacy that operates on site. The way we have to account for this is that we bill Lloyds and they bill us back for drugs supplied to our patients. As a result the accounts include two lots of cost and one of income for these drugs.
- Drugs income as a percentage of drugs cost is 65% year-to-date. This is comparable to Royal Surrey which is also a designated cancer centre. For the same period last year our drugs income as a percentage of cost was 54%.

Non Pay Costs - Excluding Drugs

Monthly Non Pay Costs – (excluding drugs)



Non-Pay costs variances to plan		
	£ 000	£ 000
	Month	YTD
Urgent Care	42	105
Planned Care	189	384
Networked Care	-74	-30
Estates & Facilities	-258	-422
Other Corporate	221	-226
Total	120	-189

- Whilst some increase in cost reflects income mix, of key concern in non pay is the delivery of CIPs which are behind by some £470k year to date. Key areas are :
 - IT £200k - renegotiation of CSC contract
 - Estates and facilities £150k - now driving income opportunities to cover this
 - Procurement £120k - timing
- Cost CIPs remain an area of significant concern with greater emphasis being placed on driving this through Executive Leadership as well as use of Deloitte and NHS Innovation Institute benchmarking to identify other areas of opportunity. We remain dependant on a number of large savings such as IT, which are binary in nature. The latest forecast identifies an assessed risk in this area of £2.5m
- There was a further under spend against Other Establishment Expenses of £200k in the month, due to the postponement of the “go-live” date for EPR
- There was a further benefit in Other Establishment Expenses of £224k in the month due to a reduction in the amount being accrued for NHS Litigation Insurance.

2. Contractual Position for 2012/13.

We have reached agreement with Berkshire West PCT as to the overall base contract funding envelope which is inline with our budget expect for QIPPs (which are a PCT risk but which if arise will require us to reduce costs) and readmissions penalties, together which add up to some £4m income risk. To mitigate this risk we are seeking transition funding in the event that QIPPs happen and we are required to reduce risk, for the neonatal level 2 extra cost and loss of neonatal level 3 income, for the cost of funding patients medically fit for discharge, and for rationalisation of estates. Together transition funding could be up to £4.5m of which we have recognised £1.5m in Q1.

Other than the items mentioned above contract performance is felt to be deliverable and hence the risk of contract penalties much reduced versus previous years.

Having concluded negotiations with Berkshire West negotiations have begun re Berkshire East (it is the same people involved as for Berkshire West). The key issue to be resolved here will be the level of non elective admissions above which we only get reimbursed 30% of tariff. Last year we succeeded in increasing this threshold by 10%. Our own analysis highlights that we have seen a 46% increase in actual activity in monetary terms (versus a 1.8% increase over the same period for Berkshire West) whilst Dr Foster data shows a 27% increase in market share on the same bases. This data supports our case for a further increase in the non elective threshold this year.

3. Other Information

Other items requiring board approval are new contracts and requisitions above £500k.

24 Month Contract between the Royal Berkshire NHS Foundation Trust & Synergy Healthcare (UK) Ltd for the Provision of Decontamination Services. Period of Contract April 1st 2012 to March 31st 2014

This contract represents a foreshortened, 2 year version of the 7 year contract originally approved by the Board in June 2011.

In the original contract the rates for decontamination stood at £2.4M per annum including Logistics, Fast Track charges, indexation and those consumables required to be replaced in trays.

The new 24 month contract offers exactly the same service as above at an all inclusive price of £1.7M per annum.

Under both contract versions it should be recognised that there will be extra charges for the replacement of implants used in kits but these fall under normal Divisional procedure costs and represent a small percentage of overall Trust Prostheses expenditure.

Engineering Maintenance Contract

Further to the delegated approval granted at the June Board the Director of Estates and Facilities is continuing the process of replacing the current maintenance contractor. This is expected to be concluded during August. The annual cost is likely to increase by some £200k and is highlighted as a risk within the forecast.

Requisitions Requiring Approval

Requisition number	Details	Assigned User	Amount (excl vat)
4280637	Berkshire East NHS PCT Occupancy & facilities recharge for Prince Charles Eye Unit at King Edward VII Hospital Windsor – April 2012 – March 2013 inclusive.	Trust Board	£518,742
	UPMC Final payment for Cerner Millenium licences	Trust Board	£841,500

4. Appendices

The following reports are included as Appendices:

Appendix (i)	Statement of Comprehensive Income (“SOCl”) : month and year to date actual, budget
Appendix (ii)	Statement of Comprehensive Income (“SOCl”) : full year actual, forecast, budget
Appendix (iii)	Income by Point of Delivery
Appendix (iv)	Care Group Financial Reports
Appendix (v)	Statement of Financial Position (“SOFP”)
Appendix (vi)	Cash Flow Statement
Appendix (vii)	Capital Expenditure Summary & FRR
Appendix(viii)	Drugs Spend Analysis 2011/12 and 2012/13

Patient level Costing Reports will be published quarterly beginning September for Q1 2012/13.

APPENDIX 1: STATEMENT OF COMPREHENSIVE INCOME

Month of June 2012 (£'000)				Year to June 2012 (£'000)				
Detail	Actual	Budget	Variance Budget	Last Year	Actual	Budget	Variance Budget	Last Year
Income from Activities	24,866	23,993	873	25,260	72,655	72,480	175	69,630
Other Patient Care Income	362	292	70	154	1,169	876	293	767
Other Operating Income	1,349	1,541	(193)	1,655	4,975	4,624	351	4,718
Income	26,577	25,826	751	27,070	78,799	77,980	819	75,115
Medical Staff	(4,410)	(4,433)	23	(4,301)	(13,179)	(13,299)	120	(12,694)
Nursing	(6,259)	(5,968)	(291)	(6,021)	(18,546)	(18,311)	(235)	(18,279)
PAMs	(855)	(892)	37	(804)	(2,576)	(2,667)	92	(2,426)
Scientist and PTBs	(986)	(1,082)	96	(976)	(2,981)	(3,246)	265	(2,949)
Pharmacists	(174)	(200)	26	(181)	(523)	(599)	77	(525)
Admin & Management	(2,050)	(2,122)	72	(2,018)	(6,208)	(6,371)	163	(6,185)
Ancillary & Maintenance	(712)	(768)	56	(702)	(2,128)	(2,085)	(43)	(2,217)
Other Pay	(9)	113	(122)	(11)	(23)	439	(462)	(6)
Pay	(15,455)	(15,353)	(102)	(15,014)	(46,162)	(46,138)	(24)	(45,281)
Drugs	(2,468)	(2,497)	29	(2,083)	(7,873)	(7,459)	(414)	(6,258)
Clinical Service & Supplies	(3,198)	(3,041)	(157)	(3,499)	(9,525)	(9,036)	(489)	(10,164)
General Supplies & Services	(549)	(537)	(11)	(581)	(1,662)	(1,598)	(64)	(1,652)
Establishment Expenses	(273)	(291)	18	(200)	(848)	(873)	25	(745)
Other Establishment Expenses	(523)	(924)	401	(649)	(1,980)	(2,773)	793	(1,846)
Prem, Trans & Fixed Plant	(1,549)	(1,163)	(386)	(1,055)	(4,013)	(3,487)	(525)	(2,865)
Depreciation	(1,329)	(1,317)	(12)	(1,060)	(3,645)	(3,862)	217	(3,176)
Leases	(136)	(176)	40	(182)	(393)	(527)	134	(502)
Miscellaneous Services	(810)	(1,037)	227	(472)	(2,362)	(2,083)	(279)	(1,451)
Non Pay	(10,835)	(10,984)	149	(9,780)	(32,299)	(31,697)	(603)	(28,659)
PDC Dividend	(482)	(482)	0	(549)	(1,446)	(1,446)	0	(1,650)
Interest Receiveable	(109)	(99)	(9)	(133)	(375)	(275)	(100)	(280)
Other	(590)	(581)	(9)	(683)	(1,820)	(1,720)	(100)	(1,930)
Total before exceptional items	(303)	(1,092)	789	1,593	(1,483)	(1,575)	92	(755)
Disposal of Assets	0	0	0	0	0	0	0	0
Exceptional Items	(1)	0	(1)	(4)	(17)	0	(17)	10
Exceptional	(1)	0	(1)	(4)	(17)	0	(17)	10
Total	(303)	(1,092)	788	1,589	(1,500)	(1,575)	75	(745)

Appendix (ii)

Statement of Comprehensive Income (“SOI”) : Full Year, actual, forecast, budget.

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Full Year		
	Actual	Budget	Var.	F/cast	Budget	Var.	F/cast	Budget	Var.	F/cast	Budget	Var.	F/cast	Budget	Var.
Income :															
PCT Activity	67.49	68.03	(0.54)	69.47	69.47	0.00	68.91	69.47	(0.56)	69.16	68.87	0.28	275.02	275.84	(0.82)
Drugs	5.17	4.45	0.72	4.92	4.45	0.47	4.92	4.45	0.47	4.92	4.45	0.47	19.92	17.79	2.13
Other	6.14	5.50	0.64	5.84	5.50	0.34	5.91	5.50	0.40	5.91	5.50	0.41	23.80	22.00	1.80
Total Income	78.80	77.98	0.82	80.23	79.41	0.82	79.73	79.41	0.32	79.98	78.82	1.16	318.74	315.63	3.11
Pay	(46.16)	(46.14)	(0.02)	(46.35)	(46.00)	(0.34)	(46.33)	(45.97)	(0.36)	(46.61)	(46.34)	(0.27)	(185.45)	(184.45)	(1.00)
%age income	58.6%	59.2%		57.8%	57.9%		58.1%	57.9%		58.3%	58.8%		58.2%	58.4%	
Drugs	(7.87)	(7.46)	(0.41)	(7.84)	(7.47)	(0.36)	(7.82)	(7.46)	(0.37)	(7.86)	(7.46)	(0.40)	(31.39)	(29.84)	(1.55)
%age recovery	65.6%	59.6%		62.8%	59.5%		62.9%	59.7%		62.6%	59.6%		63.5%	59.6%	
Other Non Pay (excl depn)	(20.78)	(20.38)	(0.41)	(18.10)	(17.89)	(0.21)	(19.38)	(19.01)	(0.37)	(17.90)	(18.09)	0.19	(76.16)	(75.36)	(0.80)
%age income	26.4%	26.1%		22.6%	22.5%		24.3%	23.9%		22.4%	22.9%		23.9%	23.9%	
EBITDA	3.99	4.01	(0.02)	7.95	8.05	(0.10)	6.19	6.97	(0.78)	7.62	6.94	0.67	25.74	25.97	(0.23)
%age income	5.1%	5.1%		9.9%	10.1%		7.8%	8.8%		9.5%	8.8%		8.1%	8.2%	
Depreciation	(3.65)	(3.86)	0.22	(3.95)	(3.95)	0.00	(3.95)	(3.95)	0.00	(3.95)	(3.95)	0.00	(15.50)	(15.72)	0.22
PDC/Other	(1.82)	(1.72)	(0.10)	(1.73)	(1.79)	0.05	(1.73)	(1.79)	0.06	(1.80)	(1.80)	0.00	(7.08)	(7.09)	0.01
Surplus/Deficit	(1.48)	(1.57)	0.09	2.27	2.31	(0.04)	0.51	1.23	(0.72)	1.87	1.20	0.68	3.16	3.16	(0.00)
%age	-1.9%	-2.0%		2.8%	2.9%		0.6%	1.6%		2.3%	1.5%		1.0%	1.0%	

Appendix (iii)

Income from Activities by Point of Delivery – month and year-to-date

Income by POD

June 2012

All PCTs (including NCAs)

POD Group	POD Detail	Annual Contract (£'000)	Annual Contract (£'000)	Mth 03 Only Contract (£'000)	Mth 03 Only Contract (£'000)	Mth 03 Only Actual (£'000)	Mth 03 Only Actual (£'000)	Mth 03 Var. (Activity)	Mth 03 Var. (£'000)
A&E	Accident & Emergency	105,016	10,750	8,631	884	8,518	894	(113)	10
A&E Total			10,750	8,631	884	8,518	894	(113)	10
Outpatient	Outpatient FA Multi Prof Cons Led	3,392	670	262	52	293	62	31	10
	Outpatient FA Single Prof Cons Led	130,899	21,377	10,110	1,651	11,061	1,906	951	255
	Outpatient FA Single Prof Non-Cons Led	9,700	1,151	749	89	802	100	53	11
	Outpatient FUP Multi Prof Cons Led	6,447	620	497	48	558	57	61	9
	Outpatient FUP Single Prof Cons Led	230,856	23,813	17,830	1,839	18,718	1,982	888	143
	Outpatient FUP Single Prof Non-Cons Led	59,458	3,281	4,592	253	4,546	263	(46)	10
	Non Face to Face	1,204	31	93	2	124	4	31	2
	Outpatient Procedures	22,457	5,817	1,734	449	1,575	393	(159)	(56)
Outpatient Total			56,760	4,384	4,384	4,767	4,767		383
Inpatient	Elective Inpatients	8,957	26,405	692	2,039	1,818	1,818	(85)	(221)
	Elective Excess Bed Days	2,381	638	184	49	121	32	(63)	(17)
	Day Cases	31,541	29,786	2,436	2,301	2,343	2,165	(93)	(136)
	Regular Day Admission	3,393	1,059	262	82	261	81	(1)	(1)
	Emergency Inpatients (Excluding Maternity)	27,784	61,178	2,284	5,028	2,456	5,610	172	582
	Maternity Inpatients	11,980	15,375	985	1,264	1,022	1,263	37	(1)
	Emergency Same Day	923	831	76	68	58	51	(18)	(17)
	Emergency Short Stay	2,721	2,030	223	167	208	146	(15)	(21)
	Emergency Excess Bed Days	15,332	3,938	1,260	324	1,514	391	254	67
	Maternity Excess Bed Days	1,319	595	109	49	57	25	(52)	(24)
	Rehab Bed Days	5,607	1,777	433	137	180	57	(253)	(80)
Inpatient Total			143,612	11,508	11,508	11,639	11,639		131
Critical Care	Adult Critical Care	3,365	4,774	277	392	283	445	6	53
	Neonatal Critical Care	5,807	3,521	478	289	429	247	(49)	(42)
Critical Care Total		9,172	8,295	755	682	692	692		10
Renal	Renal	76,249	10,630	6,354	886	19,303	857		(29)
	Renal EPO Drugs		457		38		42		4
Renal Total			11,087		924		899		(25)
Drugs	PbR Excluded Drugs		17,788		1,349		1,814		465
	PbR Excluded Devices		1,984		299		261		(38)
Drugs Total			19,772		1,648		2,075		427
Other	Orthotics Direct Access	3,773	935	291	72	299	72	8	(0)
	Pathology Direct Access	2,722,543	6,330	210,278	489	250,395	569	40,117	80
	Radiology Direct Access	32,496	1,257	2,510	97	3,032	112	522	15
	Radiotherapy	1,651	4,499	128	347	54	386	(74)	39
	Radiotherapy IMRT	8	32	1	2	0	3	(1)	1
	Chemotherapy	811	2,837	63	219	33	196	(30)	(23)
	Pre-op Assessments	23,995	984	1,853	76	1,139	46	(714)	(30)
	Unbundled Activity	826	56	63	4	1,030	66	967	62
	Post Discharge Rehab	822	504	63	39	0	0	(63)	(39)
	Non PbR Block Items		7,358		613		613		(0)
	Other	50,397	1,399	4,199	117	4,025	87	(174)	(30)
Other Total			26,191	4,199	2,077	4,025	2,150		73
Adjustments	ESD Discount		(150)		(13)		(13)		(1)
	Audiology Hearing Aid Assessment Discount (re Pathway Tariff)		0		0		(18)		(18)
	Best Practice Top Ups		0		0		90		90
	Non Elective Threshold		0		0		0		0
	Non Elective Readmissions		0		0		0		0
	Outpatient New to Follow Up Ratio		0		0		(42)		(42)
	OP Procedure to Daycase Ratio		0		0		0		0
	Contract Income Provision		0		0		(52)		(52)
	Add Back PCT QIPPs		3,658		286		0		(286)
	CQUINs		6,414		511		416		(95)
	PCT Transitional Funding		6,415		0		1,408		1,408
	Adjust Budget to Top-Down Total		4,210		850		0		(850)
Adjustments Total			20,547		1,635		1,789		154
Other Income from Activities	TVIC Dermatology		1,923		160		159		(1)
	Change re Spells in Progress (vs M12 10-11)		0		0		(262)		(262)
	Oxford Morbid Obesity Service		328		27		17		(10)
	Bowel Screening		537		45		46		1
	Others		237		237		20		(1)
Other Income from Activities Total			3,025		252		(39)		(291)
TOTAL (= 'Income from Activities' per MARS)			300,039		23,993		24,866		873

Income by POD

April to June 2012

All PCTs (including NCAs)

POD Group	POD Detail	Annual Contract (Activity)	Annual Contract (£'000)	YTD Mth 03 Contract (Activity)	YTD Mth 03 Contract (£'000)	YTD Mth 03 Actual (Activity)	YTD Mth 03 Actual (£'000)	YTD Var (Activity)	YTD Var (£'000)
A&E	Accident & Emergency	105,016	10,750	26,182	2,680	24,294	2,575	(1,888)	(105)
A&E Total			10,750		2,680		2,575		(105)
Outpatient	Outpatient FA Multi Prof Cons Led	3,392	670	827	163	1,056	216	229	53
	Outpatient FA Single Prof Cons Led	130,899	21,377	31,927	5,214	32,481	5,348	554	134
	Outpatient FA Single Prof Non-Cons Led	9,700	1,151	2,366	281	2,467	303	101	22
	Outpatient FUP Multi Prof Cons Led	6,447	620	1,572	151	1,736	175	164	24
	Outpatient FUP Single Prof Cons Led	230,856	23,813	56,306	5,808	57,162	5,986	856	178
	Outpatient FUP Single Prof Non-Cons Led	59,458	3,281	14,502	800	15,522	879	1,020	79
	Non Face to Face	1,204	31	294	8	331	9	37	1
	Outpatient Procedures	22,457	5,817	5,477	1,419	5,745	1,413	268	(6)
Outpatient Total			56,760		13,844		14,329		485
Inpatient	Elective Inpatients	8,957	26,405	2,185	6,440	2,091	6,480	(94)	40
	Elective Excess Bed Days	2,381	638	581	156	420	109	(161)	(47)
	Day Cases	31,541	29,786	7,693	7,265	7,650	6,915	(43)	(350)
	Regular Day Admission	3,393	1,059	828	258	780	243	(48)	(15)
	Emergency Inpatients (Excluding Maternity)	27,784	61,178	6,927	15,253	7,049	15,958	122	705
	Maternity Inpatients	11,980	15,375	2,987	3,833	3,088	4,019	101	186
	Emergency Same Day	923	831	230	207	210	192	(20)	(15)
	Emergency Short Stay	2,721	2,030	678	506	642	354	(36)	(152)
	Emergency Excess Bed Days	15,332	3,938	3,822	982	3,834	977	12	(5)
	Maternity Excess Bed Days	1,319	595	329	148	207	93	(122)	(55)
	Rehab Bed Days	5,607	1,777	1,368	433	1,190	377	(178)	(56)
Inpatient Total			143,612		35,482		35,717		235
Critical Care	Adult Critical Care	3,365	4,774	839	1,190	935	1,271	96	81
	Neonatal Critical Care	5,807	3,521	1,448	878	1,383	901	(65)	23
Critical Care Total			9,172		2,068		2,172		104
Renal	Renal	76,249	10,630	19,062	2,658	19,303	2,539		(119)
	Renal EPO Drugs		457		114		118		4
Renal Total			11,087		2,772		2,657		(115)
Drugs	PbR Excluded Drugs		17,788		4,447		5,165		718
	PbR Excluded Devices		1,984		497		592		95
Drugs Total			19,772		4,944		5,757		813
Other	Orthotics Direct Access	3,773	935	920	228	923	213	3	(15)
	Pathology Direct Access	2,722,543	6,330	664,035	1,544	733,566	1,701	69,531	157
	Radiology Direct Access	32,496	1,257	7,926	307	9,361	353	1,435	46
	Radiotherapy	1,651	4,499	403	1,097	308	1,160	(95)	63
	Radiotherapy IMRT	8	32	2	8	10	8		0
	Chemotherapy	811	2,837	198	692	179	590	(19)	(102)
	Pre-op Assessments	23,995	984	5,852	240	4,472	183	(1,380)	(57)
	Unbundled Activity	826	56	201	14	3,093	214	2,892	200
	Post Discharge Rehab	822	504	200	123	0	0	(200)	(123)
	Non PbR Block Items		7,358		1,840		1,839		(1)
	Other	50,397	1,400	12,599	350	12,813	299	214	(51)
Other Total			26,192		6,442		6,560		118
Adjustments	ESD Discount		(150)		(38)		(38)		(1)
	Audiology Hearing Aid Assessment Discount (re Pathway Tariff)		0		0		(56)		(56)
	Best Practice Top Ups		0		0		270		270
	Non Elective Threshold		0		0		0		0
	Non Elective Readmissions		0		0		0		0
	Outpatient New to Follow Up Ratio		0		0		(125)		(125)
	OP Procedure to Daycase Ratio		0		0		0		0
	Contract Income Provision		0		0		(159)		(159)
	Add Back PCT QIPPs		3,658		897		0		(897)
	COJINS		6,414		1,581		1,274		(307)
	PCT Transitional Funding		0		0		1,408		1,408
	Adjust Budget to Top-Down Total		4,210		1,052		0		(1,052)
Adjustments Total			14,132		3,492		2,574		(918)
Other Income from Activities	TVIC Dermatology		1,923		481		478		(3)
	Change re Spells in Progress (vs M12 10-11)		0		0		(511)		(511)
	Oxford Morbid Obesity Service		328		82		55		(27)
	Bowel Screening		537		134		137		3
	Others		237		59		155		96
Other Income from Activities Total			3,025		756		314		(442)

TOTAL (= 'Income from Activities' per MARS)

293,625	72,480	72,655	175
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Appendix (iv) – Care Group Financial Reports

Month 03 CFO

Urgent Care Group M03 2013

	Month			Year to Date		
	2013	2013	2013	2013	2013	2013
	Actual	Budget	Variance	Actual	Budget	Variance
Income from activities (excl d&d)	8,488,072	7,461,567	1,026,505	23,661,892	22,838,550	823,342
Drugs Income	143,301	140,785	2,516	423,297	422,355	942
Other Patient Care Income	25,524	67,882	(42,358)	140,514	203,646	(63,132)
Other Operating Income	55,144	83,550	(28,406)	242,296	250,650	(8,354)
Other income	80,669	151,432	(70,763)	382,810	454,296	(71,486)
Total income	8,712,042	7,753,784	958,258	24,467,999	23,715,201	752,798
Pay	(5,180,584)	(4,931,344)	(249,239)	(15,496,749)	(14,995,008)	(501,741)
Pay as % of income	-60%	-64%	-26%	-63%	-63%	-67%
Drugs	(424,476)	(361,934)	(62,542)	(1,163,379)	(1,109,801)	(53,578)
Clinical Services and Supplies	(625,602)	(673,008)	47,407	(1,938,544)	(2,019,025)	80,480
General Services and Supplies	(73,695)	(62,111)	(11,584)	(235,471)	(186,333)	(49,138)
Establishment Expenses	(34,904)	(57,259)	22,355	(113,196)	(171,776)	58,580
Other Establishment Expenses	839	(3,433)	4,272	(8,873)	(10,299)	1,426
Prem, Trans & Fixed Plant	(15,056)	(14,720)	(336)	(25,842)	(44,159)	18,316
Leases	0	401	(401)	71	1,202	(1,131)
Miscellaneous Services	(64,002)	(44,420)	(19,581)	(147,563)	(144,436)	(3,127)
Other Non Pay (excl dep'n)	(113,123)	(119,431)	6,308	(295,403)	(369,467)	74,064
Total Non Pay (excl dep'n)	(1,236,896)	(1,216,484)	(20,412)	(3,632,797)	(3,684,626)	51,828
EBITDA	2,294,563	1,605,956	688,607	5,338,453	5,035,567	302,886
EBITDA margin	26%	21%	72%	22%	21%	40%
Surplus/deficit	2,294,563	1,605,956	688,607	5,338,453	5,035,567	302,886

Income and Activity :

Income was £958k above target for Month 3. Key drivers for the favourable variance of £1,026k in Income from activities were non-elective procedures (£478k). The care group also benefitted from £750k worth of transitional funding and £113k for the loss of neonatal days in June. This additional

Pay :

Pay was £5.18m in June against a budget of £4.93m resulting in an adverse month 3 variance of £249k. This is primarily as a result of NHSP and agency nursing spend, which was £226k and £96k respectively, and represents a marked increase compared to May which recorded an NHSP spend of £124k and agency spend of £22k. The key drivers for this increase in pay expenditure are the escalation wards, which remain fully escalated and the introduction of EPR during the second half of June, which required additional temporary staffing to support the Trust during the transition period. Other staff groups, such as PAMs, Scientists & PTBs and Admin & Management remain underspent continuing the

Non pay was £1.24m against a budget of £1.22m resulting in an adverse variance of £20k in June. Drugs are overspent by £63k in June due to increases in spend in A&E and ICU. This is partly offset by

Action Points:

Linking pay spend trends with activity and escalation beds and non pay with activity/daily admittance
Ongoing monitoring of weekly available budgets in line with driving down the costs of temporary
Following up on all action points highlighted on the Top 10 overspends as well as achieving a better
Highlighting overspends in each area and addressing these in the monthly performance reviews.
Reconciling drugs income and PbR excluded drugs costs on a monthly basis.

Month 03 CFO

Planned Care Group M03

	Month			Year to date		
	2013 Actual	2013 Budget	2013 Variance	2013 Actual	2013 Budget	2013 Variance
Income from activities (excl d&d)	8,765,592	8,866,471	(100,879)	27,392,658	27,751,918	(359,260)
Drugs and devices income	800,025	633,345	166,680	2,220,785	1,900,035	320,750
Other Patient Care Income	243,036	74,977	168,059	624,805	224,931	399,874
Other Operating Income	81,707	86,281	(4,575)	312,329	258,843	53,486
Other income	324,742	161,258	163,484	937,135	483,774	453,361
Total income	9,890,359	9,661,074	229,285	30,550,577	30,135,727	414,850
Pay	(4,995,246)	(5,389,484)	394,238	(14,952,918)	(16,201,515)	1,248,596
Pay as % of income	-51%	-56%	172%	-49%	-54%	301%
Drugs	(944,338)	(1,115,777)	171,439	(3,201,293)	(3,395,330)	194,037
Clinical Services and Supplies	(1,388,585)	(1,634,485)	245,900	(4,532,648)	(4,903,455)	370,807
General Services and Supplies	(87,127)	(76,313)	(10,814)	(250,939)	(228,938)	(22,001)
Establishment Expenses	(42,275)	(79,968)	37,694	(136,998)	(239,905)	102,907
Other Establishment Expenses	(644)	(7,544)	6,900	(3,676)	(22,632)	18,956
Prem, Trans & Fixed Plant	(69,263)	(36,411)	(32,852)	(134,871)	(109,232)	(25,639)
Leases	(38,631)	(43,659)	5,028	(120,293)	(130,976)	10,683
Miscellaneous Services	(286,505)	(256,465)	(30,040)	(742,802)	(769,372)	26,570
Other Non Pay (excl dep'n)	(437,317)	(424,047)	(13,270)	(1,138,639)	(1,272,118)	133,478
Total Non Pay (excl depn)	(2,857,367)	(3,250,622)	393,255	(9,123,519)	(9,799,841)	676,322
Surplus / deficit	2,037,746	1,020,969	1,016,777	6,474,140	4,134,372	2,339,768

Income and Activity :

Income was £229k ahead of target for June. The two main areas where PCG was ahead of plan are Ophthalmology and Orthopaedic outpatient income. Eye Casualty income is still behind plan but is improving month on month, income in June was £94k in comparison to £40k in April. Private patient income continues to be ahead of plan, the Radiotherapy service (IMRT) in the Berkshire Cancer centre is the key driver behind this.

Pay :

Pay was £4.99m in June against a budget of £5.14m resulting in an in month favourable variance of £149k. This favourable variance is primarily as a result of Nursing vacancies in Head & Neck and Specialist Theatres. The only pay group in which PCG is overspending is Admin and Management, £30k in month and £53k year to date. The key reasons for this are use of agency in Medical Records and also in Head & Neck. This month Apprentices have been recruited into Medical Records as part of the business case and strategy to reduce agency use in this area.

Non Pay:

Non pay was £2.89m against a budget of £3.13m resulting in an in month favourable variance of £277k. There were two key reasons for this; the receipt of the £240k Pegfilgrastim credit note and work by Accounts Payable to match £30k of old Depuy credit notes to invoices this month. The other key driver for the under spend in Clinical Services and Supplies this month was the lower outsourcing of Elective procedures in June. The overspend of £38k in Premises & Fixed Plant is due to the hire of bariatric mattresses & the costs relating to last year for the MOSAIQ computer system in the Berkshire Cancer Centre.

Action Points :

Monitoring of pay and non-pay trends against 2011/12 levels
Monitoring of high cost non-rechargeable drugs especially Pegfilgrastim, Lenograstim & Ratiograstim
Monitoring of costs relating to the Decontamination project and theatres build
Ongoing monitoring of weekly available budgets in line with driving down the costs of temporary staff.
Monitoring of Agency & overtime costs in Medical Records against business case forecast

Networked Care Group

		Month			Year to date		
		3	3	3	YTD_M03	YTD_M03	YTD_M03
		2013	2013	2013	2013	2013	2013
		Actual	Budget	Variance	Actual	Budget	Variance
Income from activities (excl drugs)	ZA01	5,336,107	5,324,624	11,483	16,160,633	16,368,236	(207,603)
Drugs Income	I421	871,261	708,129	163,132	2,521,291	2,124,387	396,904
Other Patient Care Income	BA03	51,976	61,783	(9,807)	169,076	185,349	(16,273)
Other Operating Income	BA04	203,184	134,211	68,973	518,742	402,633	116,109
Other income		255,160	195,994	59,166	687,818	587,982	99,836
Total Income		6,462,528	6,228,747	233,781	19,369,742	19,080,605	289,137
Medical Staff	BB02	54,309	33,273	21,036	(2,523,846)	(2,690,351)	166,505
Nursing	BB03	(898,625)	(930,057)	31,432	(2,687,932)	(2,802,032)	114,099
PAMs	BB04	(310,358)	(315,449)	5,091	(944,030)	(936,123)	(7,907)
Scientist and PTBs	BB05	(636,843)	(692,828)	55,985	(1,918,551)	(2,077,442)	158,891
Pharmacists	BB07	(169,221)	(189,474)	20,252	(503,244)	(568,421)	65,177
Admin & Management	BB08	(228,517)	(258,626)	30,110	(701,508)	(775,879)	74,371
Ancillary & Maintenance	BB09	(9,828)	(8,538)	(1,291)	(32,030)	(25,613)	(6,417)
Other Pay	BB11	17,485	144,950	(127,465)	55,003	434,849	(379,846)
Total Pay	BB	(3,080,224)	(3,146,805)	66,581	(9,256,139)	(9,441,011)	184,873
Pay as % of income		48%	51%	-28%	48%	49%	-64%
Contracted wte	WTE_Contracted	-935.59	-906.84	(29)	-930.85	-905.92	(25)
Drugs	BC01	(1,100,209)	(1,051,045)	(49,163)	(3,393,851)	(3,177,136)	(216,715)
Clinical Services and Supplies	BC02	(1,167,762)	(926,189)	(241,573)	(3,014,032)	(2,783,113)	(230,919)
General Services and Supplies	BC03	(26,819)	(22,855)	(3,964)	(83,403)	(68,565)	(14,839)
Establishment Expenses	BC04	(30,102)	(38,942)	8,839	(108,861)	(116,825)	7,965
Other Establishment Expenses	BC05	(3,129)	(4,227)	1,098	(7,356)	(12,681)	5,325
Prem, Trans & Fixed Plant	BC06	(14,041)	(48,023)	33,982	(134,611)	(144,070)	9,459
Leases	BC08	(594)	(3,403)	2,809	(349)	(10,208)	9,859
Miscellaneous Services (Excl Internal Re)	BC09	88,102	(66,500)	154,602	63,381	(142,708)	206,089
Internal Recharges	N770	(29,699)	(24,281)	(5,419)	(96,157)	(72,842)	(23,315)
Total Non Pay (excl depn)		(2,284,254)	(2,185,465)	(98,789)	(6,775,238)	(6,528,147)	(247,091)
Total Surplus (Loss)		1,098,050	896,477	201,574	3,338,365	3,111,446	226,919
Margin (Surplus/ Loss as a % income)		17%	14%	86%	17%	16%	79%

Income and Activity	Actions
Elderly Care income is £775k for month 03 vs £1.1m last month. Excess bed day activity in the June figures are circa 300 lower than for April and May.	
GUM - Although we are seeing a 94% (£155k) increase in income comparing May & Jun, a large proportion of this is catch up from prior months - (266 Outpatient attendances).	
Neuro rehab continues to cause concerns as they are £170k under budget in month and £340 YTD.	The activity figures reflect the income levels, therefore work is required on how the budget was calculated and phased.
Audiology - (£72k) YTD 7% - the actual income reflects the fact that the hearing aids assessment cannot be charged if the patient goes onto the pathway.	The budget was not adjusted for this does not reflect this (£250k/yr) - to be reviewed.
Sales other income includes £154k of drugs purchased on behalf of Lloyds Pharmacy, thus offsetting a significant amount of the budget overspend (62%).	
Pay	
Medical Staffing is currently running at 14wte below budget across the Care Group.	New appointments are made. This month's charge included a transfer for Dr Vaux salary for the first three months from Urgent Care for her renal work (£33k).
represent £65k of the total favourable year to date pay variance.	Ensuring the new ward based pharmacists staffing structure is live and within the budget by Q3.
Scientists continue to run below their budgeted establishment due to the natural gap in staffing due to Pathology restructure. We have now employed six fully funded pathology scientist students for the next 3 to 4 months.	
Admin - the admin team has lost some crucial admin support, which has reduced the monthly cost by £10k. These post are being recruited but are not expected to be filled until at least August.	
Non Pay	
The adverse variance against P&R excluded Drugs is offset by a corresponding favourable variance for drugs income (£180k in Haematology	
Pathology Clinical Service & Supplies - the non pay for Pathology has increased by £328k for Q1 year on year, against a backdrop of a stable direct access activity level of attendances (tests).	Finance will be working closely with Pathology to discover the root causes, including in house tests requesting, new HPV testing service, new TB Elispot testing service for migrants (UC will receive the income).
Miscellaneous Services (Pharmacy Purchase Price Variance) - For the final month there is a credit of £154k for the price difference between drugs orders and the invoices, £74k above the budget.	The introduction of JAC during June should result in any adjustments for drug price differences being reflected in the correct drugs expenditure line (in individual Care Groups).
Action Points	
Post discharge rehab income - for 12/13 we are able to charge for post discharge physio work for hip and knee	Informatics has successfully developed a data integration process to allow the figures to be integrated into SLAM and billed to the PCT. Unfortunately the April figures are frozen and we will have lost this income, but we are confident this new process will allow the future activity to be billed.
Ensure the pharmacy automated robot is delivered within capital budget, August 2012.	
Orthonics is managing over the responsibility for ordering the Orthopaedics orthoses to T&O. Hopefully to reduce the waste from having an open stock cupboard.	

Appendix (v) – Statement of Financial Position

ROYAL BERKSHIRE NHS FOUNDATION TRUST STATEMENT OF FINANCIAL POSITION

BOARD
Current Month
2012/13

	APRIL 12 £000	May 12 £000	June 12 £000	BUDGET June 12 £000
Assets				
Assets, Non-Current				
Intangible Assets, Net	2,259	2,197	22,897	28,458
Property, Plant and Equipment, Net	229,730	229,470	209,461	202,782
Other Receivables, Non-Current	1,085	1,121	1,217	1,100
Assets, Non-Current, Total	233,074	232,788	233,575	232,340
Assets, Current				
Inventories	4,426	4,498	4,681	4,500
NHS Trade Receivables, Current	1,930	1,302	3,249	3,000
Non-NHS Trade Receivables, Current	2,855	2,247	2,481	3,000
Other Receivables, Current	1,195	1,289	2,164	800
Accrued Income	814	3,839	4,577	2,500
Prepayments, Current, non-PFI related	3,407	3,779	4,018	3,600
Cash and Cash Equivalents, Total	35,569	34,881	32,253	30,000
Assets, Current, Total	50,196	51,835	53,423	47,400
ASSETS, TOTAL	283,270	284,623	286,998	279,740
Liabilities				
Loans, non-commercial, Current (DH, FTFF, NLF, etc)	(3,048)	(2,819)	(3,669)	(2,818)
Provisions, Current	(6,890)	(6,940)	(7,086)	(2,500)
Current Tax Payables	(3,878)	(3,836)	(3,827)	(3,800)
Trade Creditors, Current	(6,522)	(5,686)	(6,094)	(6,500)
Other Creditors, Current	(2,394)	(2,333)	(2,385)	(2,200)
Capital Creditors, Current	(6,503)	(6,514)	(5,237)	(6,195)
Accruals, Current	(16,838)	(17,408)	(19,563)	(16,040)
Payments on Account	(2,557)	(2,303)	(2,695)	(2,600)
Finance Leases, Current	(6)	(6)	(4)	(6)
PDC dividend creditor, Current	(482)	(964)	(1,445)	(1,436)
Interest payable on non-commercial interest bearing borrowings, current	(522)	(643)	(61)	(60)
Liabilities Current, Total	(49,640)	(49,452)	(52,066)	(44,155)
NET CURRENT ASSETS (LIABILITIES)	556	2,383	1,357	3,245
Loans, Non-Current non-commercial (DH, FTFF, NLF, etc)	(35,783)	(36,012)	(36,078)	(36,929)
Deferred Government Grant Income, Non-Current	0	0	0	0
Provisions, Non-Current	(467)	(467)	(467)	(480)
Trade and Other Payables, Non-Current	(2,732)	(2,732)	(2,732)	(2,596)
Finance Leases, Non-current	(24)	(24)	(24)	(23)
Liabilities Non-Current, Total	(39,006)	(39,235)	(39,301)	(40,028)
TOTAL ASSETS EMPLOYED	194,624	195,936	195,631	195,557
Taxpayers' and Others' Equity				
Taxpayers' Equity				
Public Dividend Capital	156,534	156,534	156,534	156,534
Retained Earnings (Accumulated Losses)	11,056	12,367	12,063	11,988
Donated Asset Reserve	0	0	0	0
Other Reserves				
Revaluation Reserve	26,545	26,545	26,545	26,545
Miscellaneous Other Reserves	490	490	490	490
TAXPAYERS' EQUITY, TOTAL	194,625	195,936	195,632	195,557
TOTAL ASSETS EMPLOYED	194,624	195,936	195,631	195,557
Other information				
Working Capital Facility				
Committed Working Capital facility in place	20,000	20,000	20,000	20,000

Appendix (vi): Cash Flow Statement

Cash Flow for Board

	YTD May 2012 Actual £000	June 2012 Actual £000	YTD June 2012 Actual £000	YTD June 2012 Budget £000
Opening cash Balance	36,797	34,882	36,797	36,797
Income	52,221	26,577	78,799	78,070
Expenditure (excluding depreciation)	(49,855)	(24,961)	(74,816)	(74,061)
Cash generated	2,366	1,617	3,982	4,009
Working Capital				
(Increase)/decrease in inventories	112	(183)	(71)	111
(Increase)/decrease in receivables	(3,697)	(4,130)	(7,827)	(4,106)
Increase/(decrease) in payables	335	2,559	2,893	(5,103)
	(3,250)	(1,754)	(5,004)	(9,098)
Capex (Capital expenditure)	(1,697)	(3,298)	(4,995)	(2,952)
PDC paid	0	0	0	0
Financial Activity				
Interest income/ Expense	(250)	(108)	(358)	(219)
Other	915	(1)	915	547
	665	(109)	557	328
Loan Drawdown	0	2,000	2,000	2,000
Loan (Repayment)	0	(1,084)	(1,084)	(1,084)
Net increase/(decrease) in cash	(1,915)	(2,628)	(4,544)	(6,797)
Closing Cash Balance	34,882	32,253	32,253	30,000

Intangible assets

Increased by £20 million owing to capitalisation of the majority cost of the EPR programme

NHS Trade Receivables

Increased by £2 million mainly due to £1.4million invoiced to Oxfordshire PCT towards the end of the month

Other Receivables, Current

This category is up by £1 million as the VAT claim was held up for proceeding of COS and capital adjustments. These amounts were calculated in collaboration with Deloitte

Loans, non-commercial, Current (DH, FTFF, NLF, etc) – Current

The current balance has increased by £850k ahead of the budget whilst the Long Term amount has lower than budgeted by £850k. This results from timing differences between the budget and actual.

Borrowing Limit

Monitor has issued our Prudential Borrowing Limit for 2012/13, which, at £66.4m is an increase over last year's limit of £61.7m.(after excluding a working capital facility of £20m) We have no plans to undertake further borrowing

Appendix (vii): Capital Expenditure Summary & Financial Risk Ratio

June 12 Performance against capital budgets is shown in the table below

	2012/13 Original Plan	2012/13 Revised Forecast	Year to Date Budget	Spend to Date	Commit- ments	Orders to be raised
	£m	£m	£m	£m	£m	£m
Medical Equipment	1.50	2.04	0.27	(0.36)	(0.12)	(1.56)
Safety, regulatory , sustainability projects	4.60	4.60	0.55	(0.27)	(0.90)	(3.43)
Rushey Birthing Centre	1.05	1.05	0.40	(0.36)	(0.54)	(0.15)
EPR	7.90	7.90	1.50	(2.64)	(0.84)	(4.42)
Other smaller projects	1.85	1.85	0.23	(0.12)	(0.29)	(1.44)
IT Infrastructure	2.40	2.40	0.00	0.00	0.00	(2.40)
To Be Managed Down	0.00	(0.54)	0.00	0.00	0.00	0.54
Sub Total	19.30	19.30	2.95	(3.75)	(2.69)	(12.86)

Risk Ratings

June 2012

		Weighting in FRR calculation	Period to date	Break point to move up	Break point to move down
Underlying performance					
	EBITDA Margin metric		5.0%		
	EBITDA Margin rating	25%	3	5%	1%
Achievement of plan					
	EBITDA % of plan achieved metric		97.7%		
	EBITDA % of plan achieved rating	10%	4	100%	85%
Financial Efficiency					
	Net return after Financing metric		-2.5%		
	Net return after financing rating	20%	2	3%	-3%
	IS Surplus margin metric		-1.9%		
	IS Surplus margin rating	20%	2	-2%	NA
	Financial Efficiency		2		
Liquidity					
	Liquidity days metric (WCF limited to 30 days)		20.1		
	Liquidity days rating	25%	3	25	15
Weighted Average Rating			2.7		
Quick Ratio					

Last Month	Current
0.96	0.94

FRR subject to overriding rule – 2 metrics at 2 restrict overall FRR to 2. To alleviate this we need EBITDA margin of 5% or more

Appendix (viii): Drugs Income and Expenditure Analysis 2011/12 and 2012/13

GBP												
<----- Actual 2011/12-----						<-----Qtr 1 2012/13---		Qtr 2	Qtr 3	Qtr 4	Total Yr	
	Q1	Q2	Q3	Q4	Total_Year	Actual	Budget	Budget	Budget	Budget	Budget	
Drugs Income	3,445,496	5,125,757	4,266,394	5,187,894	18,025,541	5,165,374	4,447,095	4,447,095	4,447,095	4,447,074	17,788,359	
Drugs Cost	-6,258,102	-7,696,305	-6,991,941	-9,356,330	-30,302,678	-7,873,148	-7,459,484	-7,476,248	-7,459,385	-7,459,385	-29,854,502	
Income as a % of costs (excl. Q4 charge)	55.1%	66.6%	61.0%	55.4%	59.5%	65.6%	59.6%	59.5%	59.6%	59.6%	59.6%	
		Quarterly growth % (excl Q4 11/12 charge)										
		Drugs Income					49.9%	29.1%	-13.2%	4.2%	-14.3%	-1.3%
		Drugs Cost					25.8%	19.2%	-2.9%	6.7%	-8.5%	2.6%

Notes :

- (i) Q4 2011/12 included a one time charge of £1.2m writing down the carrying value of drugs in the balance sheet. The percentages quoted above exclude this charge.
- (ii) The budget for drugs cost had originally been set at 5% growth prior to the actual Q4 2011/12 costs being concluded. Actual budget growth now 2.6%.
- (iii) The assessed risk versus the drugs budget is £2.5m.
- (iv) The assessed opportunity versus drugs income is also £2.5m being 62.5% of the original cost budget plus 62.5% of the overspend risk.

Board of Directors

Title: PwC Quality of Earnings Review July 2012

Date: 31 July 2012

Lead: Craig Anderson

Purpose: To update the Trust Executive and Board on the outcome of the PwC Quality of Earnings Review undertaken in June 2012.

The password for the PwC report is berkshire

Executive Summary

The attached PwC paper is in draft form and further analysis is being undertaken by both PwC and the Trust, particularly to gain greater granularity of benchmark data. A report will be brought to the Board in the Autumn outlining the further work undertaken and the benefits delivered.

Key Points to note :

- Normalised EBIT and EBITDA margins declined marginally between 2008/09 and 2010/11 before recovering (excluding investments) in 2010/11.
- Normalised EBIT and EBITDA margins remain higher than comparator group over the period however the comparator group increased its margins a year ahead of the Trust in 2010/11.
- Expenditure on the major investments has placed significant additional pressure on the Trusts cash flow since 2008/09 and reduced liquidity ratios.

Key opportunities :

- The Trusts payroll costs were significantly higher than a PwC calculated comparator for 2008/09, with a closer position in 2009/10 and 2010/11 followed by another higher result in 2011/12.
- The Trusts premises costs are increasing in relation to the overall expenses incurred by the Trust, and this increase is greater than most Trusts in the peer group experienced.
- The Trust has the highest proportion of spending on clinical supplies and the highest proportional increase in spend between 2009/10 and 2010/11. Drugs spend, at 8.36% of total expenses was in line with peer group of 8.34%.

Follow up actions are identified in Section 5.

Decision requested

To NOTE the contents of this report.

1. Background.

PwC were employed to undertake a review of the Trusts financial performance from 2008/09 to 2011/12.

The aim was to remove material one-time items, arrive at an underlying financial performance, to identify trends, and to compare with a set of comparator Trusts.

The comparator Trusts are listed below but were drawn from local Trusts as well as National Trusts of a similar size and complexity to ourselves.

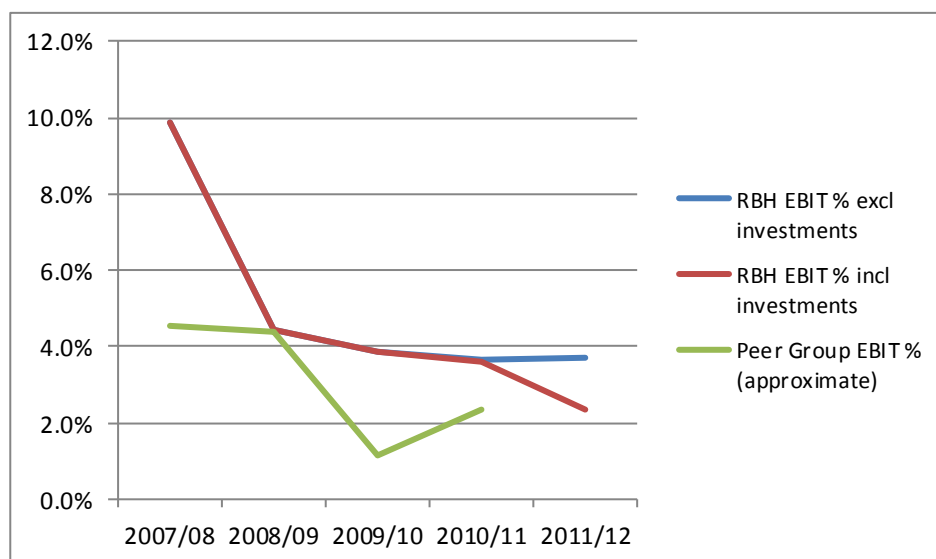
Basingstoke and North Hampshire, Frimley Park, Colchester University. Peterborough and Stamford, Southend University, Maidstone and Tunbridge Wells, York Teaching, Northampton General, The Royal Wolverhampton, Southampton University, and Oxford Radcliffe.

The complete report is attached for information.

2. Normalised EBIT Margin Trend and Comparator.

Please note that the PwC Report pages 13 and 14 refer to EBITDA margins and actual when it should be EBIT.

The table below shows the trend in normalised EBIT margin for the Trust and comparator group.



The Trusts normalised EBIT margin fell substantially in 2008/09 following the end of the transition period into the payment by results tariff regime.

Between 2008/09 and 2010/11 the Trusts normalised EBIT margin fell marginally before recovering in 2011/12 (excluding investments).

However, the comparator groups EBIT margin recovered in 2010/11, a year earlier than for the Trust, and at a higher rate.

3. Normalised EBITDA Margin Trend.

The table below shows the normalised EBITDA margin trend for the Trust. The trend is substantially the same as for the EBIT margin.

	2007/08	2008/09	2009/10	2010/11	2011/12
RBH EBITDA % excl investments	13.0%	8.1%	7.8%	7.7%	8.1%
RBH EBITDA % incl investments	13.0%	8.1%	7.8%	7.7%	6.6%

4. Other areas of financial analysis.

Metric	PwC Comment
Turnover per employee (page 10 of PwC report)	The Trust is performing relatively strongly, with the 3 rd highest level of income generated per employee of the 13 Trusts in the peer group.
Turnover as a proportion of fixed asset (page 11 of PwC report)	The Trust's turnover as a proportion of fixed assets is below the average for the peer group and continues to decrease year on year.
Expenditure and margins (page 12 of PwC report)	Expenditure growth has exceeded income growth (in percentage terms) over the period under review, resulting in weakening overall margins across the period which should be of concern to management.
Staff Costs (page 15 of PwC report)	During the review period there are significant fluctuations in agency cost, but steady reductions were made between 2008/09 and 2010/11.
Pay costs compared to PwC calculated figure (page 16 of PwC report)	The Trusts payroll costs were significantly higher than the PwC calculated expectations for 2008/09, with a closer position in 2009/10 and 2010/11 followed by another higher result in 2011/12.
Average staff expense per employee (page 17 of PwC report)	The Trusts staff costs per employee have risen in line with the general trend since 2007/08.
Premises cost as a proportion of total expenses (page 18 of PwC report)	The Trusts premises costs are increasing in relation to the overall expenses incurred by the Trust, and this increase is greater than most Trusts in the peer group experienced. However, it should be noted that the PwC analysis does not adjust for the potential impact of PFI schemes.
Premises cost as a proportion of fixed asset values (page 19 of PwC report)	The Trusts premises costs as a proportion of fixed assets have increased by 1% over the review period. The Trust sits in the middle of the peer group for this metric.

Clinical negligence cost as a proportion of total expenses (page 20 of PwC report)	The movement in the Trusts clinical negligence cost as a proportion of total expenses are in line with the general trend.
Cost of clinical supplies excluding drugs as a proportion of total Expenses (page 22 of PwC report)	The Trust has the highest proportion of spending on clinical supplies and the highest proportional increase in spend between 2009/10 and 2010/11.
Cost savings initiatives (page 29 of PwC report)	CIP achievement has improved in 2010/11 and 2011/12 following a dip in 2009/10.
Balance sheet trends (page 30 of PwC report)	The marked increase in borrowings used to fund the Trusts investments in fixed assets has led to a reduced net assets position.
Working capital (page 31 of PwC report)	Whilst cash has increased overall this is due to timing differences of receipts on loan draw downs and delayed payments on major projects. Overall the Trusts liquidity ratios have declined over the period under review.
Capital expenditure (page 32 of PwC report)	The primary projects identified have placed significant additional pressure on the Trusts cash flow from 2008/09 onwards.
Cash flow (page 33 of PwC report)	Cash flow during the final four years of the review period has been supported significantly by loan draw downs.

5. Follow Up Actions :

- **Expand PwC analysis of expected payroll costs for areas of greatest variance and potential opportunity.**
- **Expand PwC analysis of premises costs versus peer group for greatest variance and potential opportunity.**
- **Expand PwC analysis of clinical supplies cost versus peer group for greatest variance and potential opportunity.**

Royal Berkshire NHS Foundation Trust

Quality of Earnings Review

*Strictly private
and confidential*
Draft

July 2012



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Dear Craig,

Quality of earnings review

Please find enclosed our quality of earnings review in respect of Royal Berkshire NHS Foundation Trust for the five year period ending 31 March 2012. Our work has been carried out in accordance with our contract dated 16 April 2012 and our subsequent letter, dated 21 May 2012, under which the provision of additional services was agreed between us.

This is a draft report that has been prepared for discussion purposes only. This report does not constitute our final views, which will only be expressed in our final written report. As a result any views in this report may be subject to change or amendment following discussion with you. Any oral comments made in discussion with you relating to this report are not intended to have any greater significance than explanations of matters contained in the report. Any oral comments that we make do not constitute oral advice unless we confirm any such advice formally in writing.

Our report is addressed to, and prepared for, the Royal Berkshire NHS Foundation Trust and we do not accept any duty or responsibility to any other party. On this basis, this report should not be disclosed to any third party or quoted or referred to without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the addressees in mind and that we do not accept any duty or responsibility to any other party.

Yours faithfully

Clive Everest

For and on behalf of PricewaterhouseCoopers LLP

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Contents

Transmittal letter	2
At a glance – our views	4
Executive report	5
1 Income and expenditure review	6
2 Balance sheet review	30
Selected information	34
3 Quarterly income & expenditure	35
Appendices	37
1 Scope & process: supplementary information	38
2 Contract	40

Note to reader – Navigation

If you are reading this document as a pdf file it will have hyper-linking functionality. Use the text in the header top right of the page to navigate around the document. Use this contents page and the contents page at the start of each section to navigate each section of the document

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In the event that, pursuant to a request which Royal Berkshire NHS Foundation Trust has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. The Trust agrees to pay due regard to any representations which PwC may make in connection with such disclosure and the Trust shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC the Trust discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

At a glance – our views

The Trust's financial margins have become tighter over the review period. Overall financial performance has been affected by a number of non-recurrent items, however, removing these reveals a consistent underlying EBITDA margin of 8 %over the last four years. Benchmarking indicates a number of financial and clinical efficiency opportunities for the Trust.

Net earnings

Over the five year review period the Trust has seen significant growth in both income and expenditure. The increase in expenditure has outstripped the increase in income leading to a decline in net earnings (EBITDA margin) of 2%.

Normalised earnings

After adjusting for several items to establish the Trust's normalised position, it can be seen that the Trust's financial performance declined significantly between 2007/08 and 2008/09. The normalised surplus has declined over the review period, however, normalised earnings (EBITDA margin) have been broadly level since 2008/09.

Working capital position

The Trust has taken out loans during the review period to fund capital projects, notably the Bracknell Clinic and the EPR system. Although the Trust's cash balance has increased this is largely due to the timing differences between loan draw-downs and capital payments. The Trust's underlying working capital levels and liquidity ratios have declined.

Financial benchmarking

Whilst all Trusts in the peer group experienced a decline in EBITDA margin between 2008/09 and 2009/10, more than half saw at least a partial improvement in 2010/11. RBFT saw its rate of decline slow, but not improve, in 2010/11, putting its performance in the bottom half of the peer group.

The Trust has the third highest turnover per employee in the peer group, however, its turnover as a proportion of its fixed asset base is below average and decreasing year on year.

The Trust's average staff cost per employee is in the top quartile for the peer group; movements in staff cost per employee have been broadly in line with the peer group throughout the review period.

Premises costs are increasing as a proportion of overall expenses and at a rate faster than the majority of the peer group.

RBFT has the highest proportional spend in clinical supplies and services in the peer group and the highest proportional increase.

Clinical efficiency benchmarking

We have calculated a theoretical reduction in bed days if the Trust were to perform in line with its peer group for both Day Case Rate and Average Length of Stay, based on observed activity levels.

Our analysis indicates that the greatest bed saving opportunities, if the Trust were to move in line the peer group average, are within:

- Paediatrics (19 beds)
- Thoracic medicine (7 beds)
- Clinical oncology (6 beds)
- Gastroenterology (4 beds)
- Obstetrics (4 beds).

If the Trust were to perform in line with its peer group across all specialties (except where it is already outperforming the peer group) there could be a total bed saving opportunity of up to 44 beds across the Trust.

If the Trust were to perform in line with the upper quartile of the peer group there could be a total bed saving opportunity of up to 94 beds.

Executive report

	Executive report	5
1	Income and expenditure review	6
2	Balance sheet review	30

High level analysis of income - showing overall growth of 25%. The largest growth areas have been outpatient income and other NHS clinical income.

PwC view - The Trust has shown significant income growth over the period under review.

Income Analysis

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
Elective Income	61,760	59,828	55,661	61,535	61,742
Non Elective Income	80,990	80,367	86,431	84,973	89,314
Outpatient Income	51,090	57,892	63,808	66,832	68,897
Other NHS Clinical Income	43,285	59,730	55,074	58,521	62,559
A&E Income	8,662	8,720	8,745	9,237	10,440
Payment by Results transitional claw back	(9,121)	-	-	-	-
NHS Acute Activity Income, Total	236,666	266,537	269,719	281,098	292,952
% of total income	93%	94%	93%	93%	92%
Private patient income in period	2,888	2,178	2,256	1,741	1,995
Other non-NHS clinical revenue	-	-	-	-	-
Non NHS Clinical Income, Total	2,888	2,178	2,256	1,741	1,995
% of total income	1%	1%	1%	1%	1%
Research and Development	194	250	997	1,676	1,881
Education and Training - non PCT	6,871	7,815	8,905	8,955	9,331
Charitable and other contributions to expenditure	108	38	-	30	-
Transfers from donated asset reserve	446	291	259	266	-
Non-patient care services to other bodies	634	533	582	663	449
Other income	6,816	7,391	7,958	8,501	10,805
Other Operating income, Total	15,069	16,318	18,701	20,091	22,466
% of total income	6%	6%	6%	7%	7%
Income from continuing operations, Total	254,623	285,033	290,676	302,930	317,413

Source: Financial Statements

Total income from continuing operations has increased by £62.8m (24.7%) over the period under review.

This is driven by a £56.3m (23.8%) increase in NHS acute activity income, made up of the following movements:

- Nil growth in elective income
- £8.3m (10.3%) growth in non elective income
- £17.8m (34.9%) growth in outpatient income
- £19.3m (44.5%) growth in other NHS clinical income
- £1.8m (20.5%) growth in A&E income
- The absence of payment by results transitional claw back from all years after 2007/08

The reason for the flat profile of elective income and the substantial increase in outpatient income is the Trust's intentional move of patients away from elective admissions in favour of outpatient treatment.

Non-NHS clinical income has reduced by £0.9m (30.9%), due to lower private patient activity.

Other operating income has increased by £7.4m (49.1%), made up of the following movements:

- £1.7m (869.6%) growth in research and development
- £2.5m (35.8%) growth in education and training – (non PCT funded)
- £4.0m (58.5%) growth in other income

As a result of the above movements, the revenue mix has moved marginally away from NHS acute activity and towards other operating income.

See analysis of income by commissioner and form of funding overleaf for further detail on the income sources throughout the period.

Analysis of income by commissioner and form of funding – BWPCT is the primary commissioner for the Trust across the period. Income from all four major commissioners has shown a net increase over the review period.

PwC view - The Trust's relationship with BWPCT remains key to overall income levels. When adjusted for MFF, the relative increase in income over the review period from BWPCT is substantially lower than that of overall income.

Income by commissioner and funding type

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
Key Commissioners					
Berkshire West PCT	156,999	160,648	195,260	203,782	216,628
Berkshire East PCT	12,697	13,637	18,582	20,092	21,651
Oxfordshire PCT	12,572	13,719	16,613	18,118	19,296
South Central Specialised Services Commissioning Group	15,496	21,030	18,211	18,262	18,314
Other	56,859	75,999	42,010	42,676	41,524
Income from continuing operations, Total	254,623	285,033	290,676	302,930	317,413
Key Commissioners (adjusted to include MFF for all years)					
Berkshire West PCT	184,029	186,775	195,260	203,782	216,628
Berkshire East PCT	14,883	15,855	18,582	20,092	21,651
Oxfordshire PCT	14,736	15,950	16,613	18,118	19,296
South Central Specialised Services Commissioning Group	15,496	21,030	18,211	18,262	18,314
Other	25,478	45,423	42,010	42,676	41,524
Income from continuing operations, Total	254,623	285,033	290,676	302,930	317,413
Tariff vs non-tariff					
NHS Tariff income	178,410	189,590	189,193	198,595	202,044
NHS Tariff income %	76%	71%	70%	71%	70%
NHS Non-Tariff income	57,320	75,590	79,391	79,502	87,755
NHS Non-Tariff income %	24%	29%	30%	29%	30%
NHS Acute Activity income	235,730	265,180	268,584	278,097	289,800

Source: Financial statements, MFF data provided & Monitor reports

Income increases for the 4 main commissioners across the period under review are:

- Berkshire West PCT – 38.0%
- Berkshire East PCT – 70.5%
- Oxfordshire PCT – 53.5%
- South Central Specialised Services Commissioning Group (SCSSCG) – 18.2%

The reason for the fluctuation in income from SCSSCG is over-recognition of £1.3m of child critical care income in 2008/09 (adjusted for in 2009/10) combined with changing specialties falling under this specialist commissioning group.

In 2007/08 and 2008/09 MFF income was received centrally rather than directly from commissioners, therefore these years have been adjusted to reflect this within the second table to provide a consistent comparison. Note that SCSSCG has not had MFF data applied as Trust management have told us that services under this commissioner are generally locally priced.

Income increases for the 3 main PCTs across the period under review, when adjusted for MFF, are:

- Berkshire West PCT – 17.7%
- Berkshire East PCT – 45.5%
- Oxfordshire PCT – 30.9%

NHS tariff and non-tariff income formed similar percentages of overall NHS acute activity income across the period, with a slight reduction in tariff income shown. Our expectation, based on our understanding of the sector, was that the proportion of tariff income would increase over the review period, however, the Trust has some major non-tariff contracts (notably for critical care) which have increased during the period. In addition high-cost drugs are non-tariff and are recharged to commissioners contributing to the increasing non-tariff income.

Analysis of income by specialty – emergency care saw the largest percentage increase over the four year period, with unallocated specialties the lowest. The highest growth specialties were Sue Ryder Home, Neurology and Haematology.

PwC view – The Trust should look to capitalise on high growth specialties and evaluate why lower growth specialties and those in decline are performing below overall income growth levels.

Income by specialty

£ in 000s	2008/09 act	2009/10 act	2010/11 act	2011/12 act
A&E	8,116	8,583	9,752	11,426
Cardiology	13,029	12,659	13,727	13,717
Resp. Medicine	4,348	5,315	5,402	5,745
Paediatrics	15,459	17,181	17,278	16,853
Obstetrics	20,462	23,621	26,392	25,419
Intensive Care	6,841	7,742	7,470	6,920
Paed Comm Nursing	480	483	511	533
Emergency Care	68,735	75,584	80,532	80,613
% of total income	24%	26%	27%	26%
General Surgery	20,609	21,076	22,212	23,401
Urology	11,068	10,596	10,385	10,534
Trauma & Ortho	35,477	36,183	38,865	41,405
ENT	6,416	5,752	5,935	5,881
Ophthalmology	19,111	18,907	20,103	21,225
Oral Surgery	3,118	2,690	2,973	3,040
Plastic Surgery	464	460	633	486
Gynaecology	7,624	7,540	6,840	7,641
Oncology	17,879	16,994	17,733	19,250
Planned Care	121,766	120,198	125,679	132,863
% of total income	43%	41%	41%	42%
Pain Service	738	730	764	791
Haematology	4,933	5,019	6,421	7,491
Renal	15,676	15,796	14,938	15,643
Audiology	2,883	4,627	3,844	3,454
Rehabilitation	1,551	1,942	2,389	2,152
Dermatology	2,251	2,509	2,418	2,614
GUM	6,605	5,579	4,405	5,085
Neurology	2,487	2,770	3,300	4,688
Rheumatology	4,045	3,871	4,967	5,077
Elderly Care	12,840	11,653	13,641	14,720
Wheelchair Clinic	845	842	858	849
Sue Ryder Home	119	103	126	339
Networked Care	54,973	55,441	58,071	62,903
% of total income	19%	19%	19%	20%
General Medicine	25,789	25,171	23,849	25,412
Direct Access	12,123	12,739	13,685	12,866
Breast Screenign	1,647	1,281	1,291	1,256
Unallocated Specialties	39,559	39,191	38,825	39,534
% of total income	14%	13%	13%	13%
Total	285,033	290,414	303,107	315,913

Source: CFO report March 2012 (Appendix 2)

Note that data on income by specialty was not provided for the 2007/08 hence the analysis covers the last 4 years of the review period only.

The largest percentage increase by area was in emergency care, which increased by £11.9m (17.3%) over the four year period. The main contributing specialties were:

- Obstetrics £5.0m (24.2%)
- A&E £3.3m (40.8%)
- Respiratory medicine £1.4m (32.1%)
- Paediatrics £1.4m (9.0%)

Planned care remained the largest contributing area, increasing by £11.1m (9.1%) across the four year period. However the income share held by planned care moved from 43% of income to 42% over the period as a result of increasing shares for emergency care and networked care. The largest increases within planned care were:

- Trauma & orthopaedics £5.9m (16.7%)
- General surgery £2.8m (13.5%)
- Ophthalmology £2.1m (11.1%)
- Oncology £1.4m (7.7%)

Networked care increased by £7.9m (14.4%) across the four year period, with the main contributing specialties being:

- Haematology £2.6m (51.9%)
- Neurology £2.2m (88.5%)
- Elderly care £1.9m (14.6%)
- Rheumatology £1.0m (25.5%)
- GUM -£1.5m (-23.0%)

Unallocated specialties remained broadly flat across the period with a small increase in direct access offset by small decreases in general medicine and breast screening.

Key – used for all financial benchmarking graphs on the following pages

-
- Royal Berkshire NHS Foundation Trust
 - Basingstoke and North Hampshire NHS Foundation Trust
 - ▲ Frimley Park Hospital NHS Foundation Trust
 - × Colchester University Hospital NHS Foundation Trust
 - ◆ Peterborough and Stamford Hospitals NHS Foundation Trust
 - Southend University Hospitals NHS Foundation Trust
 - + Maidstone and Tunbridge Wells NHS Trust
 - York Teaching Hospitals NHS Foundation Trust
 - ▲ Northampton General Hospital NHS Trust
 - × Northern Lincolnshire and Goole Hospitals NHS Foundation Trust
 - ...◆... The Royal Wolverhampton Hospitals NHS Trust
 - Southampton University Hospital NHS Trust
 - Oxford Radcliffe Hospitals NHS Trust

The source of all the information used for the financial benchmarking is the audited financial statements for the Trusts and Foundation Trusts. Audited financial statements are not yet in the public domain for NHS bodies for 2011/12 and therefore our analysis is limited to the first four years of the review period.

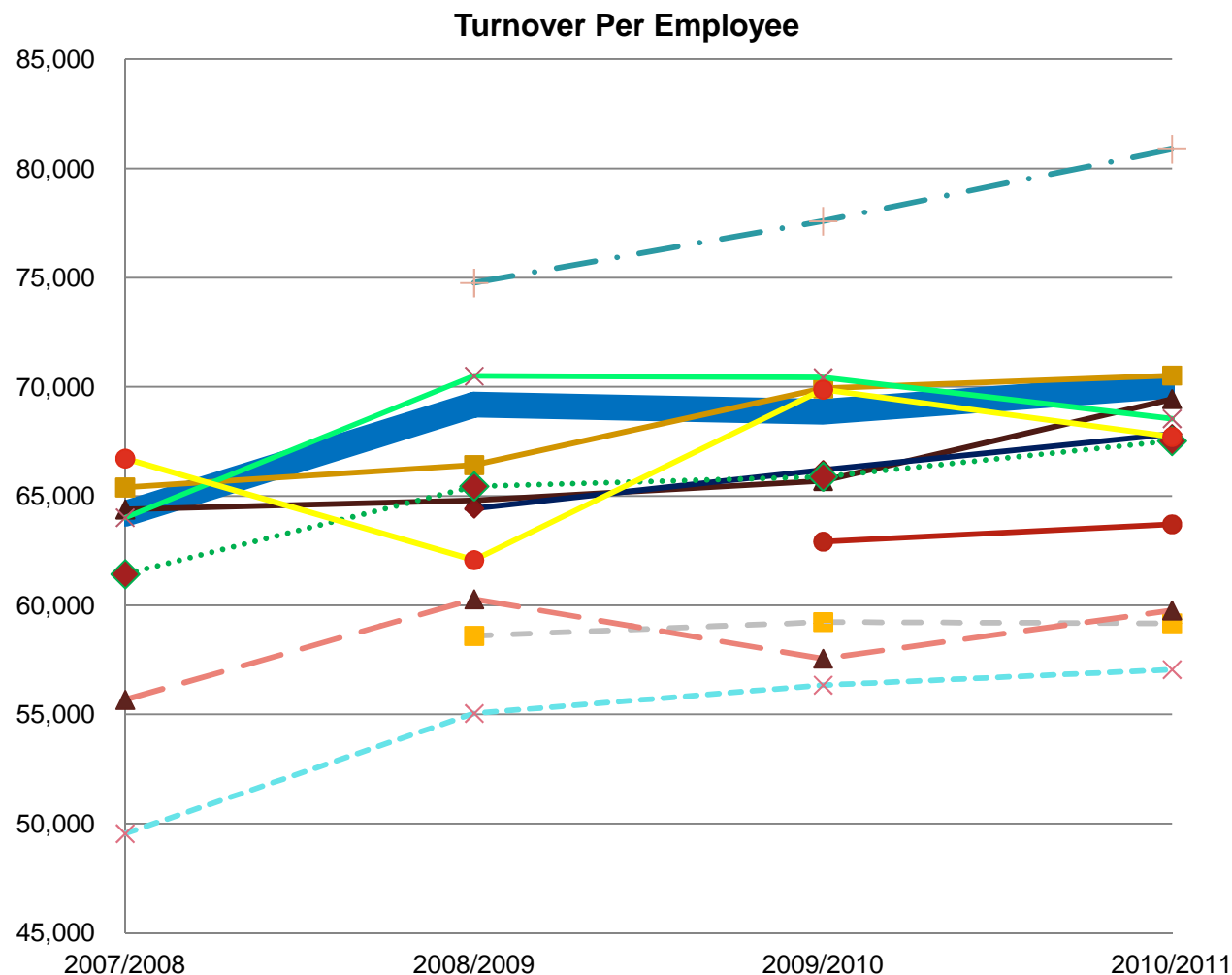
In some cases we have excluded anomalies from the analysis, where we consider that these skew the overall results, for example where Trusts have become FTs part way through a year and have therefore produced part-year accounts. In particular note that Peterborough and Stamford Hospitals NHS Foundation Trust is currently in significant breach of its terms of authorisation, with a financial risk rating of 1 and is therefore excluded from comparisons where it gives an anomalous result.

On the following pages we have included graphs of the Trust's financial performance relative to its peer group. We have set out in the clinical efficiency benchmarking section how this peer group was identified.

The key opposite is consistent for all graphs.

Turnover per employee – RBFT's turnover per employee was £70,058 for 2010/11, an increase of £1,194 on 2009/10 figures.

PwC view – The Trust is performing relatively strongly, with the 3rd highest level of income generated per employee of the 13 Trusts in the peer group.



➤ RBFT's turnover per employee stood at £70,058 for 2010/11, this was £3,204 (4.79%) more than the average for the 13 Trusts of £66,854.

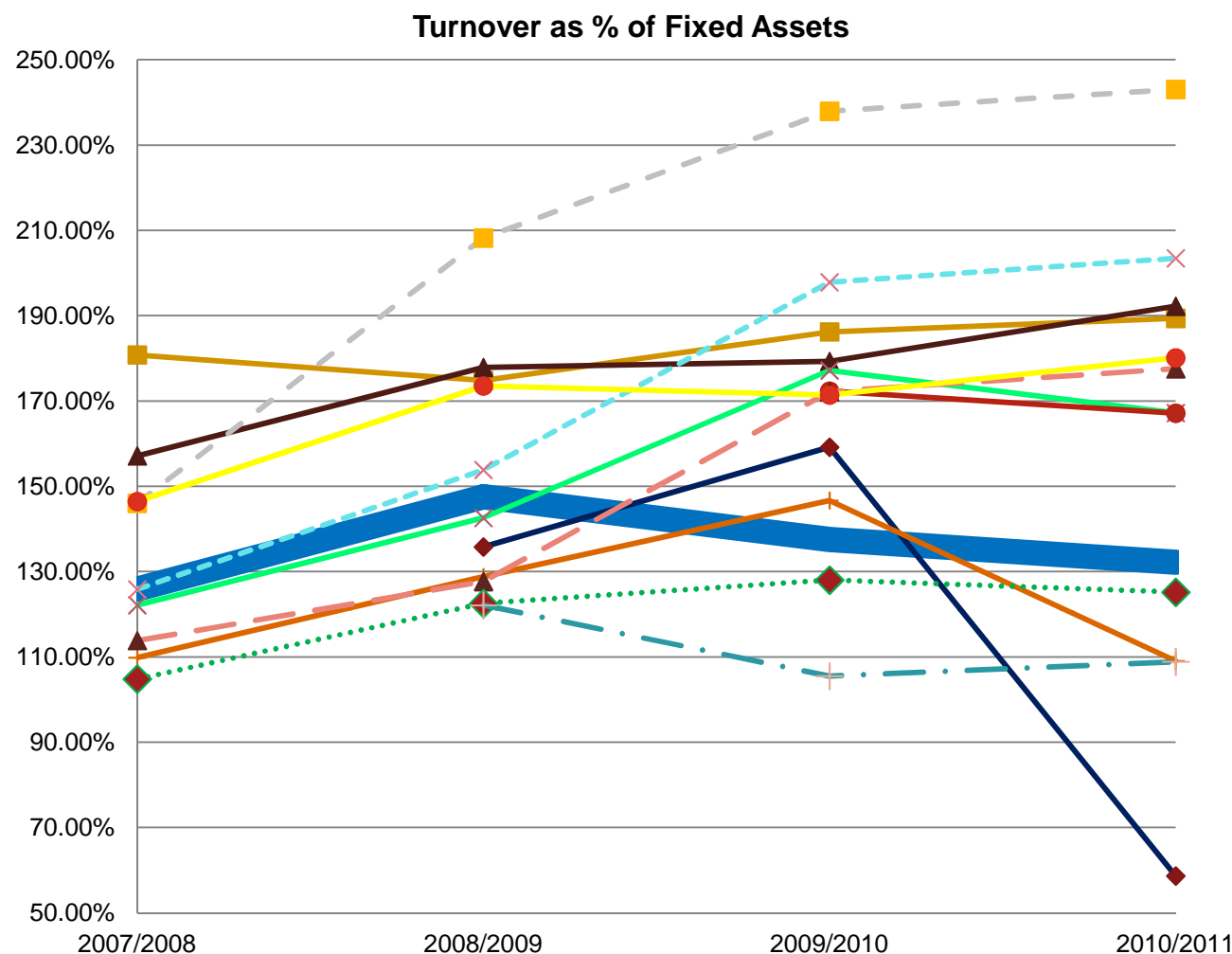
➤ The highest turnover per employee for 2010/11 was £80,888 (15.5% higher) at Oxford Radcliffe Hospitals NHS Trust.

➤ The lowest turnover per employee for 2010/11 was £57,053 (18.6% lower) at Northern Lincolnshire and Goole Hospitals NHS Foundation Trust.

➤ The mean change for the peer group between 2009/10 and 2010/11 was an increase of 1.5%, RBFT was in line with this trend with an increase of 1.73%.

Turnover as a proportion of fixed assets – RBFT's turnover as a proportion of fixed assets was 132.22% for 2010/11 and showing a trend of decreasing since 2008/09.

PwC view – RBFT's turnover as a proportion of fixed assets is below the average for the peer group and continuing to decrease year on year.



➤ RBFT's turnover as a proportion of fixed assets was 132.22% for 2010/11. This compared to an average for the Trusts of 158.01% for the year.

➤ RBFT's turnover as a proportion of fixed assets decreased by 5.33% from 2009/10 to 2010/11. This compares to a mean trend for all of the Trusts (after removing Peterborough and Stamford Hospitals NHS Trust to prevent the results being skewed) of a 1.39% decrease.

➤ RBFT's turnover as a proportion of fixed assets is the 4th lowest of the Trusts in the peer group (excluding Peterborough).

➤ It should be noted that these results reflect revaluations of the Trust's estate during the review period, however, all NHS bodies are required to apply similar valuation policies and therefore, whilst there may be some timing differences, the impact of revaluations on the overall picture should be minimal.

High level analysis of expenditure and margins – expenditure growth stands at 27% over the review period (compared to equivalent income growth of 25%) which has resulted in an EDITDA reduction of 2% over the review period.

Expenditure

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
Employee benefits expense	(151,898)	(166,795)	(176,444)	(180,742)	(183,855)
Drug expense	(18,462)	(21,223)	(22,306)	(24,655)	(30,303)
Supplies and services - clinical	(32,540)	(37,395)	(37,182)	(42,877)	(42,948)
Supplies and services - general	(5,111)	(5,991)	(5,948)	(6,158)	(6,080)
Establishment	(2,666)	(3,055)	(3,519)	(3,318)	(2,957)
Transport	(290)	(321)	(295)	(210)	(360)
Premises	(10,561)	(10,743)	(12,753)	(15,074)	(20,201)
Bad debts	(43)	(157)	(129)	22	(299)
Audit fees	(62)	(66)	(65)	(65)	(65)
Other auditor's remuneration	-	(200)	(203)	(321)	(192)
Clinical negligence	(3,151)	(2,860)	(5,343)	(5,824)	(6,269)
Termination costs	-	-	-	(998)	(1,520)
Other	(7,910)	(9,948)	(5,622)	(2,426)	(339)
Operating Expenses, Total	(232,694)	(258,754)	(269,809)	(282,646)	(295,388)
EBIT	13,406	15,746	9,451	8,132	8,376
EBIT Margin	5%	6%	3%	3%	3%
EBITDA	21,929	26,279	20,867	20,284	22,025
EBITDA Margin	9%	9%	7%	7%	7%
Finance income	1,473	923	106	605	134
Finance expenses	-	(167)	(586)	(7)	(1,407)
Finance expenses - unwinding of discount	(1)	(12)	(13)	(16)	13
PDC Dividends payable	(6,366)	(6,774)	(6,818)	(6,539)	(6,099)
Depreciation and Amortisation	(8,523)	(10,533)	(11,416)	(12,152)	(13,649)
Revaluation gains/(losses) and impairment losses of PPE	12,286	(24,336)	3,926	5	(9,867)
Increase in the donated asset reserve due to receipt of donated assets	293	155	250	402	-
Reduction in the donated asset reserve in respect of depreciation, impairment and/or disposal of donated assets	(446)	(291)	(259)	(266)	-
Other recognised gains and losses	-	-	22	-	2
Non-Operating expenses, Total	(1,284)	(41,035)	(14,788)	(17,968)	(30,873)
Surplus/(Deficit)	20,645	(14,756)	6,079	2,316	(8,848)
Surplus (Deficit) Margin	8%	(5%)	2%	1%	(3%)

Source: Financial statements

PwC view - Expenditure growth has exceeded income growth (in percentage terms) over the period under review, resulting in weakening overall margins across the period which should be of concern to management. This is net of the Trust's CIP programme in all years.

The fluctuations in reported surplus/ deficit during the review period are largely due to revaluation gains/losses.

EBIT remained more stable over the review period ranging from a margin of 5% in 2007/08 to 6% in 2008/09 down to 3% for the subsequent three years.

EBITDA largely mirrors EBIT ranging from a margin of 9% in the first two years to 7% in the following three years. See the EBITDA bridge for further detail.

Total operating expenses increased by £62.7m (26.9%) over the period under review, driven by the following movements:

- £32.0m (21.0%) increase in employee benefits expense. See analysis of staff costs for further detail.
- £11.8m (64.1%) increase in drug expense, reflecting increased activity and prices, particularly for high cost drugs most of which we understand are recharged to the commissioners.
- £10.4m (32.0%) increase in clinical supplies and services, reflecting increased activity and prices as well as costs reclassified from other expenditure during the review period.
- £9.6m (91.3%) increase in premises costs, reflecting two major property acquisitions during the period (Princes House and Bracknell Clinic) as well as high increases in utility costs due to price rises.

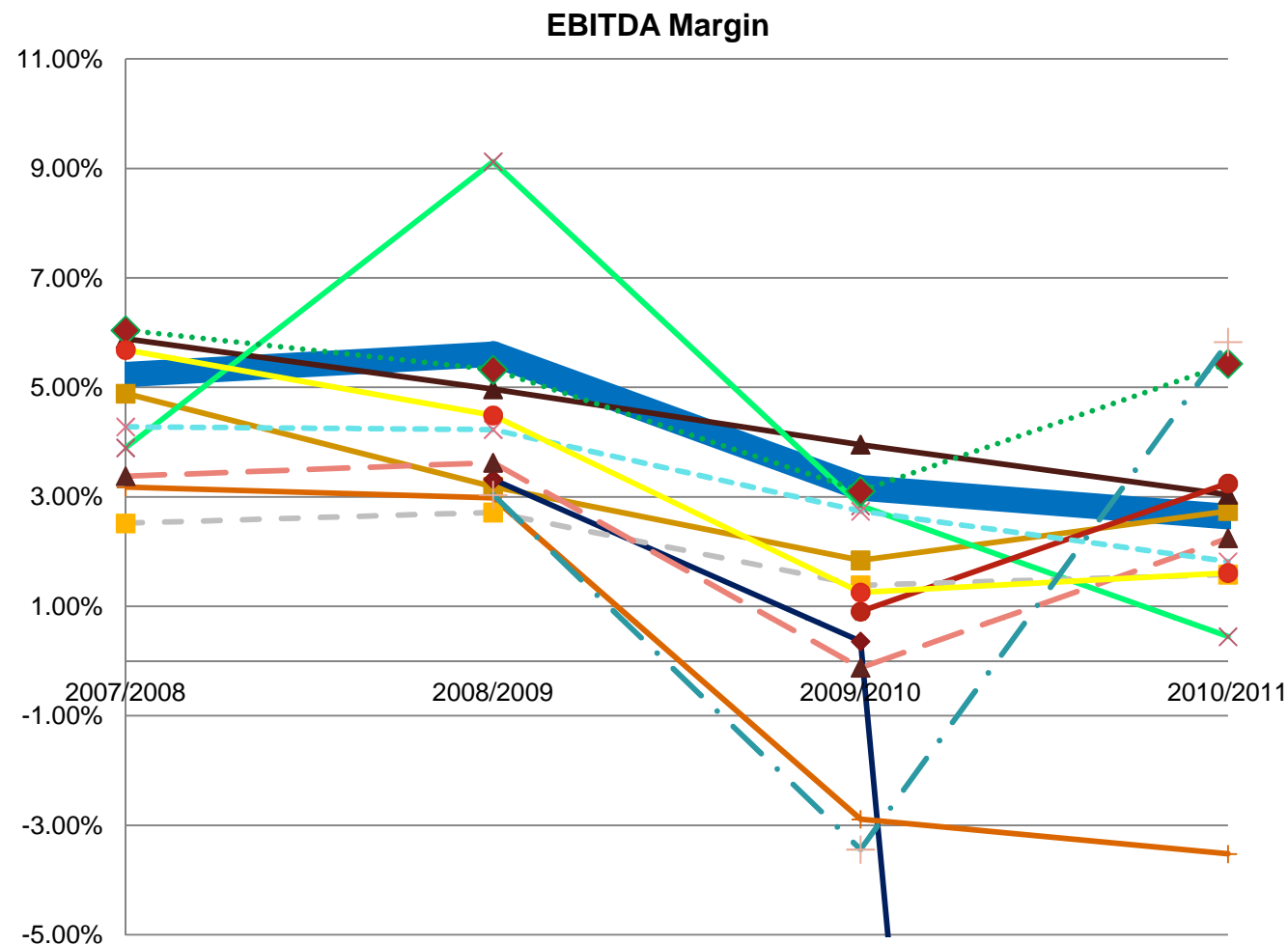
These increases are partially offset by a decrease in other expenses of £7.6m (95.7%), in part due to reclassification of items to the supplies and services line in the financial statements.

Non-operating expenses during the period fluctuated significantly between £1.3m and £41.0m. Excluding revaluations and impairments of property, plant and equipment, non operating expenses increased by £7.4m (54.8%) over the period. This is due to decreasing interest rates on deposits combined with increased loan balance interest charges and increased depreciation on the growing fixed asset base.

Note that EBITDAR has not been analysed here as the Trust does not have material property rental expenses and therefore the EBITDA and EBITDAR positions are not significantly different.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) margin – The EBITDA margin for RBFT for 2010/11 was 2.64%, which is the 6th highest of the Trusts in the peer group.

PwC view – Movements in RBFT's EBITDA margin are broadly in line with the other Trusts analysed between 2007/08 and 2009/10, however, the Trust's EBITDA margin has continued to decline in 2010/11 whereas a number of peers have reported improved margins in this year.



➤ The EBITDA margin for RBFT for 2010/11 was 2.64% compared to the average for the 12 Trusts (excluding Peterborough and Stamford Hospitals NHS Foundation Trust to prevent skewing the results) of 2.26%.

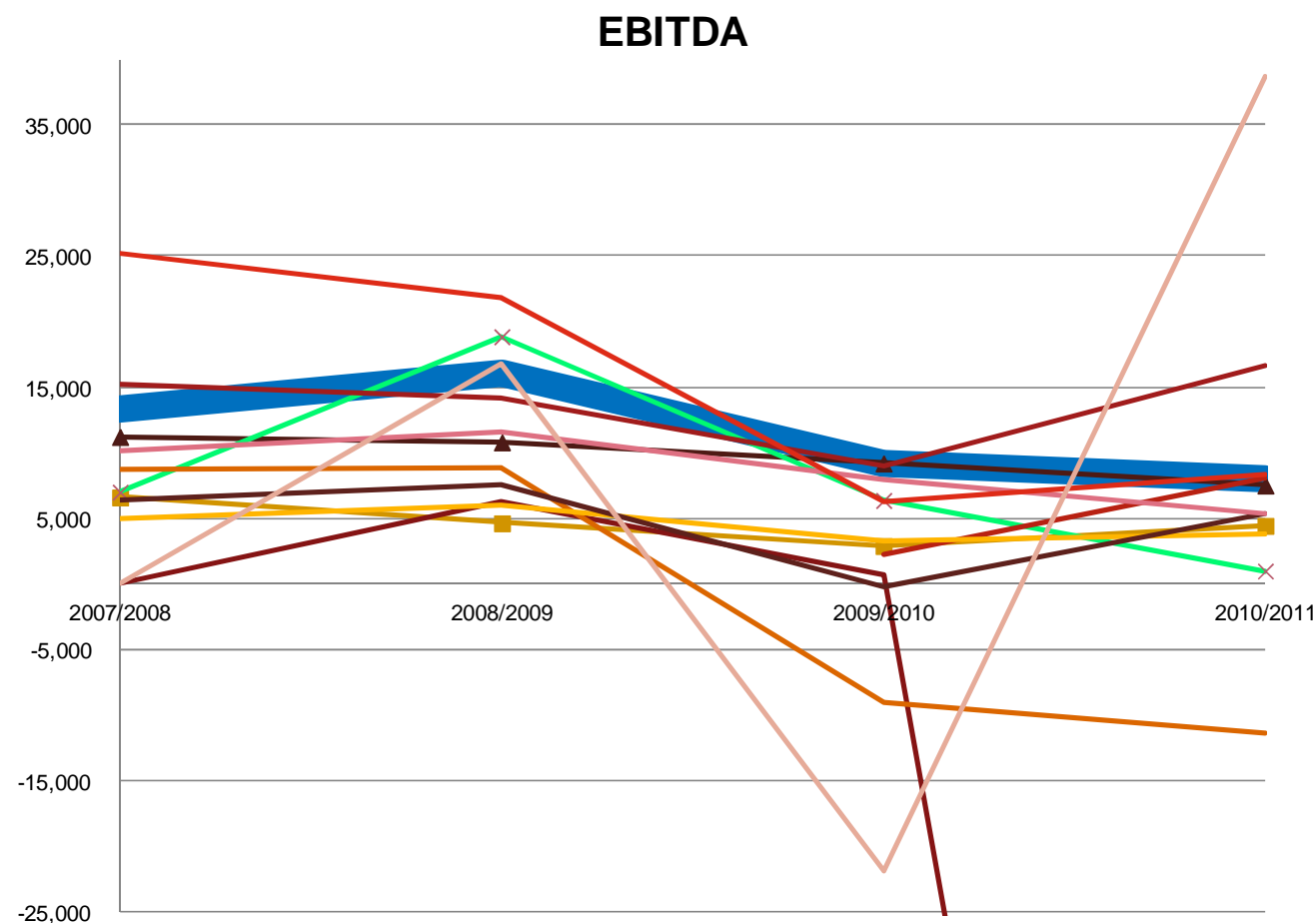
➤ The EBITDA margin for RBFT has decreased by 0.52% between 2009/10 and 2010/11, compared to a mean trend of an increase of 1.03%.

➤ The EBITDA margin for RBFT is 6.16% higher than Maidstone and Tunbridge Wells NHS Trust – the Trust with the lowest margin in 2010/11.

➤ The EBITDA margin for RBFT is 3.19% lower than Oxford Radcliffe Hospitals Trust – the Trust with the highest margin in 2010/11.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) – EBITDA for RBFT for 2010/11 was £7,991k, which is the 5th highest of the Trusts in the peer group.

PwC view – Movements in RBFT's EBITDA are broadly in line with the other Trusts analysed between 2007/08 and 2009/10, however, the Trust's EBITDA has continued to decline in 2010/11 whereas a number of peers have reported improvements in this year.



➤ EBITDA for RBFT for 2010/11 was £7,991k compared to the average for the 12 Trusts (excluding Peterborough and Stamford Hospitals NHS Foundation Trust to prevent skewing the results) of £7,976k.

➤ EBITDA for RBFT has decreased by £1,201k between 2009/10 and 2010/11, compared to a mean trend of an increase of £6,523.

➤ EBITDA for RBFT is £19,345k higher than Maidstone and Tunbridge Wells NHS Trust – the Trust with the lowest EBITDA in 2010/11.

➤ EBITDA for RBFT is £30,700k lower than Oxford Radcliffe Hospitals NHS Trust – the Trust with the highest EBITDA in 2010/11.

Note that this analysis is skewed in favour of RBFT due to being a larger Trust than most others in the benchmarked population. Therefore it would be expected that EBITDA would be high in comparison.

Analysis of staff costs – pay costs have increased by 21% over the period, with a 20% increase in non-agency pay and 61% increase in agency costs.

PwC view - During the review period there are significant fluctuations in agency costs, but steady reductions were made between 2008/09 and 2010/11.

Pay costs

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
Employee benefits expense					
Non Agency Staff Expenditure					
Medical Staff	(42,126)	(45,271)	(48,024)	(48,898)	(50,906)
Nursing	(57,147)	(59,250)	(62,405)	(68,143)	(71,743)
PAMs	(7,823)	(8,400)	(8,848)	(9,249)	(9,857)
Scientists and PTBs	(9,419)	(10,367)	(11,035)	(11,358)	(11,854)
Pharmacists	(1,699)	(1,837)	(1,996)	(1,905)	(1,991)
Admin & Management	(21,545)	(22,752)	(25,327)	(24,564)	(23,552)
Ancillary & Maintenance	(8,627)	(8,841)	(8,751)	(8,909)	(8,271)
Other Pay	0	-	(4)	(118)	(37)
Total Non Agency Staff Expenditure	(148,386)	(156,716)	(166,392)	(173,144)	(178,211)
Variance		6%	6%	4%	3%
Agency Expenditure					
Agency Medical	(978)	(1,918)	(3,094)	(2,469)	(1,517)
Agency Nursing	(1,595)	(5,600)	(5,035)	(4,190)	(2,607)
Agency PAMs	(50)	(142)	(130)	(127)	(223)
Agency Scientist and PTBs	(359)	(230)	(470)	(77)	(80)
Agency Pharmacists	(105)	(175)	(121)	(49)	(80)
Agency Admin & Clerical	(418)	(1,610)	(1,041)	(513)	(1,133)
Agency Ancillary & Maintenance	(7)	(404)	(161)	(173)	(3)
Other Pay	-	-	-	-	-
Total Agency Staff Expenditure	(3,512)	(10,078)	(10,052)	(7,598)	(5,644)
Variance		187%	(0%)	(24%)	(26%)
Employee benefits expense, Total	(151,898)	(166,795)	(176,444)	(180,742)	(183,855)
Increase in employee benefits expense		10%	6%	2%	2%

Source: Staff cost data

Non agency staff costs across the period have shown a steady increase across the period of between 3% and 6% year on year. In line with the Trust's strategy, the most significant increases in non agency staff have been in front line functions:

- Medical staff £8.8m (20.8%)
- Nursing staff £14.6m (25.5%)

Admin & management has shown a decrease since 2009/10 and ancillary & maintenance has shown a decrease since 2010/11. These decreases are largely attributable to the outsourcing of the Trust's IT and facilities management functions.

Agency staff costs have fluctuated significantly, from a 187% increase from 2007/08 to 2008/09 to a 26% decrease from 2010/11 to 2011/12. this may be indicative of CIP slippage and/or weaker budgetary control in the early years, but detailed CIP information is not available to allow us to confirm this.

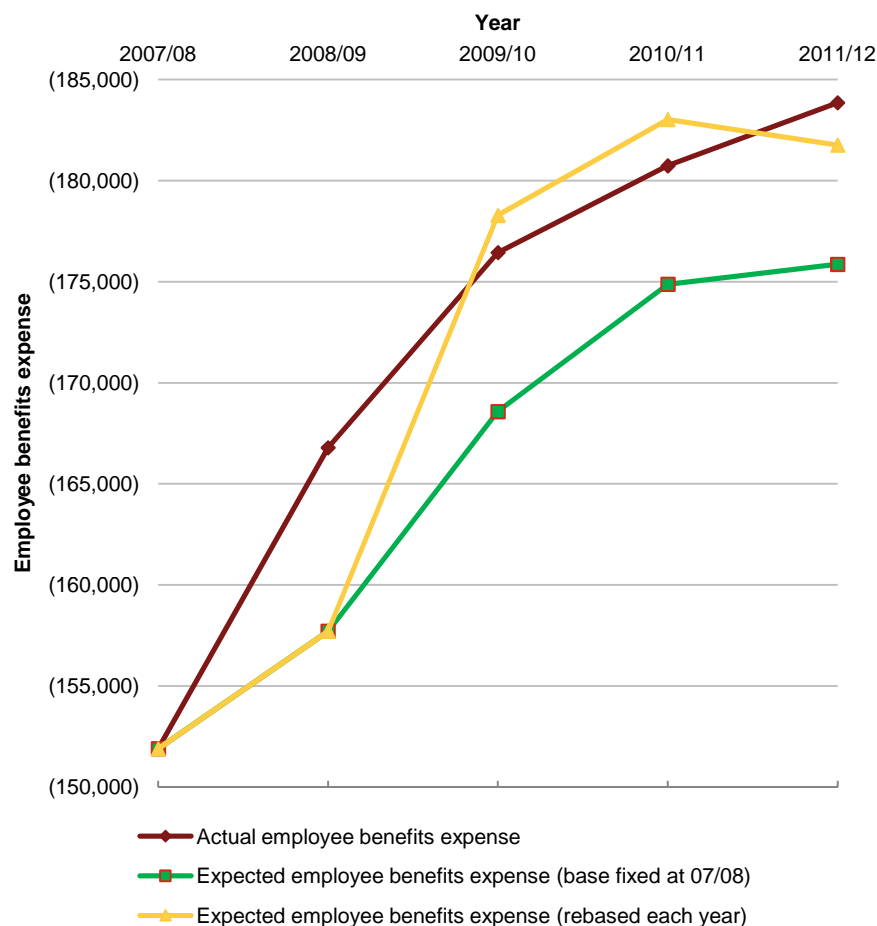
In each year of the review period, agency nursing has formed the largest proportion of agency expenditure, with agency medical the second largest.

The decreases in agency costs seen in 2010/11 and 2011/12 are positive for the Trust's cost control.

Pay costs: actual costs compared to our calculated expectation – the 2008/09 year show significant slippage against the expected position.

PwC view - The Trust's payroll costs were significantly higher than our calculated expectation in 2008/09, with a closer position in 2009/10 and 2010/11 followed by another higher result in 2011/12.

Employee benefits expense trend



Our expectations of pay costs have been calculated using average annual staff numbers (from the WTE staff data provided) for the Trust, taking into account Agenda for Change pay uplifts and the employers' national insurance increase (2011/12). Note that we have excluded the impact of planned and actual CIP delivery from our expectation.

Two version of the expectation are presented, firstly with a fixed base of the 2007/08 year costs and secondly rebased each year to the prior year costs.

The actual employee benefits expense exceeds expectation in 2008/09 by £9.1m (6.0%) in part due to the £6.6m increase in agency costs during this year.

For 2009/10 and 2010/11 the incremental increase in pay costs is below the expected amount by 1.2% and 1.4% respectively showing the Trust improved its control over payroll compared to 2008/09.

For 2011/12 the incremental increase in pay costs is again above expectation by 1.2%.

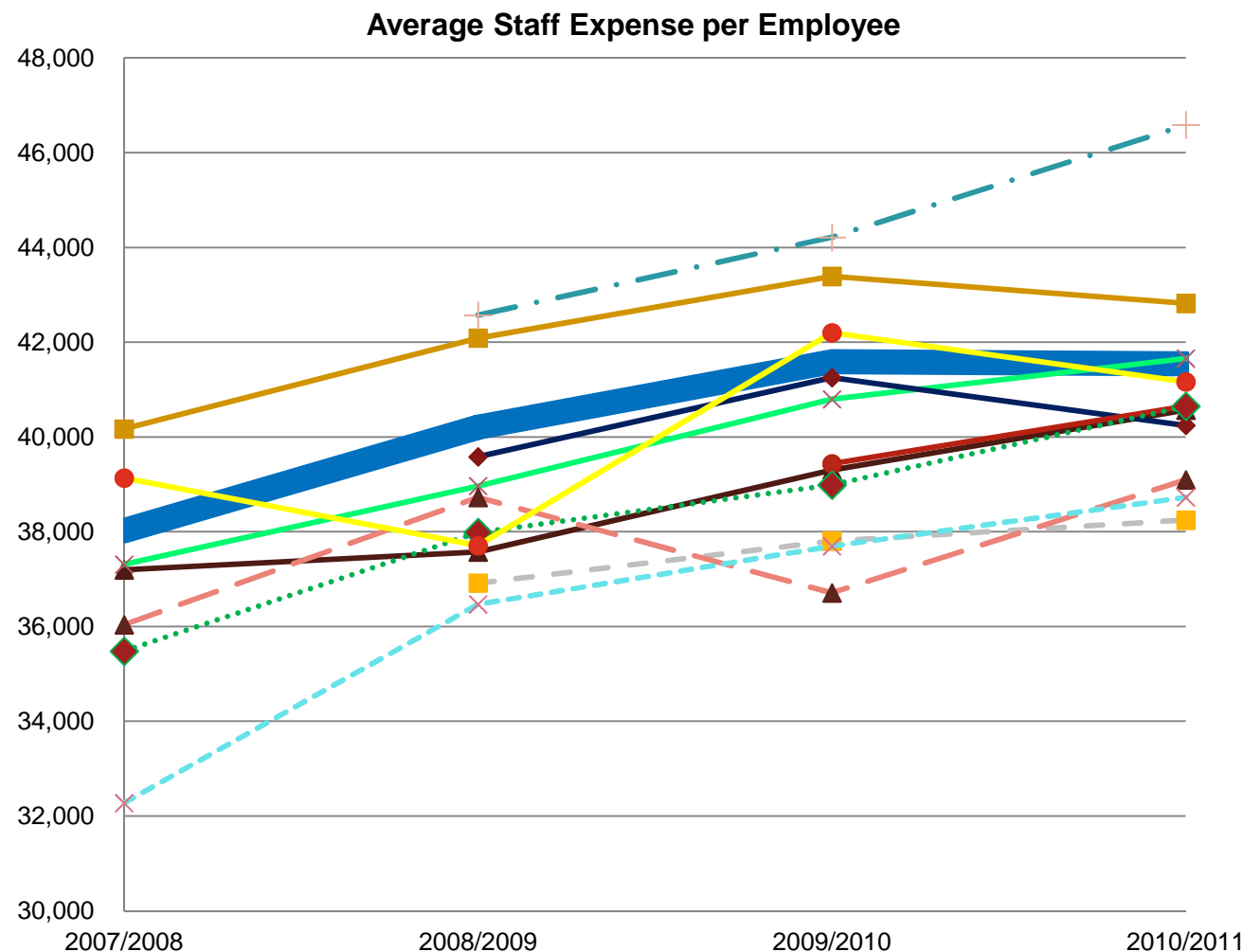
The resulting outcome for 2011/12 is pay costs exceeding the rebased expectation by £2.1m and the fixed base expectation by £8.0m.

Refer to the following benchmarking slide for a comparison of pay cost trend against other Trusts.

The rate of increase in the Trust's payroll cost has gradually slowed over the review period, however, pay costs have been consistently higher than 2007/08 adjusted levels, which may indicate a continuous change in staff mix.

Average staff expense per employee – RBFT's average staff cost per employee was £41,545 for 2010/11, the 4th highest cost of the 13 Trusts in the peer group.

PwC view – RBFT's staff costs per employee have risen in line with the general trend since 2007/08.



➤ RBFT's average staff cost per employee was £41,545 for 2010/11, compared to an average for the 13 Trusts of £40,995.

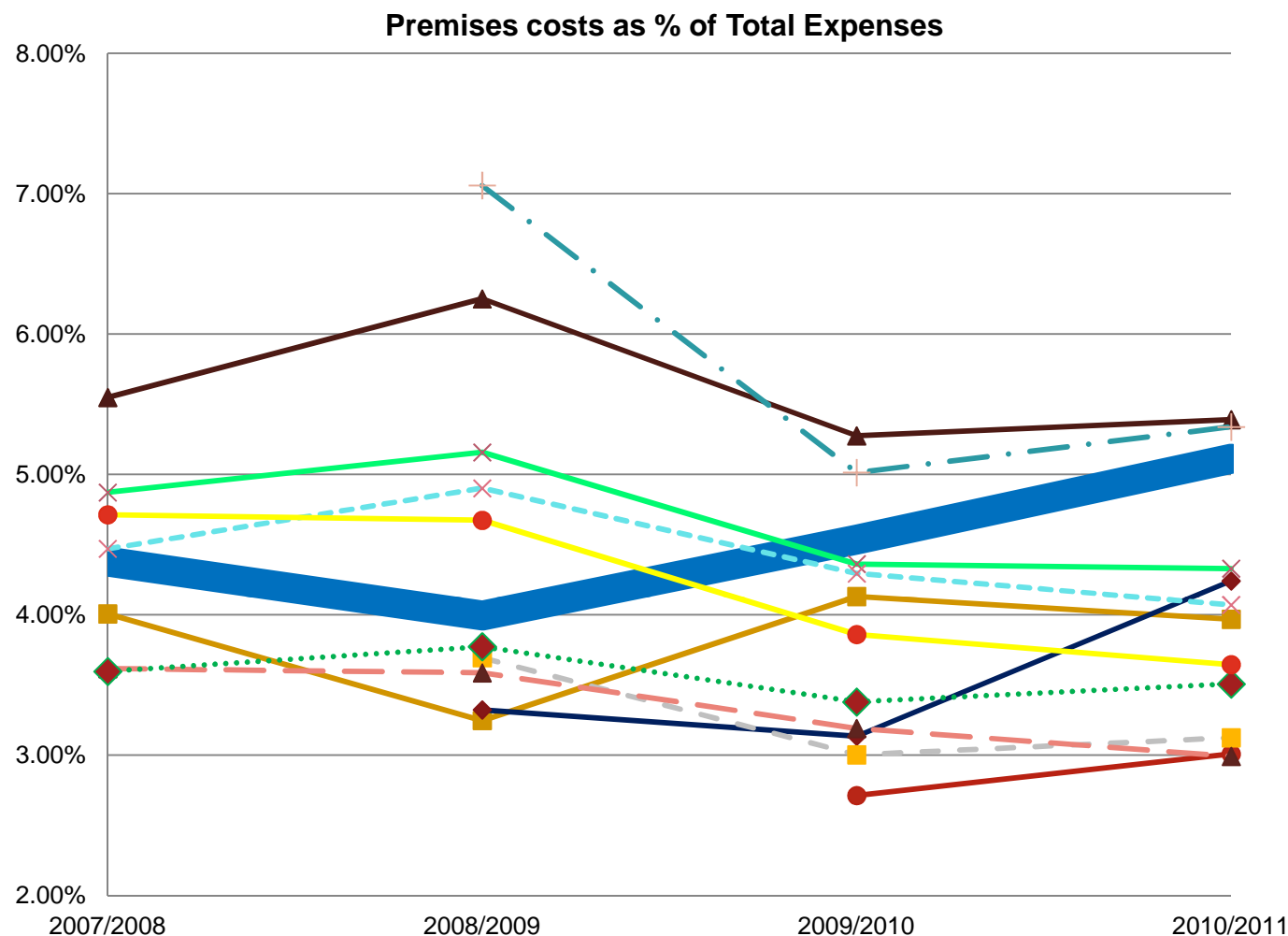
➤ RBFT's average staff cost per employee decreased by 0.1% between 2009/10 and 2010/11, this compared to a mean increase of 1.85% for the peer group.

➤ RBFT's average staff cost per employee was £3,301 (7.95%) greater than York Teaching Hospitals NHS Foundation Trust – the Trust with the lowest cost per employee in 2010/11.

➤ RBFT's average staff costs per staff member was £5,040 (12.13%) less than Oxford Radcliffe Hospitals NHS Trust – the Trust with the highest cost per employee in 2010/11.

Premises cost as a proportion of total expenses – RBFT's
premises costs were 5.11% of the total expenditure for 2010/11.

PwC view - RBFT's premises costs are increasing in relation to the overall expenses incurred by the Trust, and this increase is greater than most Trusts in the peer group have experienced.



➤ RBFT had the 3rd highest premises costs as a proportion of expenses at 5.11%, compared to a mean proportion of 4.06% in 2010/11.

➤ RBFT's proportion of premises costs against total expenses was 2.12% higher than the Trust with the lowest proportion – Northampton General Hospital NHS Trust in 2010/11.

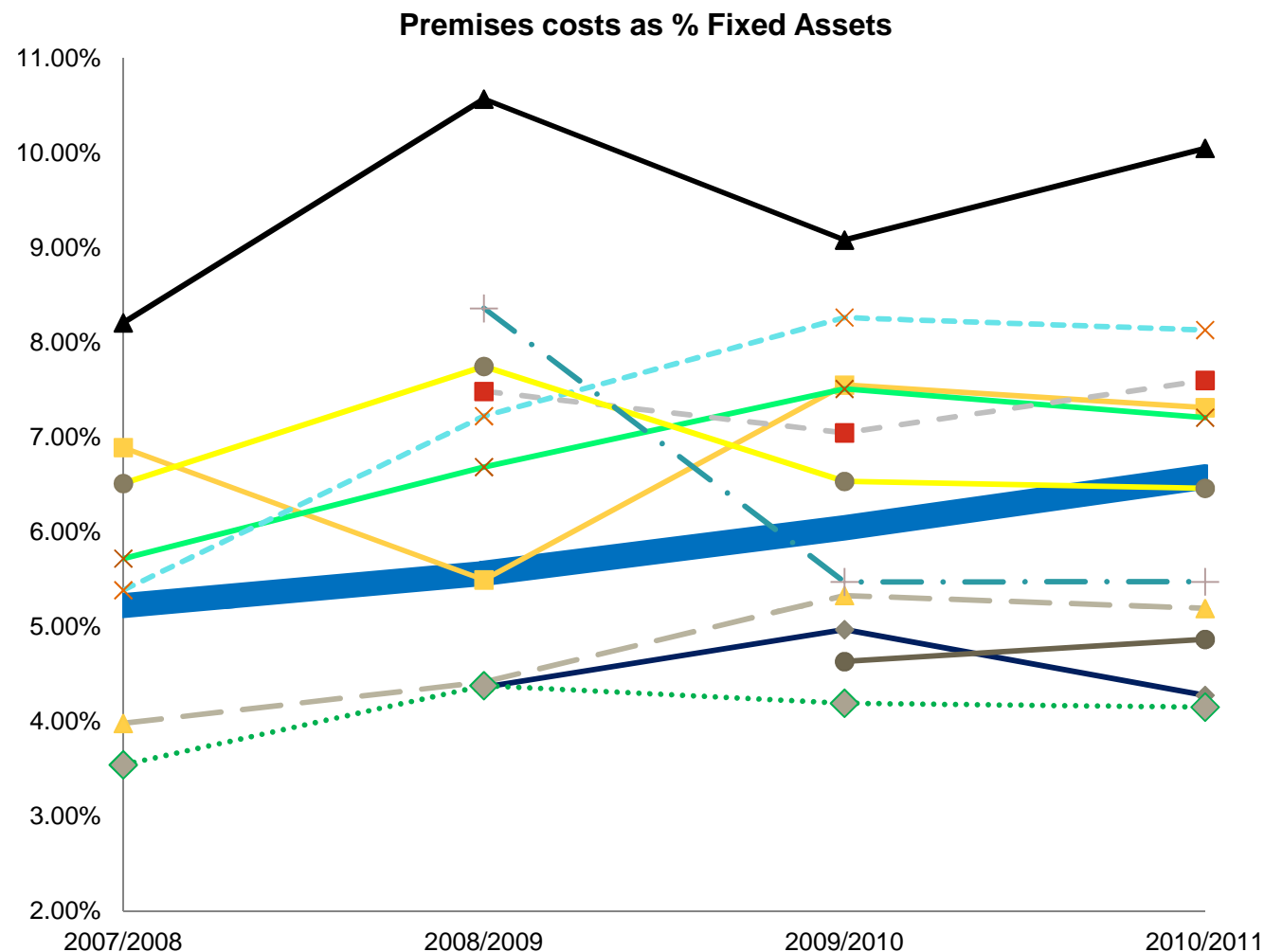
➤ RBFT's proportion of premises costs against total expenses was 0.28% lower than the Trust with the highest proportion – Frimley Park NHS Foundation Trust in 2010/11.

➤ RBFT's proportion of premises costs against total expenses has increased by 0.58% between 2009/10 and 2010/11. This is a rise of 12.7% - which is the second highest proportional increase out of the 13 Trusts in the peer group.

Note that our analysis does not adjust for PFI schemes or significant leasehold properties within the asset bases of peer group members.

Premises costs as a proportion of fixed asset values –
RBFT's premises costs were 6.58% of the value of the Trust's fixed asset base in 2010/11.

PwC view – RBFT's premises costs as a proportion of fixed assets have increased by 1% over the review period. The Trust sits in the middle of the peer group for this metric.

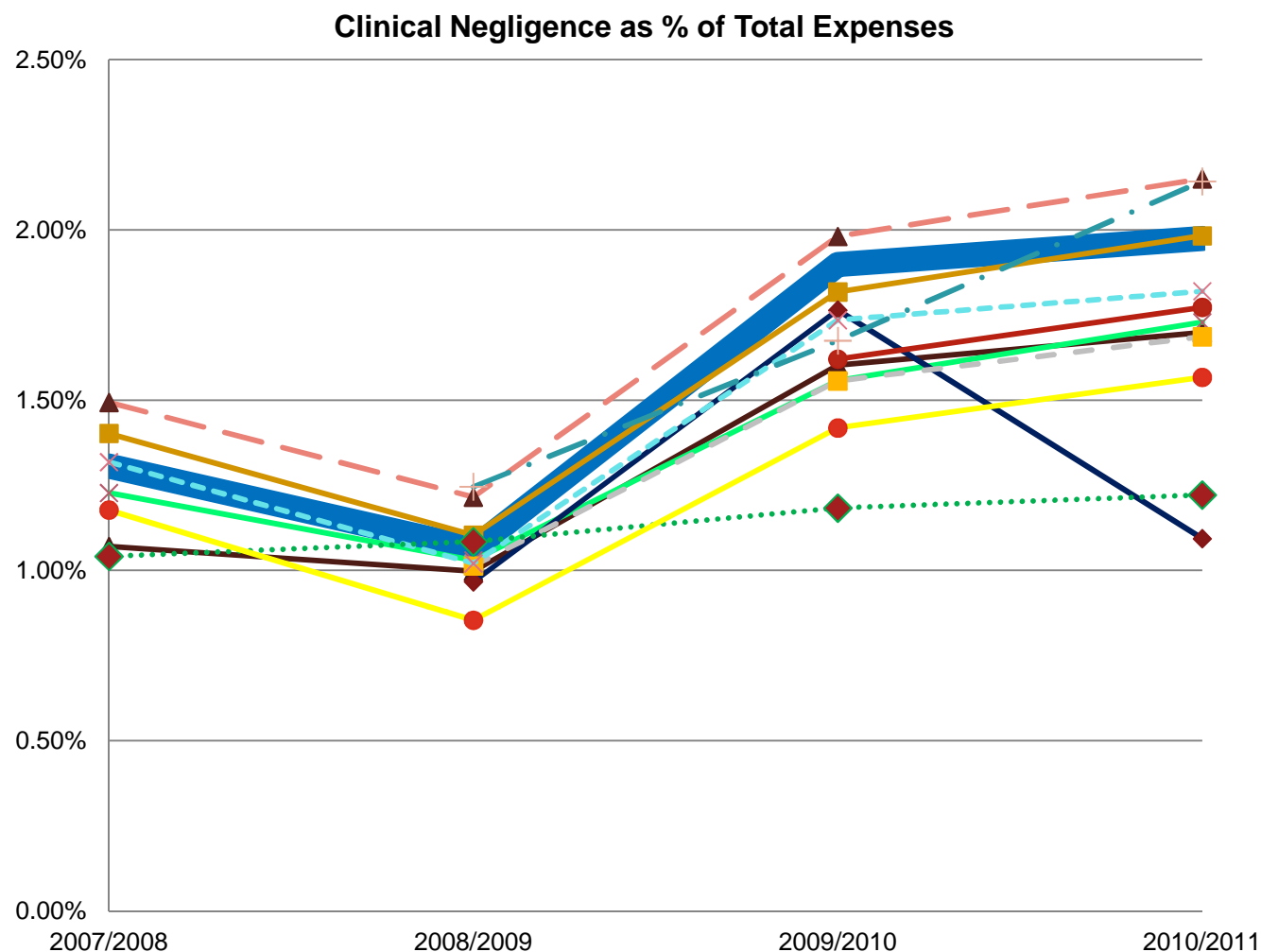


➤ RBFT's premises costs as a proportion of fixed assets were 6.58% in 2010/11, compared to the mean of the 13 Trusts of 6.44%.

➤ RBFT's premises costs as a proportion of fixed assets has been steadily increasing since 2007/08, increasing 0.54% between 2009/10 and 2010/11 – a relative rise of 8.9%. This is the 2nd highest relative increase behind Frimley Park Hospital NHS Foundation Trust (10.7%).

Clinical negligence cost as a proportion of total expenses – the RBFT's clinical negligence costs were 1.97% of total expenses for 2010/11, this is the 4th highest ratio of the 13 Trusts in the peer group.

PwC view – The movements in the Trust's clinical negligence cost as a proportion of total expenses are in line with the general trend.

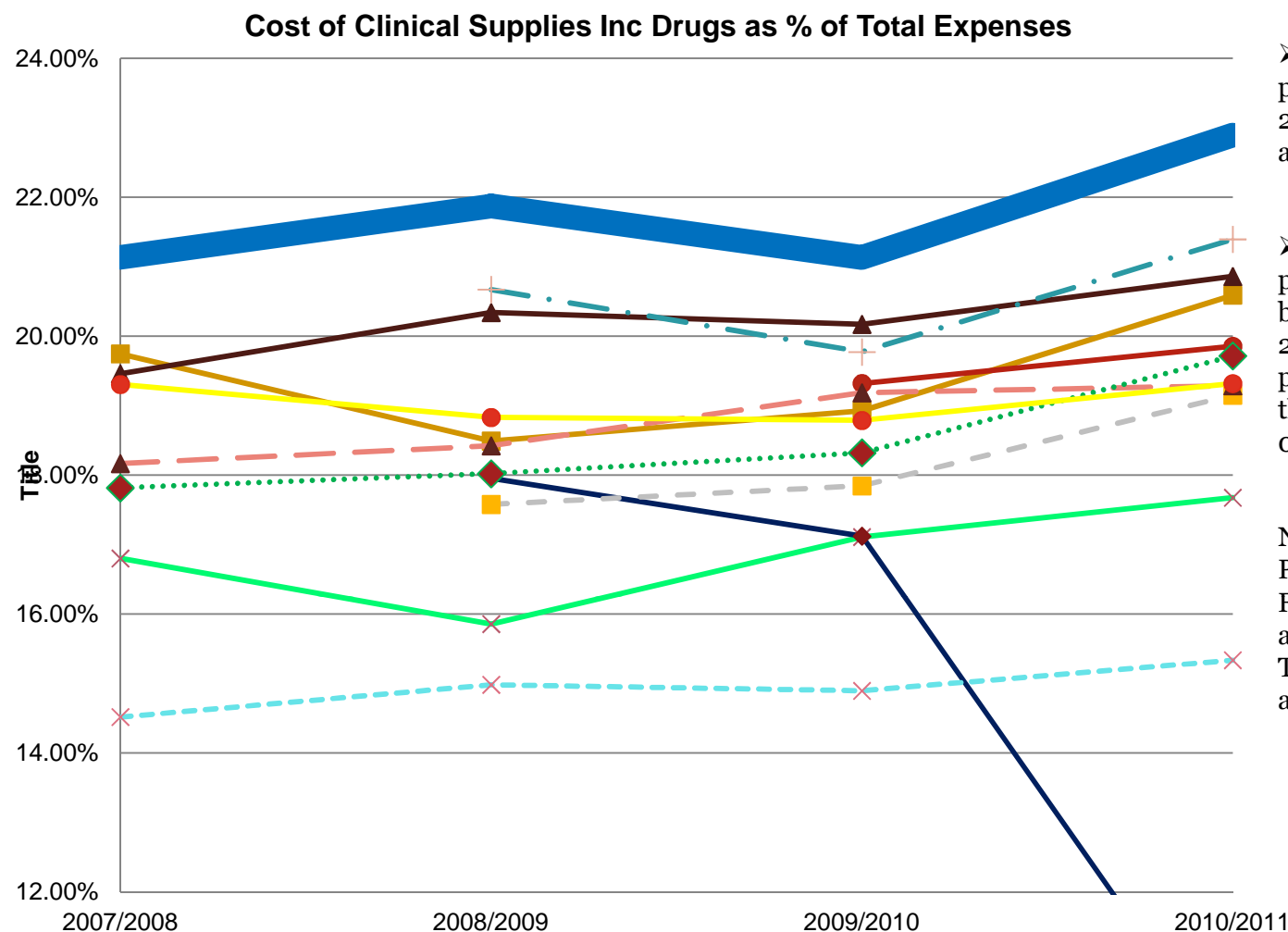


➤ RBFT's clinical negligence cost as a proportion of total expenses for 2010/11 was 1.97%, compared to an average for the 13 Trusts of 1.74%.

➤ RBFT's clinical negligence cost as a proportion of total expenditure increased by 0.1% between 2009/10 and 2010/11, this is exactly in line with the mean trend for the 13 Trusts of an increase of 0.1%.

Cost of clinical supplies including drugs as a proportion of Total Expenses – RBFT's cost of clinical supplies was 22.9% of the Trust's total expenses, making it the Trust with the highest proportion of clinical supplies spending.

PwC view – RBFT has the highest proportional spending on clinical supplies and the highest proportional increase in spend between 2009/10 and 2010/11. We understand that high cost drugs are largely recharged to commissioners and therefore there is a corresponding trend in income.



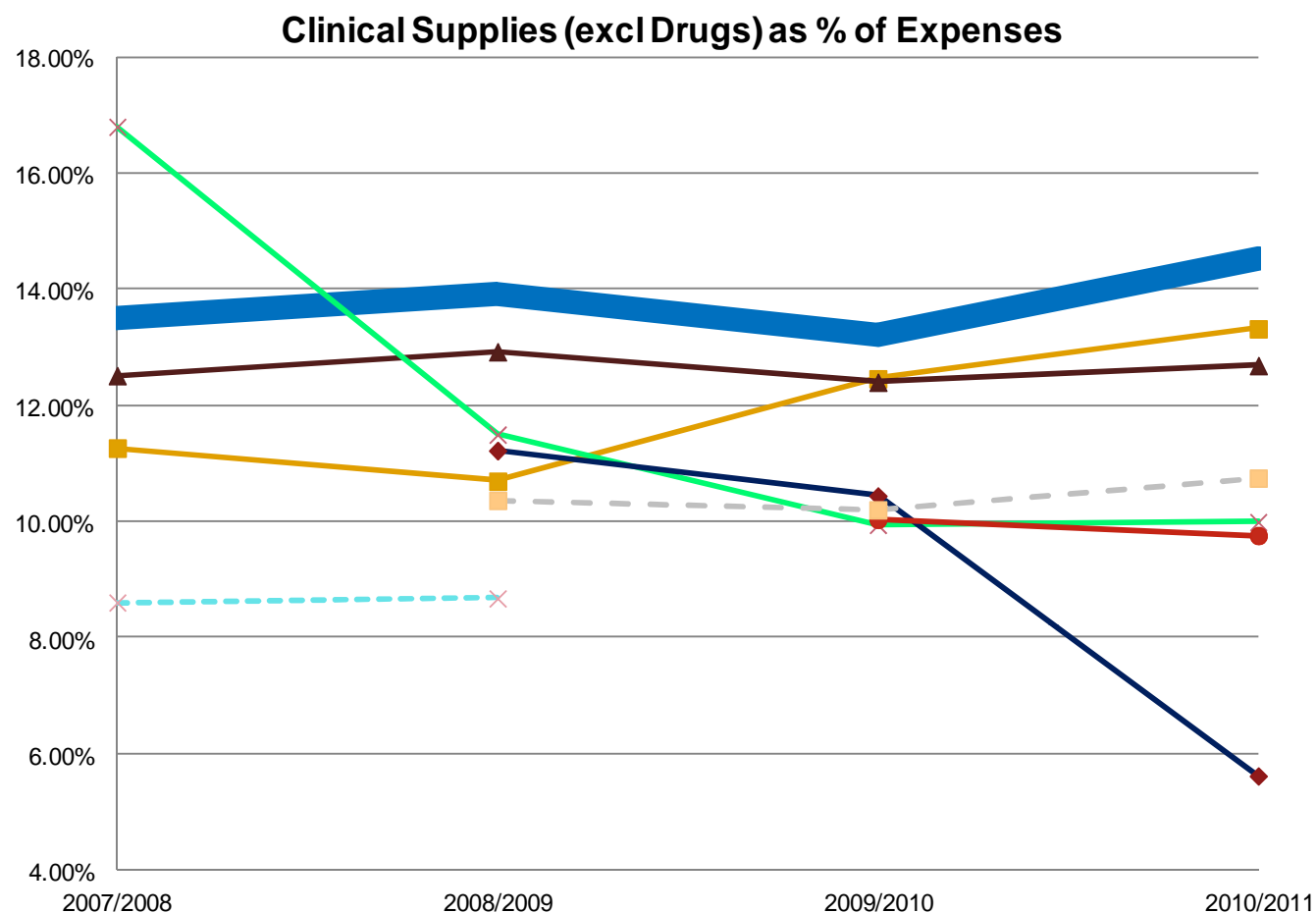
➤ RBFT's cost of clinical supplies as a proportion of total expenses was 22.90% for 2010/11, compared to the average ratio of 19.64% for the Trusts.

➤ RBFT's cost of clinical supplies as a proportion of total expenses increased by 1.76% between 2009/10 and 2010/11. This was the greatest proportional increase of all the Trusts: the mean trend was an increase of 0.97%.

Note this analysis excludes Peterborough and Stamford NHS Foundation Trust as the results are anomalous, and also Maidstone and Tunbridge Wells Hospitals NHS Trust as there was no data.

Cost of clinical supplies excluding drugs as a proportion of Total Expenses – RBFT's cost of clinical supplies was 14.54% of the Trust's total expenses, making it the Trust with the highest proportion of clinical supplies spending.

PwC view – RBFT has the highest proportional spending on clinical supplies and the highest proportional increase in spend between 2009/10 and 2010/11.



➤ RBFT's cost of clinical supplies as a proportion of total expenses was 14.54% for 2010/11, compared to the average ratio of 11.30% for the Trusts.

➤ RBFT's cost of clinical supplies as a proportion of total expenses increased by 1.33% between 2009/10 and 2010/11. This was the greatest proportional increase of all the Trusts: the mean trend was an increase of 0.29%.

Note this analysis excludes Peterborough and Stamford NHS Foundation Trust as the results are anomalous, as well as the following Trusts for which no comparable split between clinical supplies and drugs costs could be obtained:

- Maidstone and Tunbridge Wells Hospitals NHS Trust
- Northampton General Hospital NHS Trust
- The Royal Wolverhampton Hospitals NHS Trust
- Southampton University Hospital NHS Trust
- Oxford Radcliffe Hospitals NHS Trust

Normalised earnings – EBIT and EBITDA margins fell sharply between 2007/08 and 2008/09. They have remained at consistent levels for the remainder of the review period.

PwC view - On normalisation earnings are consistent for the final 4 years of the review with normalised EBITDA margins of 8%.

Normalised Earnings

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
Surplus/(Deficit)	8,512	9,716	2,140	2,175	1,017
<i>Remove:</i>					
National programme for IT funding	(950)			-	
A&E performance reward funding	(120)			-	
Income donation for small assets		(466)		-	
Single sex accommodation income			(476)	-	
Redundancy funding from BWPCT				-	(1,500)
Contribution to legionella control costs from BWPCT				-	(300)
Payment by Results transitional claw back	9,121	-	-	-	-
Charitable and other contributions to expenditure	(108)	(38)	-	(30)	-
<i>Add back:</i>					
Non recurrent contract income	2,374	(2,374)	450	(450)	(2,222)
Other auditor's remuneration	-	200	203	321	192
Termination costs	-	-	-	998	1,520
Overrecognition of child critical care activity in 08/09 adjusted in 09/10	-	(1,309)	1,309	-	-
Closure of outpatient clinics during severe winter weather	-	-	330	-	-
Norovirus ward closures	-	-	700	-	-
Adjustment for historic differences between inventory system and GL	-	-	-	1,164	-
Pharmacy stock write down	-	-	(173)	(516)	689
Water hygiene improvements transferred from fixed assets	-	-	-	-	469
Additional costs of CSC	-	-	-	-	368
Additional costs of Prince's House	-	-	-	174	624
Additional running costs of Bracknell Clinic	-	-	-	-	3,449
Total normalisation adjustments	10,317	(3,987)	2,343	1,661	3,289
Normalised surplus/(deficit)	18,829	5,729	4,483	3,836	4,306
Source: Financial statements, analysis of income movements provided					
Finance expenses	-	(167)	57	(650)	(1,407)
Finance expenses - unwinding of discount	(1)	(12)	(13)	(16)	13
PDC Dividends payable	(6,366)	(6,774)	(6,818)	(6,539)	(6,099)
Depreciation and Amortisation	(8,523)	(10,533)	(11,416)	(12,152)	(13,649)
Normalised EBIT	25,196	12,682	11,257	11,041	11,799
<i>Normalised EBIT Margin</i>	<i>10%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>
Normalised EBITDA	33,719	23,215	22,673	23,193	25,448
<i>Normalised EBITDA Margin</i>	<i>13%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>

The results for each year under review have been adjusted for exceptional and non-recurrent income and expenditure which management have made us aware of. We have not undertaken specific procedures to verify the completeness of this analysis. The adjustments fall into two categories: 1) one off items (and the reversal of these); and 2) costs associated with major projects which have changed the cost base of the Trust compared to 2007/08.

The normalised earnings show a particularly strong position for 2007/08 primarily as a result of removing the Payment by Results transitional claw back which only appears in this year. Normalisation adjustments for subsequent years within the review bring the resulting normalised EBITDA margins to 8% and the normalised EBIT margins to 4%.

The main adjustments are:

- National Programme for IT funding – non-recurrent IT infrastructure income relating to NHS Connecting for Health.
- Redundancy funding from BWPCT – non-recurrent income relating to additional redundancy costs incurred in 2011/12.
- Payment by Results transitional claw back – non-recurrent charge to income from DH for smoothing of income over the early years of PbR.
- Movement on income provision – adjusting for the impact of releases from and additions to the income provision.
- Termination costs – redundancy costs incurred.
- Over recognition of child critical care activity – inaccurate activity data was provided to the commissioner in 2008/09 resulting in over recognition of income. This over recognition was adjusted for in 2009/10.
- Norovirus ward closures – the outbreak in 2009/10 caused ward closures that resulted in a one-off loss of income.
- Adjustment for historic differences between inventory system and GL – stock write down in 2010/11 attributable to movements in previous years.
- Pharmacy stock write down to adjust for historic differences between the value of stock in the GL and the underlying pharmacy system.
- Additional operational costs incurred as a result of the Trust's CSC, Prince's House and Bracknell Clinic projects.

Impact of proposed CIP and PbR adjustments on earnings – EBIT and EBITDA margins show continual decline, with a sharp decrease from 2008/09 to 2009/10.

Impact of proposed CIP and PbR adjustments

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
Surplus/(Deficit)	8,512	9,716	2,140	2,175	1,017
<i>Remove:</i>					
Adjustment for 07/08 to 09/10 CIPs (assuming non-recurrent in future years)	-	(8,500)	(14,347)	(18,596)	(18,596)
Adjustment for 10/11 & 11/12 CIPs in excess of 09/10 levels	-	-	-	(5,771)	(12,337)
<i>Add back:</i>					
Adjustment for the impact of PbR inflator for 10/11 & 11/12 decreasing from 09/10 levels	-	-	-	4,779	9,374
Total normalisation adjustments	-	(8,500)	(14,347)	(19,588)	(21,559)
Normalised surplus/(deficit)	8,512	1,216	(12,207)	(17,413)	(20,542)
Source: Financial statements, analysis of income movements provided					
Normalised EBIT	14,879	8,169	(5,433)	(10,208)	(13,049)
Normalised EBIT Margin	6%	3%	(2%)	(3%)	(4%)
Normalised EBITDA	23,402	18,702	5,983	1,944	600
Normalised EBITDA Margin	9%	7%	2%	1%	0%

PwC view - On accounting for the proposed adjustments, normalised earnings are show a sharp decline over the period, in particular from 2008/09 to 2009/10. Note that these adjustments only consider the negative impacts of the reduction in the PbR inflator and potentially non-recurrent CIPs

The results for each year under review have been adjusted for specific CIP and PbR adjustments only. Therefore this analysis does not consider the impact of positive adjustments. The adjustments are shown in two separate formats – firstly in normalised earnings format and secondly as a surplus/(deficit) bridge.

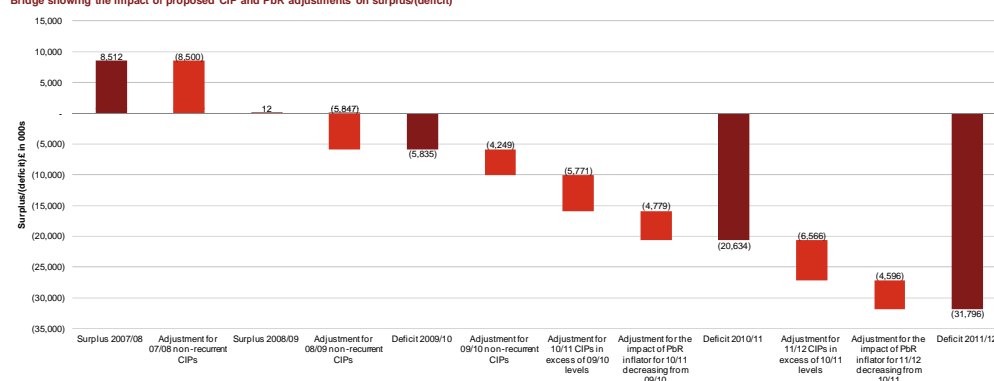
The adjustments are:

- Adjustments for 2007/08 to 2009/10 CIPS on the assumption that these were 100% non-recurrent. Note that we have not been provided with information about the recurrent/non-recurrent nature of CIPs prior to 2010/11. Therefore this analysis has been prepared assuming all CIPs prior to 2010/11 were classified as recurrent but were actually non-recurrent.
- Adjustments for 2010/11 & 2011/12 CIPS in excess of 2009/10 levels – shows the impact on earnings if the increased CIPs achieved in 2010/11 & 2011/12 had not occurred.
- Adjustment for the impact of the PbR inflator for 2010/11 & 2011/12 decreasing from the 2009/10 level. Whilst this analysis only includes the negative impact on income resulting from the PbR movement, it should be considered in the context of reduced inflation in pay costs for example. Also note that the reduction in the PbR inflator has been applied to all NHS acute activity income and therefore may be overstated in this analysis.

The bridge graph illustrates that the impact of the proposed adjustments on a standalone basis is to reduce the opening surplus of £8,512k to a closing deficit of £31,796k – a total negative impact of £40,308k over the period.

Given that no positive impacts on earnings have been included in this analysis, it is imperative that the results are read in the context of the benchmarking results.

Bridge showing the impact of proposed CIP and PbR adjustments on surplus/(deficit)



Impact of significant projects (Bracknell Clinic) – a substantial deficit was incurred by the operation of the Bracknell clinic during 2011/12. Adjusting for sunk costs and allocated overheads significantly reduces the deficit result for this project.

PwC view – Significant costs were incurred in bringing the Bracknell Clinic into operation. In evaluating the ongoing financial contribution of the clinic to the Trust as a whole, sunk costs should be stripped out.

Bracknell income & expenditure

£	2011/12 act
Income	612,955
Other Income	252,696
Total income	865,651
Pay	719,598
Courier services	72,625
Management consultancy services	29,951
Drugs	73,672
Medical and Surgical Consumables	61,014
Medical and Surgical Equipment	22,564
Premises	2,295,334
Other non-pay	174,216
Total before overheads	3,448,974
20% overheads	1,074,466
Total expenditure	4,523,440
Surplus/(Deficit)	(3,657,789)
Percentage Margin	(422%)
Surplus/(Deficit) excluding overheads	(2,583,323)
Percentage Margin	(298%)
Surplus/(Deficit) excluding overheads and premises	(287,989)
Percentage Margin	(33%)

We note that the Trust is unable to determine what proportion of income generated by the Bracknell Clinic is new income specifically attributable to Bracknell (as opposed to being a transfer of existing activity from other Trust sites).

Premises expenditure forms 51% of total expenditure attributed to Bracknell, with allocated overheads being a further 20%. Premises costs are primarily depreciation charges on the property and equipment.

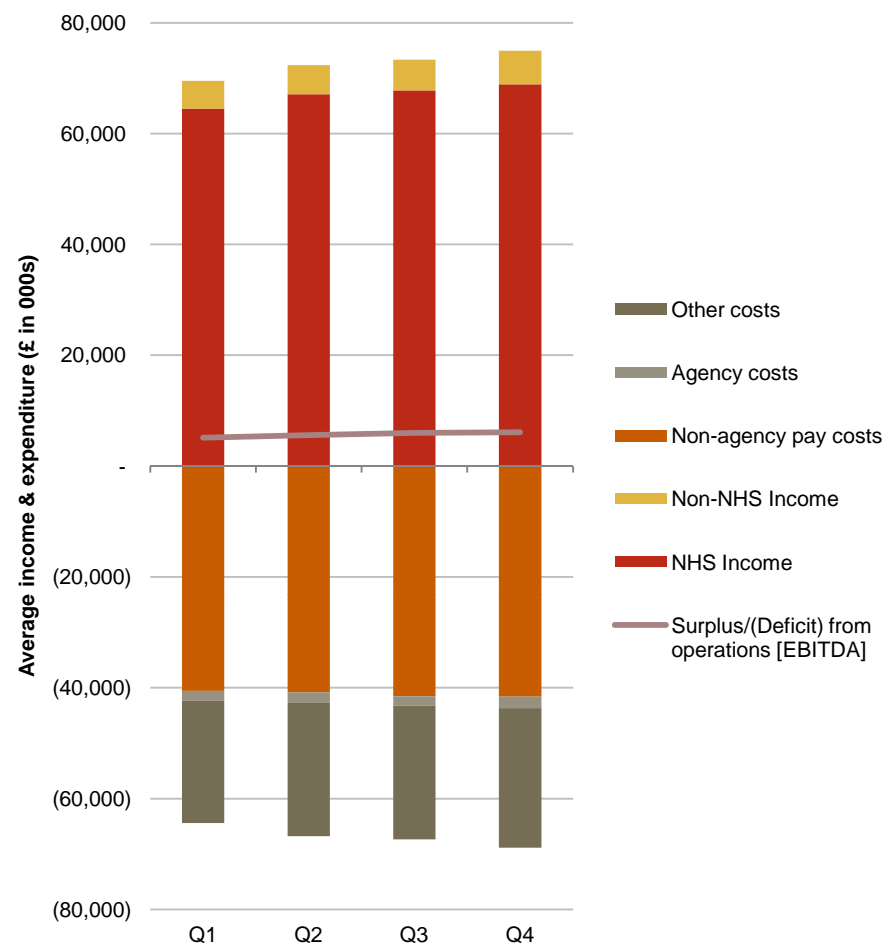
The reported deficit position of £3,658k is reduced to £288k after removing allocated overheads and premises costs.

It is important to note that given that the clinic opened in May 2011, the period during the 2011/12 financial year prior to opening would not have generated income to offset expenditure. In addition there were opening costs involved as well as a time delay in establishing a patient base and therefore a basis with which to generate income. We understand that income from the clinic has been increasing on average since opening.

Seasonality review – significant seasonality in income recognition is noted mirrored by seasonality in expenditure

PwC view – the general trend throughout the review period is that income increases throughout the year as does expenditure resulting in a flat EBITDA margin. This therefore does not point to uncommercial settlements being made with the PCT at year end.

Average income and expenditure by quarter



The graph presented shows average quarterly income and expenditure, aggregating data across all 5 years under review. Please see the selected information section for full quarterly detail by year as well as the average data used for the graph.

Total income shows a significant average increase of 4% from Q1 to Q2 with smaller increases of 1% from Q2 to Q3 and 2% from Q3 to Q4. We understand that income increases are a reflection of contracts not being agreed in the early stages of the year with additional income recognised in subsequent quarters once contracts are agreed.

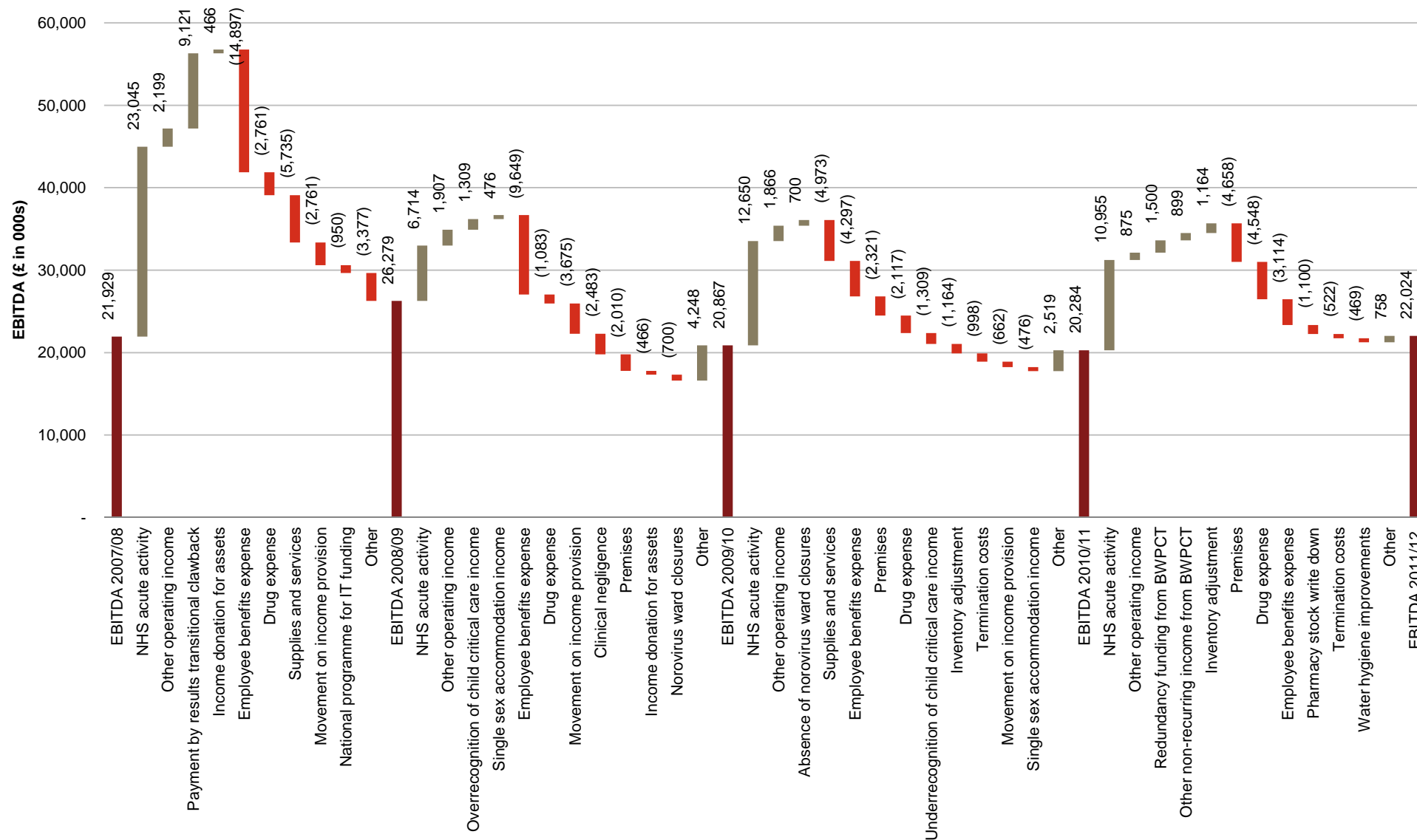
Pay costs increase steadily on average across the year, with a 1% increase per quarter.

Average agency staff costs show a relatively flat position over Q1-Q3, with an increase on average in Q4, being £337k (19.1%) higher than the average for agency costs for Q1-Q3.

Other expenditure increases substantially by 9% on average from Q1 to Q2 with 0% increase from Q2 to Q3 and 4% increase from Q3 to Q4.

The resulting average EBITDA margins across quarters are largely consistent, varying between 7% and 8%.

The purpose of this piece of analysis is to determine whether the cost base was subject to seasonal variation (e.g. winter pressures) unmatched by income (e.g. as a result of quarter 4 positions being settled outside the contractual terms). The output of the analysis indicates that the seasonality of income and expenditure is even, however, to form a more robust conclusion we would need to factor in the profile of CIP achievement throughout the review period and this information is not available.

EBITDA bridge from 2007/08 to 2011/12

EBITDA bridge – a substantial increase in EBITDA occurs in 2008/09 followed by a substantial decrease in 2009/10. An improvement can be seen in 2011/12 where increased income exceeds increased costs, reversing the trend from the previous two years.

PwC view – *Despite fluctuations within the review period, EBITDA is less than £100k higher in 2011/12 compared to 2007/08, however the EBITDA margin reduction of 2% between the years indicates an increase in the financial challenge faced by the Trust over the same time frame.*

2007/08 – 2008/09: The main contributors to the increase in EBITDA of £4.4m are an increase in NHS acute activity of £23.0m, the absence of payment by results transitional claw back of £9.1m from 2008/09 offset by an increase in employee benefits expense of £14.9m and an increase in supplies and services of £5.7m. Note that the primary constituents of the £3.4m other net costs are other expenditure of £2.0m and reduced private patient income of £0.7m.

2008/09 – 2009/10: The main contributors to the decrease in EBITDA of £5.4m are an increase in employee benefits expense of £9.6m and an increase in the income provision of £3.7m offset by an increase in NHS acute activity of £6.7m. Note that the primary constituent of the £4.2m other net income is a reduction in other expenditure of £4.3m.

2009/10 – 2010/11: The main contributors to the decrease in EBITDA of £0.6m are an increase in supplies and services costs of £5.0m and an increase in employee benefits expense of £4.3m offset by a £12.7m increase in NHS acute activity. Note that the primary constituents of the £2.5m other net income are a reduction in other expenditure of £3.2m offset by a reduction in private patient income of £0.5m.

2010/11 – 2011/12: The main contributors to the increase in EBITDA of £1.7m are an increase in NHS acute activity of £11.0m offset by a £4.7m increase in premises expense, a £4.5m increase in drug costs and a £3.1m increase in employee benefits expense. Note that the primary constituents of the £0.8m other net income are a £2.1m reduction in other expenditure offset by a £0.4m increase in clinical negligence costs and £1.2m of stock adjustments not in 2011/12 (which have been presented separately from other net income in the bridge).

Summary of cost saving initiatives – CIP programmes have been largely achieved with the exception of 2009/10. The Trust has been unable to provide detailed information on CIPs in the earlier years of the review period, however, for 2010/11 and 2011/12 the level of recurrent CIPs is proportionately high.

PwC view - CIP achievement has improved in 2010/11 and 2011/12 following a dip in 2009/10.

Historical CIP Analysis

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
CIPs plan	8,500	6,000	11,130	13,527	19,605
CIPs achieved	8,500	5,847	4,249	10,020	16,586
% of CIPs achieved	100%	97%	38%	74%	85%

Detail on CIPs from the first three years of the review is limited, therefore analysis is similarly restricted, however, the extent to which plans were achieved in 2007/08 and 2008/09 were particularly high, whereas 2009/10 was significantly lower.

Additional detail was provided for CIPs for the final two years of the review period which shows that the largest area of cost savings in both years was pay costs, however, this is not easily traceable to the pay cost analysis within this report.

CIPs - achieved

Other Income	-	-	-	-	-
Pay Costs	-	-	382	5,650	8,219
Drugs Cost	-	-	966	650	586
Clinical Supplies	-	-	-	1,270	4,432
Non-Clinical Supplies	-	-	-	290	-
Misc Other Operating Expenses	-	-	-	2,160	2,103
Other	-	-	2,901	-	1,246
Total CIPs achieved	8,500	5,847	4,249	10,020	16,586

The percentage of CIPs achieved has also shown an improvement within the final two years of the review.

The level of recurrent CIPs achieved in 2010/11 was 93% and in 2011/12 was 110% indicating future benefits will be recognised as a result of the changes implemented.

Recurrent CIPs - achieved - - - 9,325 18,286

Non Recurrent CIPs - achieved - - - 695 (1,700)

Source: Financial plan returns submitted to Monitor

Overall review of balance sheet trends – total assets increase of 15%, combined with a 158% increase in total liabilities has led to an 8% decrease in total assets employed.

PwC view - The marked increase in borrowings used to fund the Trust's investment in fixed assets has led to a reduced net assets position.

Balance Sheet

£ in 000s	March 2008 act	March 2009 act	March 2010 act	March 2011 act	March 2012 act
Intangible non-current assets	495	1,355	2,435	2,825	2,333
Property, Plant and Equipment	202,177	192,033	208,175	225,358	229,884
Trade and Other Receivables	605	928	715	931	1,085
Assets, Non-Current, Total	203,277	194,316	211,325	229,114	233,302
Inventories	3,184	3,751	4,885	4,371	4,611
NHS Trade Receivables	1,306	6,120	6,908	1,280	1,264
PDC receivable	-	-	-	490	-
Prepayments	1,928	1,909	3,157	2,191	1,948
Accrued income	4,231	4,557	5,627	5,624	2,188
Other receivables	8,473	4,503	4,374	4,950	3,666
Provision for impaired receivables	(1,004)	(543)	(359)	(121)	(272)
Cash and Cash Equivalents	25,390	19,404	20,491	29,865	36,797
Assets, Current, Total	43,508	39,701	45,083	48,650	50,202
ASSETS, TOTAL	246,785	234,017	256,408	277,764	283,504
Trade and other payables	(25,430)	(18,658)	(31,269)	(28,793)	(34,134)
Borrowings	(211)	(85)	(217)	(2,507)	(3,431)
Provisions	(3,094)	(124)	(1,132)	(4,332)	(6,831)
Tax payable	(3,337)	(3,409)	(3,570)	(3,770)	(3,906)
Other liabilities	(305)	(290)	(98)	(98)	-
Liabilities, Current, Total	(32,377)	(22,566)	(36,286)	(39,500)	(48,302)
NET CURRENT ASSETS (LIABILITIES)	11,131	17,135	8,797	9,150	1,900
Borrowings	(214)	(12,129)	(14,071)	(30,879)	(37,607)
Provisions	(471)	(433)	(1,222)	(480)	(463)
Other liabilities	(356)	(285)	(405)	(307)	-
Liabilities, Non-Current, Total	(1,041)	(12,847)	(15,698)	(31,666)	(38,070)
TOTAL ASSETS EMPLOYED	213,367	198,604	204,424	206,598	197,132
Public dividend capital	156,534	156,534	156,534	156,534	156,534
Revaluation reserve	47,918	22,610	25,375	23,940	26,545
Donated asset reserve	1,878	1,742	1,459	-	-
Other reserves	490	490	490	490	490
Income and expenditure reserve	6,547	17,228	20,566	25,635	13,563
TOTAL TAXPAYERS EQUITY	213,367	198,604	204,424	206,599	197,132

Source: Financial Statements

The table shows the balance sheet movements over the five years under review. The key variances are described below.

The increase in **non-current assets** of £30.0m (14.8%) is driven by the increase in property, plant and equipment of £27.7m (13.7%) from £202.2m to £229.9m between 31 March 2008 and 31 March 2012. See capital expenditure review for further details.

The increase in **current assets** of £6.7m (15.4%) is primarily driven by the increase in cash and cash equivalents of £11.4m (44.9%), in part offset by a reduction in other receivables of £4.8m (-56.7%). See working capital review for further details.

There is an increase in **current liabilities** of £15.9m (49.2%) driven by the increase in trade and other payables of £8.7m (34.2%) as well as increases in borrowings and provisions. See working capital review for further details.

Non-current borrowings have increased by £37.4m from £0.2m to £37.6m between 31 March 2008 and 31 March 2012 driving the increase in **non-current liabilities**. See working capital review for further details.

The most significant movement in **taxpayers equity** is a reduction in the revaluation reserve of £21.4m (44.6%) which is due to a £24.3m revaluation loss in 2008/09 resulting from a valuation basis change (to modern equivalent asset valuations) adopted by all NHS bodies as directed by HM Treasury. This was partially offset by a revaluation gain in 2009/10 of £3.9m.

Working capital review – cash has increased over the period under review whilst liquidity ratios have declined and working capital levels have reduced.

PwC view – whilst cash has increased overall this is due to timing differences of receipts on loan draw downs and delayed payments on major projects. Overall the Trust's liquidity ratios have declined over the period under review.

Working capital measures

£ in 000s	March 2008 act	March 2009 act	March 2010 act	March 2011 act	March 2012 draft
Opening cash and cash equivalents	15,434	25,390	19,404	20,491	29,865
Closing cash and cash equivalents	25,390	19,404	20,491	29,865	36,797
Current ratio (current assets/current liabilities)	1.34	1.76	1.24	1.23	1.04
Quick ratio (current assets less inventories/current liabilities)	1.25	1.59	1.11	1.12	0.94
Working capital (current assets less current liabilities)	11,131	17,135	8,797	9,150	1,900
Debtor days (365 x [current receivables less prepayments, inventories and cash]/income)	19	19	21	14	8
Creditor days (365 x trade and other payables/operating expenses)	38	25	41	36	40
Inventory days (365 x inventories/supplies and drugs purchases)	21	21	27	22	21
Working capital days (debtor days + inventory days - creditor days)	1	15	7	0	(11)

Source: Financial Statements

The cash balance has increased over the period as a whole but with significant fluctuations resulting from the timing of receipts from loan draw downs and payments on substantial project contracts.

The current ratio showed an improvement from March 2008 to March 2009 but has subsequently decreased over the following year ends.

The quick ratio largely mirrors the movements in the current ratio, and indicates a weakening liquidity position.

Working capital levels show a general decrease, albeit with a rise at March 2009.

Debtors days have shown a reduction at March 2011 and March 2012 down to a collection period of 8 days.

Creditor days have remained largely flat, at 36-41 days with the exception of March 2009 when there was a decrease.

Inventory days have also remained largely stable at 21-22 days with the exception of March 2010 when there was an increase.

The resulting working capital days have reduced from March 2009 reflecting the Trust's ability to quickly convert debtors into cash. This may be indicative of an improved relationship with the PCT and/or better data quality resulting in fewer challenges and therefore faster payment of invoices. It may also be indicative of strong cash positions for the main PCTs.

Capital expenditure – data provided from the monthly CFO reports shows substantial investments in the Bracknell clinic, EPR and the Reading Linac Project

PwC view – the primary projects identified here have placed significant additional pressure on the Trust's cash flow from 2008/09 onwards.

Capital Expenditure

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
Medical Equipment	4,110	3,800	4,130	2,990	940
Bed Investment	770	440			
Building improvements	2,520	3,140	2,430	1,660	1,520
Windsor renal unit extension	640				
Reading Linac Project	-	-	270	1,050	5,250
EPR (including Cymbio)	-	-	7,550	3,620	11,810
CRS	930	-	700		
Theatre Instruments	-	-	-	610	
Pre Op Assessment	-	-	-	-	40
Main Hospital Site	-	630	3,350	1,140	
Other smaller projects	220	80	820	-	2,460
IT infrastructure	1,440	3,910	2,280	1,600	3,400
Other IT Projects	-	-	-	-	110
Development by Subsidiary					
Main Hospital Site	-	4,570	220	1,680	
Bracknell - building, development and equipment	-	9,500	3,180	13,550	2,300
Total Capex	10,630	26,070	24,930	27,900	27,830

Source: Monthly CFO reports

After an initial increase in 2008/09, annual capital expenditure has remained broadly consistent over the remaining 4 years.

The increase in 2008/09 was attributable to the purchase of the property used for the Bracknell clinic as well as Princes House.

This level was maintained in 2009/10 by the first payments relating to the EPR project as well as continued investment in the renovation of the Bracknell property.

Further substantial investment in improvements to the Bracknell property were undertaken in 2010/11 along with further EPR expenditure.

In 2011/12 additional significant payments were made for EPR and for the Reading Linac project.

Cash flow review – the major areas of cash outflow are investments in tangible non-current assets and financial current assets. The major cash inflows (excluding operating activities) are from loan draw downs.

PwC view – cash flow during the final four years of the review period has been supported significantly by loan draw downs.

Historical Cash Flow

£ in 000s	2007/08 act	2008/09 act	2009/10 act	2010/11 act	2011/12 act
Operating surplus	13,328	15,740	9,192	7,991	8,375
Depreciation and amortisation	8,601	10,301	11,416	12,152	13,649
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal of donated assets	(445)	(291)	(259)	(266)	-
Release of deferred Government Grants	(1)	(71)	(88)	(98)	(1,520)
Operating cash flows before movements in working capital	21,483	25,679	20,261	19,779	20,504
(Increase)/decrease in Inventories	(251)	(566)	(1,135)	514	(240)
(Increase)/decrease in receivables	(288)	(1,925)	(2,991)	4,416	6,034
Increase/(decrease) in payables	240	(5,683)	9,406	1,500	1,713
Increase/(decrease) in other liabilities	-	241	-	-	-
Increase/(decrease) in provisions for liabilities and charges	1,264	(3,033)	2,516	2,443	2,496
Increase/(decrease) in working capital	965	(10,966)	7,796	8,873	10,003
Increase/(decrease) in non-current payables	-	-	-	-	1,800
Net cash inflow/(outflow) from operating activities	22,448	14,713	28,057	28,652	32,307
Cash flow from investing activities					
Interest received	1,454	963	106	274	134
Payments to acquire tangible non-current assets	(8,225)	(26,318)	(20,199)	(29,977)	(24,117)
Receipts from sale of tangible non-current assets	1,028	41	45	7	-
Sales / (Purchases) of financial current assets	(10,600)	9,600	(2,000)	(8,500)	(6,500)
Payments to acquire intangible non-current assets	(382)	(611)	(1,473)	(1,092)	(180)
Net cash inflow/(outflow) from investing activities	(16,725)	(16,325)	(23,521)	(39,288)	(30,663)
Cash flow from financing activities					
Loans received from Foundation Trust Financing Facility > 1 year	-	12,000	2,000	19,000	8,000
Loans repaid to Foundation Trust Financing Facility	-	-	-	-	(2,169)
Capital element of finance lease rental payments	-	-	(48)	(69)	(24)
Interest paid	-	-	(551)	(385)	(1,407)
Interest element of finance lease	-	-	(33)	(7)	(1)
PDC Dividends paid	(6,366)	(6,774)	(6,818)	(7,029)	(5,610)
Net cash inflow/(outflow) from financing	(6,366)	5,226	(5,450)	11,510	(1,211)
Net cash outflow/inflow	(643)	3,614	(914)	874	433

Source: Financial Statements

Operating cash flows before movements in working capital have remained relatively consistent across the period, with a higher level seen in 2008/09.

Working capital movements fluctuate significantly from a decrease of £11.0m in 2008/09 to an increase of £10.0m in 2011/12.

The major burdens on cash flow during the period are payments to acquire tangible non-current assets [see capital expenditure analysis for further detail] and purchases of financial current assets (short term National Loan Fund investments).

These substantial purchases have been funded by loans received from the Foundation Trust Financing Facility in addition to net cash flows from operating activities.

Selected information

	Selected information	34
3	Quarterly income & expenditure	35

Quarterly Income & Expenditure

	2007/08				2008/09				2009/10			
£ in 000s	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NHS Income	55,460	59,760	59,910	60,600	63,450	65,690	68,700	67,340	65,839	68,150	67,559	67,036
Non-NHS Income	4,420	4,200	4,500	5,770	4,510	4,380	5,500	5,460	5,227	5,175	5,869	5,562
Total income	59,880	63,960	64,410	66,370	67,960	70,070	74,200	72,800	71,066	73,325	73,428	72,598
Non-agency pay costs	(35,683)	(36,960)	(37,617)	(38,125)	(38,716)	(38,648)	(39,622)	(39,731)	(41,800)	(41,555)	(41,888)	(41,149)
Agency costs	(681)	(881)	(789)	(1,162)	(1,418)	(2,213)	(3,215)	(3,232)	(3,036)	(2,349)	(1,356)	(3,311)
Agency costs as a % of total expenditure	1.3%	1.5%	1.3%	1.9%	2.3%	3.5%	4.8%	4.9%	4.6%	3.5%	2.0%	4.8%
Agency costs as a % of total pay costs	1.9%	2.3%	2.1%	3.0%	3.5%	5.4%	7.5%	7.5%	6.8%	5.4%	3.1%	7.4%
Other	(17,856)	(20,619)	(20,554)	(21,763)	(21,685)	(22,560)	(24,363)	(23,347)	(21,887)	(23,706)	(23,710)	(24,059)
Total expenditure	(54,220)	(58,460)	(58,960)	(61,050)	(61,820)	(63,420)	(67,200)	(66,310)	(66,723)	(67,611)	(66,954)	(68,519)
Surplus/(Deficit) from operations [EBITDA]	5,660	5,500	5,450	5,320	6,140	6,650	7,000	6,490	4,343	5,714	6,474	4,079
EBITDA Margin	9%	9%	8%	8%	9%	9%	9%	9%	6%	8%	9%	6%

	2010/11				2011/12			
£ in 000s	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NHS Income	67,969	70,178	69,211	72,549	69,630	71,622	73,552	76,853
Non-NHS Income	5,570	5,567	6,167	5,897	5,485	6,926	5,702	7,644
Total income	73,539	75,745	75,377	78,446	75,115	78,549	79,254	84,497
Non-agency pay costs	(42,627)	(43,028)	(43,624)	(43,864)	(43,895)	(44,137)	(45,041)	(45,138)
Agency costs	(2,602)	(2,112)	(1,364)	(1,519)	(1,386)	(1,374)	(1,621)	(1,263)
Agency costs as a % of total expenditure	3.8%	3.0%	2.0%	2.1%	2.0%	1.9%	2.2%	1.7%
Agency costs as a % of total pay costs	5.8%	4.7%	3.0%	3.3%	3.1%	3.0%	3.5%	2.7%
Other	(23,291)	(25,639)	(24,669)	(27,463)	(25,474)	(28,042)	(27,336)	(29,147)
Total expenditure	(68,521)	(70,780)	(69,657)	(72,846)	(70,755)	(73,553)	(73,998)	(75,548)
Surplus/(Deficit) from operations [EBITDA]	5,018	4,965	5,720	5,600	4,360	4,996	5,256	8,949
EBITDA Margin	7%	7%	8%	7%	6%	6%	7%	11%

Source: Quarterly Monitor submissions and detailed payroll schedules provided

Average Income & Expenditure by quarter

£ in 000s	Q1	Q2	Q3	Q4
NHS Income	64,470	67,080	67,786	68,876
Non-NHS Income	5,042	5,250	5,547	6,067
Total income	69,512	72,330	73,334	74,942
Non-agency pay costs	(40,544)	(40,866)	(41,558)	(41,601)
Agency costs	(1,825)	(1,786)	(1,669)	(2,097)
Agency costs as a % of total expenditure	2.8%	2.7%	2.5%	3.0%
Agency costs as a % of total pay costs	4.3%	4.2%	3.9%	4.8%
Other	(22,039)	(24,113)	(24,126)	(25,156)
Total expenditure	(64,408)	(66,765)	(67,354)	(68,855)
Surplus/(Deficit) from operations [EBITDA]	5,104	5,565	5,980	6,088
<i>EBITDA Margin</i>	<i>7%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>

Source: Quarterly Monitor submissions and detailed payroll schedules provided

Appendices

Appendices		37
1	Scope & process: supplementary information	38
2	Contract	40

Scope and process: supplementary information

Scope	Process
Scope	<p>We have undertaken the analysis set out in our engagement letter, with the following exceptions :</p> <ul style="list-style-type: none"> • Due to the impact of the transition to IFRS in 2009/10 not being material to the financial statements we have not commented on this movement.
Review process	<p>Our work was performed over a 4 week period commencing 21 May 2012. We spent time on site with members of the finance team at the Trust, in particular:</p> <ul style="list-style-type: none"> • Graham Butler • Angela Gardiner [balance sheet] • John Atkinson [income] • Perry Lewis [projects] • Darren Gatward [payroll] • Paul Douglas [income] <p>Our benchmarking work has drawn on information in the public domain, together with information collated from the HED system, an analytics suite developed by University Hospitals Birmingham which draws on HES and other datasets.</p>

Scope and process: supplementary information (cont'd)

Scope	Process
Access to information	<p>We have reviewed the following categories of information in the course of our work, together with supporting analyses prepared by the Trust:</p> <ul style="list-style-type: none"> • Audited financial statements for each year under review (draft for 2011/12); • Monthly management accounts and narrative Finance reports to the Board for each year under review; • Copies of year end external audit reports (ISA 260) for each year under review (except 2011/12); • Annual plan submitted to Monitor for each year under review; and • Quarterly returns submitted to Monitor for each year under review. <p>It should be understood that this should not be taken as an assertion that we have reviewed each and every page of these documents or that we have identified all matters included in these documents that may be relevant. Our review of these documents has only been what we consider appropriate in the context of the scope of our work as set out in our engagement letter.</p>
Basis of our work	<p>We have not carried out anything in the nature of an audit nor, except where otherwise explicitly stated, have we subjected the financial or other information contained in this report to checking or verification procedures. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of the information in this report, except where otherwise stated.</p>
Management representations	<p>We have shown a draft of this report to [the CEO of the Trust, and the Director of Finance], who have confirmed that, to the best of their knowledge and belief, it does not contain any material error of fact, there has been no material omission and it fairly sets out the recent results, state of affairs and prospects of the Trust. To the extent that we consider appropriate, we have incorporated their comments in this report.</p>



Private & Confidential

Craig Anderson
Director of Finance
Royal Berkshire NHS Foundation Trust
London Road
Reading
RG1 5AN

21 May 2012

Dear Craig

Quality of earnings review

We refer to the letter dated 16 April 2012 and its attached terms of business (version ToB 02) together form the agreement under which we were engaged by you to provide follow up review key contracts (Computer Sciences Corporation), the financial performance of the Trust and learned in the EPR programme. This letter should be read alongside that engagement letter together form the terms under which we are performing the Quality of Earnings Review.

The additional services

You have instructed us to provide additional services set out in Schedule A to this letter: Quality of earnings review for the five year period ending 31 March 2012.

Our scope may however be constrained by limitations in information available from the Trust deadline. Where this is the case we will report this in our final deliverable.

Timetable and duration

This is explained in the attached schedule.

Staffing

Clive Everest is the person in charge of providing the overall services to you, assisted by Har Aldridge and such other staff as we believe are required. If we believe that it is necessary to change any of the named individuals we will let you know.

Client contact

You have designated Craig Anderson to be our primary contact when delivering the additional services as a person with the knowledge, experience and ability to make decisions in relation to the services and our recommendations.

Fees

Our fees for the additional services will be calculated on the same basis as described in the agreement and in our accompanying terms of business. Details of fees are as stated in Schedule A.

Yours sincerely

Clive Everest

Partner
For and on behalf of PricewaterhouseCoopers LLP

CONFIRMATION OF AGREEMENT TO TERMS

I accept the contents of this letter for and on behalf of Royal Berkshire NHS Foundation Trust.

Signed:

Print Name:

Position:

Date:

Schedule A. Quality of earnings review for the five year period ending 31 March 2012

This schedule sets out the scope of these specific services that we will provide under our engagement letter dated 16 April 2012. Any terms contained within this schedule apply only to the services specified in this schedule.

The services

You have engaged us to undertake a review of the Trust's quality of earnings for the five year period ending 31 March 2012.

The scope of our review will be:

Profit and loss review to cover the five years ended 31 March 2012

Prepare and comment upon a summary of results which shows:

- Analysis of revenue and profitability; and
- Revenue, direct costs and margins, gross profit, overheads, Earnings Before Interest and Tax (EBIT), Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Earnings Before Interest, Tax, Depreciation, Amortisation and Rent (EBITDAR), including related ratios and trend analyses (such ratios to be agreed with the Trust).

Comment upon historical trends where appropriate; including:

- Income by source and service;
- Contractual arrangements, and any changes in forms of revenue funding, such as between PbR and block contracts;
- Overview of direct and indirect costs, including employee and agency costs;
- To the extent possible, analysis of the fixed vs. variable nature of the cost base;
- Seasonality;
- Changes in accounting policies or estimates in the period, including the transition to IFRS;
- Impacts of organisational or structural change (such as: mergers; closing, opening, expanding or contracting significant services; outsourcing or operating any shared services);
- One-off costs or benefits in income or expenditure in any periods that significantly distort the underlying trends (such as: impairments; redundancies or other provisions; legal or contractual settlements; profits on asset sales; deferment of costs such as property maintenance or training below "normal" levels; etc);
- Impact of significant investments such as Bracknell and EPR on reported profits; and
- Summary of major income generating and cost saving initiatives within CIP programmes, and whether these represented permanent or temporary financial improvements, or deferment of costs to future years.

Obtain or prepare "bridges" of Revenue and Expenditure from the year ended 31 March 2008 to the year ended 31 March 2012 on an "as reported" basis.

Review or prepare pro forma P&L accounts for the 5 years, adjusting for the impact of one off items identified above, to show underlying trend of financial performance, with appropriate ratio analysis on key measures such as EBITDAR.

Balance sheet review

In order to inform our work on profit and loss, for the balance sheets dated 31 March 2008, 31 March 2009, 31 March 2010, 31 March 2011 and 31 March 2012 we will consider:

Statement of net assets:

- Significant trends; and
- Accounting policies, and any changes in accounting policies over the last 5 years (including the transition to IFRS).

Fixed assets at each balance sheet date:

- Overview of assets by location/activity;
- Any changes of basis of valuation or depreciation rates in the period; and
- Any unusual transactions, changes of use, asset sales or impairments that have impacted on reported earnings trends.

Working capital:

- Key ratios and trends over the course of each year;
- Analysis of inventory and associated reserves/provisions at each balance sheet date; and
- Analysis of trade debtors and related provisions at each balance sheet date.

Other assets and liabilities:

- Summary of other assets and liabilities; unusual items; significant fluctuations;
- Summarise provisions, whether included in current assets, liabilities or elsewhere in the balance sheet, and consider impact on underlying earnings; and
- Financing – consider financing costs (interest rates and nominal value of debt) and whether there are any elements within finance charges that distort reported trends.

Other matters

Summarise and comment on the following:

- Benchmarking of the Trust's financial performance on earnings (as reported and as adjusted in pro forma results above) with other local Foundation Trusts, considering appropriate ratios;
- Benchmarking of the Trust's financial performance on earnings (as reported and as adjusted in pro forma results above) with financially high-performing Foundation Trusts, considering appropriate ratios; and
- Benchmarking of the Trust's clinical efficiency performance with other local Foundation Trusts.

Deliverables

Our deliverable will be a long-form report addressed to you, detailing our findings. We will also prepare a standalone Executive Summary document suitable for briefing Board members and Governors.

Quality assurance

The person identified in our engagement letter as being in charge of providing the services to you, will be responsible for performing an oversight of the work undertaken by PwC. Quality Assurance of the project outputs/outcomes remains the responsibility of the Royal Berkshire NHS Foundation Trust unless otherwise stated above.

Your responsibilities

In order to complete this work, we will need assistance from, and access to, key stakeholders within the Trust and externally as outlined above. We will also need access to historic financial information and historic clinical performance information.

Timetable and duration

The timetable we have discussed and agreed with you is as follows:

Date	Milestone
21 May 2012	Trust to provide information set out in the information request list
w/c 28 May 2012	PwC to provide written queries arising from initial desktop analysis to the Trust
w/c 4 June 2012	Meetings to be held with Trust finance team to discuss queries
w/c 11 June 2012	PwC to issue early draft report for initial review by Director of Finance
w/c 18 June 2012	PwC to issue updated draft report for wider circulation within Trust
TBC	PwC to issue final report reflecting feedback from Trust.

This schedule is predicated on the assumption that the Trust will be able to provide all the requisite data and management information in time for us to meet the delivery milestones.

Fees and billing

We expect the cost to be £45,000 excluding VAT (if applicable). Out of pocket expenses incurred in completing your services will be added to your fees. We will invoice 50% of this value when we submit our draft report, with the remaining 50% to be billed when the report is finalised.

This fee is predicated on the assumption that the Trust will be able to provide all the requisite data and management information in time for us to meet the delivery milestones. If this documentation is not available, and additional resources are required to execute this review, we will advise you as soon as possible.

Limitations

The services will not constitute an audit or other assurance engagement.

Agenda item 6 - WBCH Utilisation

Peter Malone – Group Director - Planned Care Group

Donna Rowell – Directorate Manager – Specialist Surgery,
Theatres, Anaesthetics and WBCH

WBCH Utilisation

- The presentation focuses on two aspects of the utilisation of WBCH
 - Theatre
 - Outpatients
- Factors affecting the utilisation of Theatres - environmental issues e.g. closing the theatres, Change of practice, Consultant only lists, patients co-morbidity and patient choice.
- Outpatients utilisation – wide ranging: patient choice, Choose and Book, GP awareness of services offered and waiting times, clinics held once a month, affecting waiting times, MDT approach to services.

Changes since December 2011

- **Additional Clinics underway**
 - Expansion of hip clinics, Foot & Ankle clinics, Increase in breast clinics (1 per week)
 - Development of a Hand soft tissue service
- **Additional clinics under review for expansion**
 - General ENT (improve waiting times), ENT Paediatric clinics (2 per month)
 - Infant Hip clinics
- **Re-energised the West Berks Utilisation Group**
 - GP representative included and clinical representation from each of the Care Groups.
- **Working with CCGs/PCT**
 - Notification of waiting times for services at WBCH and Marketing services
- **Development of a marketing DVD**
- **Open evening** - held for GPs, Trustees and specialties – very positive feedback.
- **Monthly GP education sessions.**

- The two theatres at WBCH are scheduled on a 5 week rota.
- Since the restructure, theatres at WBCH now under the remit of the DM and Matron for Theatres at WBCH.
- Focus has been placed by the Matron and DM to develop robust relationships with the staff, understand the service and conduct a review of the utilisation of the theatres.
- Specialities operating at WBCH include:
 - ☐ Dental Surgery
 - ☐ Orthopaedics
 - ☐ Podiatry Surgery
 - ☐ Ophthalmology
 - ☐ Plastic Surgery
 - ☐ ENT
 - ☐ Dermatology
 - ☐ General Surgery
 - ☐ Gynaecology

Current Theatre Schedule

WEEK 1

MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY	
AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
<u>Ophthal</u>	Dental	Ortho	Ortho	<u>Ophthal</u>	<u>Ophthal</u>	<u>Gynae</u>	<u>Ophthal</u>	Plastics	Plastics
<u>Pod Surg</u>	Plastics	General	<u>Derm</u>	Ortho	<u>Pod Surg</u>	Ortho	Ortho	General	

WEEK 2

MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY	
AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
<u>Ophthal</u>	Dental	Ortho	Ortho	<u>Ophthal</u>	<u>Ophthal</u>	<u>Gynae</u>	<u>Ophthal</u>	Plastics	Plastics
<u>Pod Surg</u>	Plastics	General		Ortho	<u>Pod Surg</u>	Ortho	Ortho	General	

WEEK 3

MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY	
AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
<u>Ophthal</u>	Dental	Ortho	Ortho	<u>Ophthal</u>	<u>Ophthal</u>	<u>Gynae</u>	<u>Ophthal</u>	Plastics	Plastics
<u>Pod Surg</u>	Plastics	General	<u>Derm</u>	Ortho	<u>Pod Surg</u>	Ortho	Ortho	General	

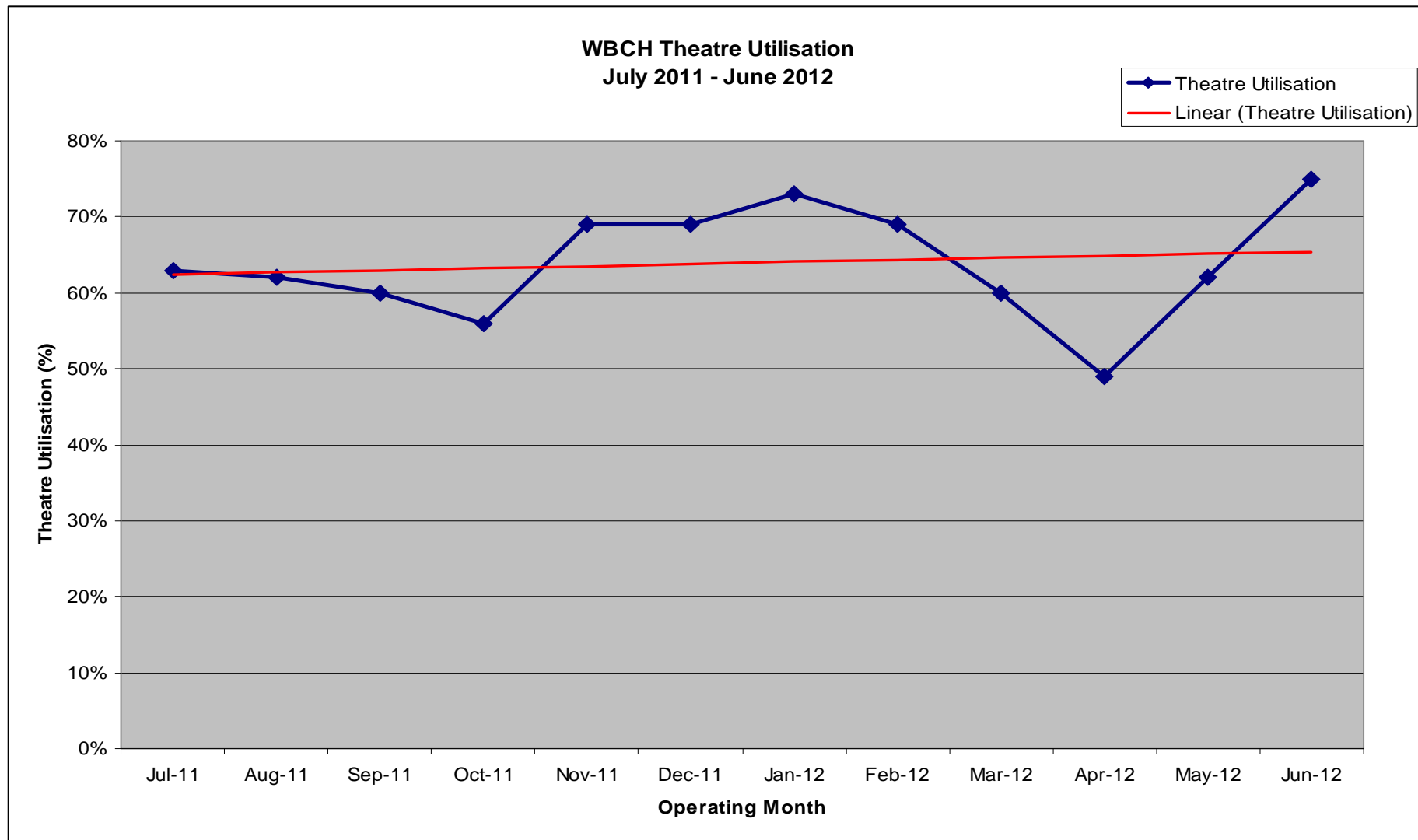
WEEK 4

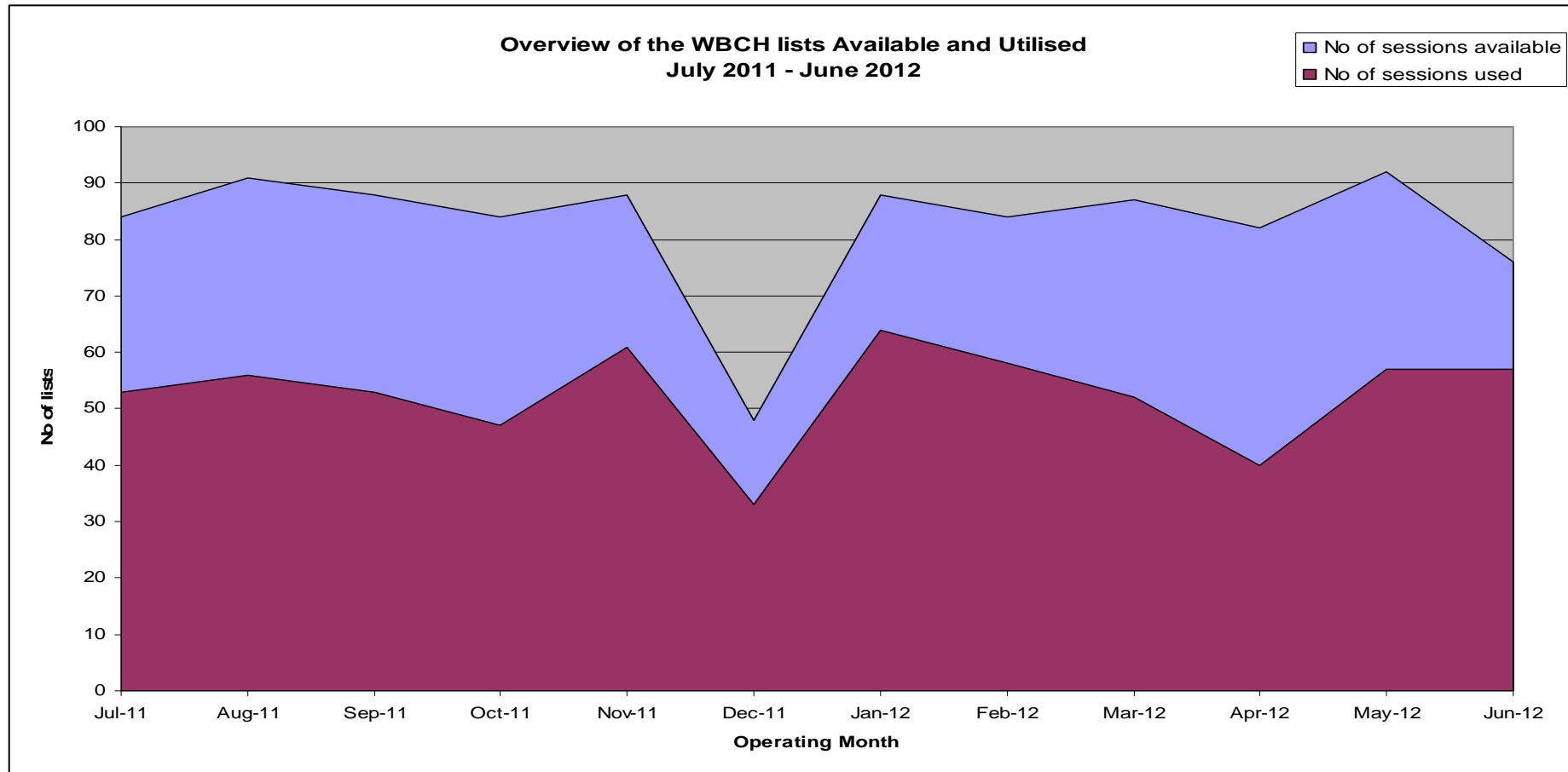
MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY	
AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
<u>Ophthal</u>	Dental	Ortho	Ortho	<u>Ophthal</u>	<u>Ophthal</u>	<u>Gynae</u>	<u>Ophthal</u>	Plastics	Plastics
<u>Umeh</u>	Plastics	General	<u>Derm</u>	Ortho	<u>Pod Surg</u>	Ortho	Ortho	General	

WEEK 5

MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY	
AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
<u>Ophthal</u>	Dental	Ortho	Ortho	<u>Ophthal</u>	<u>Ophthal</u>	<u>Gynae</u>	<u>Ophthal</u>	Plastics	Plastics
<u>Pod Surg</u>	Plastics	General		Ortho	<u>Pod Surg</u>	Ortho	Ortho	General	

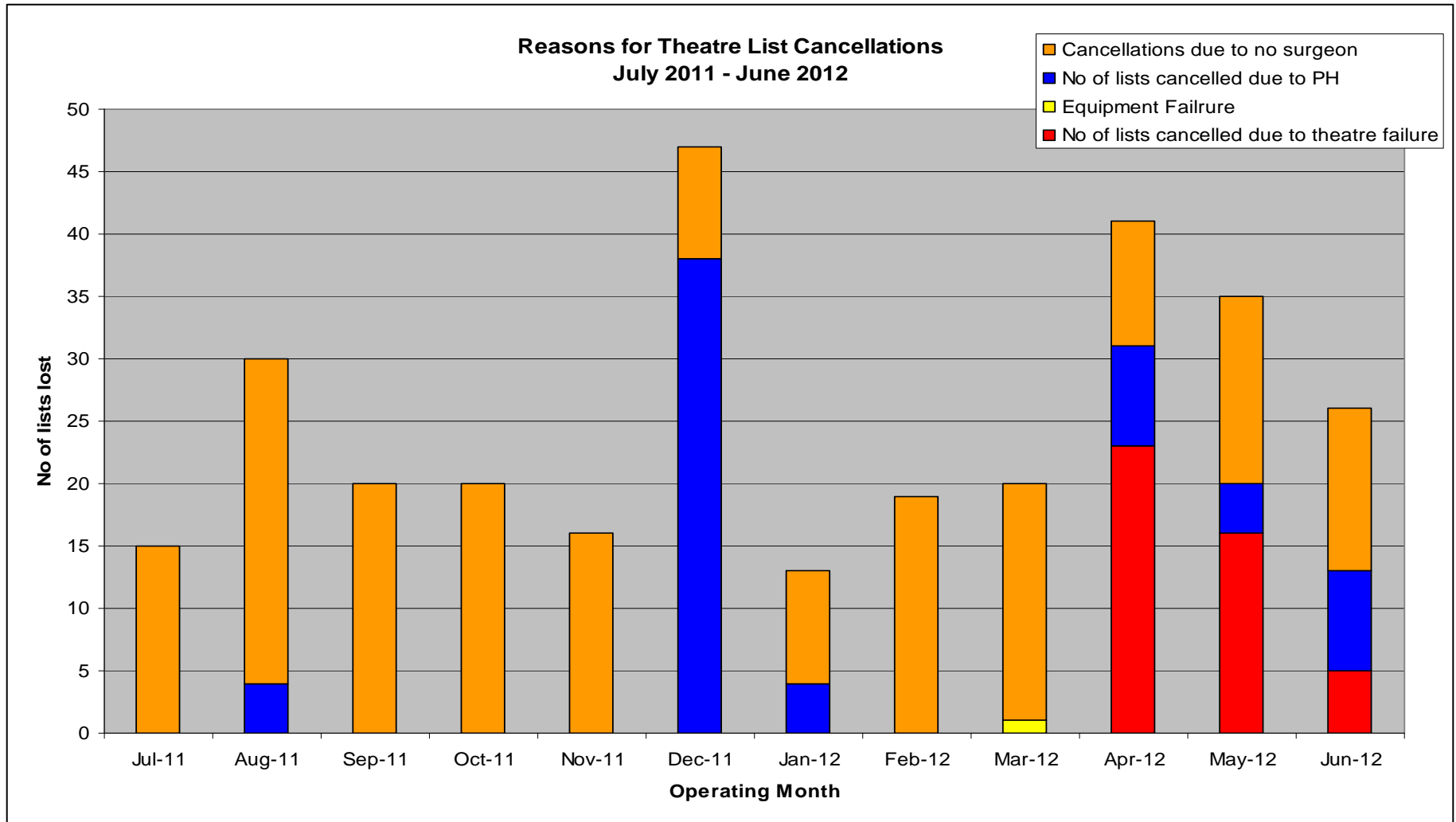
WBCH Theatre Utilisation





The utilisation of theatres is fairly consistent each month however during April and May both theatres were subject to periodic closures due to environmental factors beyond the control of theatres.

Why are Theatres Lists Cancelled?

























Outpatients at WBCH

- Most specialties have a presence at WBCH
- Variation between types of clinics held at WBCH compared to RBFT
- Variation in clinic templates between RBFT and WBCH
- A review of referrals from Newbury GP practices demonstrated a significant proportion of patients are seen at RBFT rather than WBCH.
- In 2010/11 – 19506 referrals received only 9578 were seen in WBCH (49%)
- In 2011/12 – 21909 referrals received with 8033 patients being seen at WBCH (37%).
- 8% reduction of patients being seen at WBCH between 2010/11 and 2011/12
- Focus being placed on each specialty and how Newbury patients can be seen closer to home.

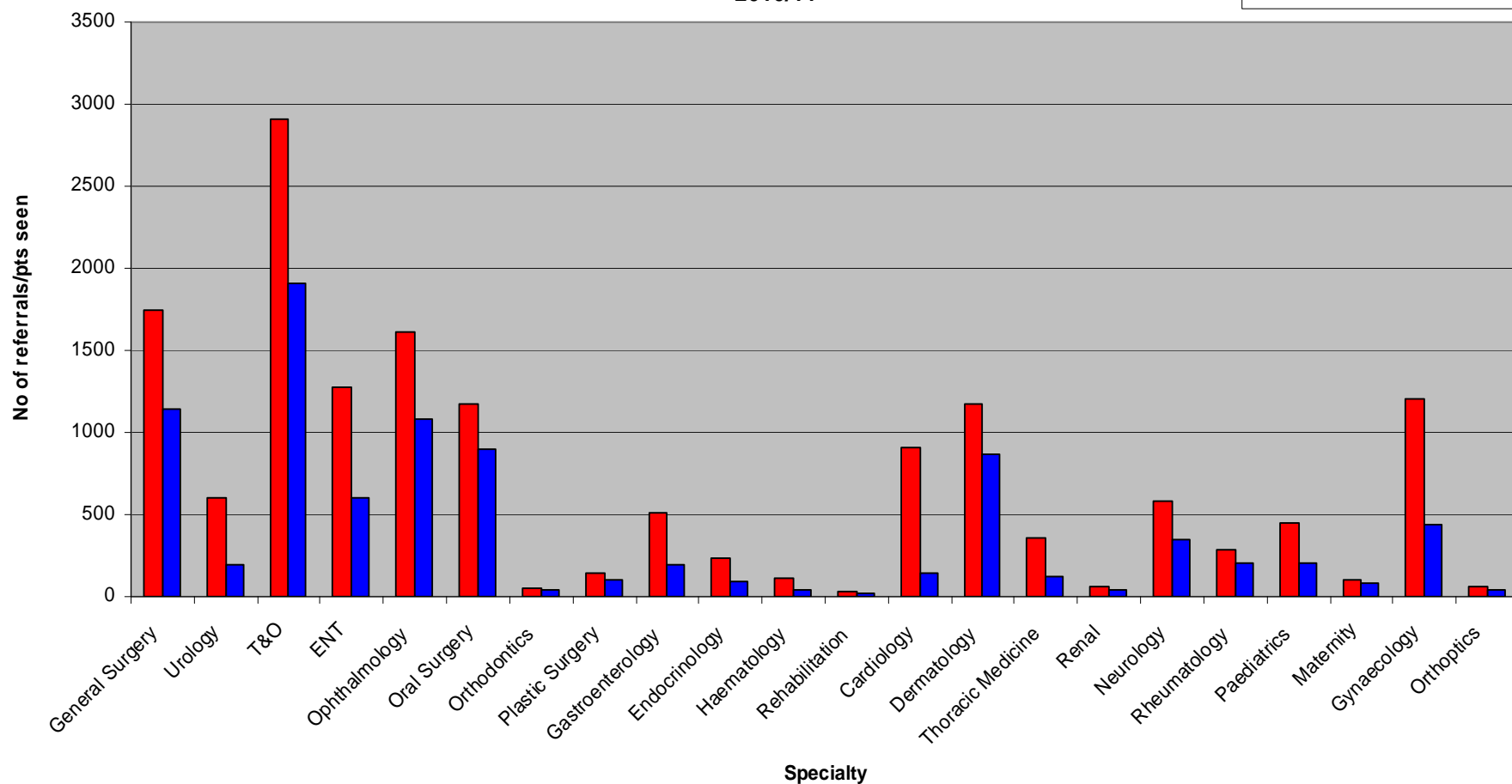
Where have changes occurred?

- 10 specialties have increased the number of patients being seen locally.
- Increases have ranged between 1 -18%
- Information presented to the WBCH utilisation group.
- Specialties using this information to explore how they can increase the number of patients being seen at WBCH rather than RBFT.
- Changes already proposed by urology, orthopaedics, plastics to improve access to clinics at WBCH for Newbury patients these changes will be reflected in 2012/13 date
- Increase in the number of specialist nurse clinics now being held at WBCH.

Referral	2010/11	2011/12	Variation
General Surgery	66%	67%	
Urology	33%	27%	
T&O	66%	67%	
ENT	47%	51%	
Ophthalmology	67%	51%	
Oral Surgery	77%	65%	
Orthodontics	87%	91%	
Plastic Surgery	74%	80%	
Gastroenterology	39%	45%	
Endocrinology	40%	44%	
Haematology	37%	34%	
Rehabilitation	76%	71%	
Cardiology	16%	14%	
Dermatology	74%	50%	
Thoracic Medicine	35%	37%	
Renal	69%	73%	
Neurology	59%	56%	
Rheumatology	70%	58%	
Paediatrics	45%	33%	
Maternity	73%	54%	
Gynaecology	37%	28%	
Orthoptics	67%	84%	

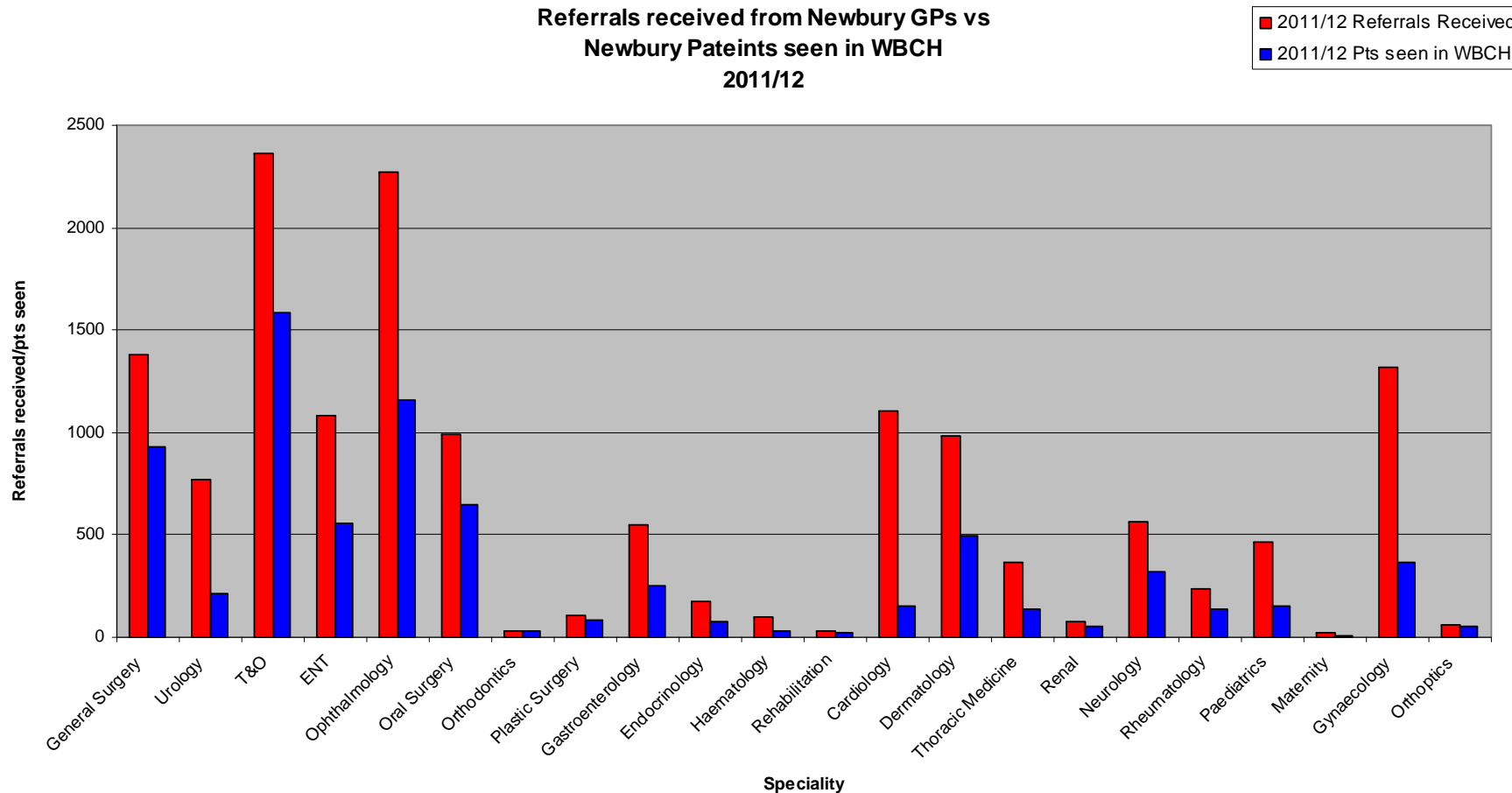
Breakdown by specialty of referrals received from Newbury GPs compared to the number of patients seen in WBCH in 2010/11

Referrals received from Newbury GPs vs
Newbury Patients seen in WBCH
2010/11

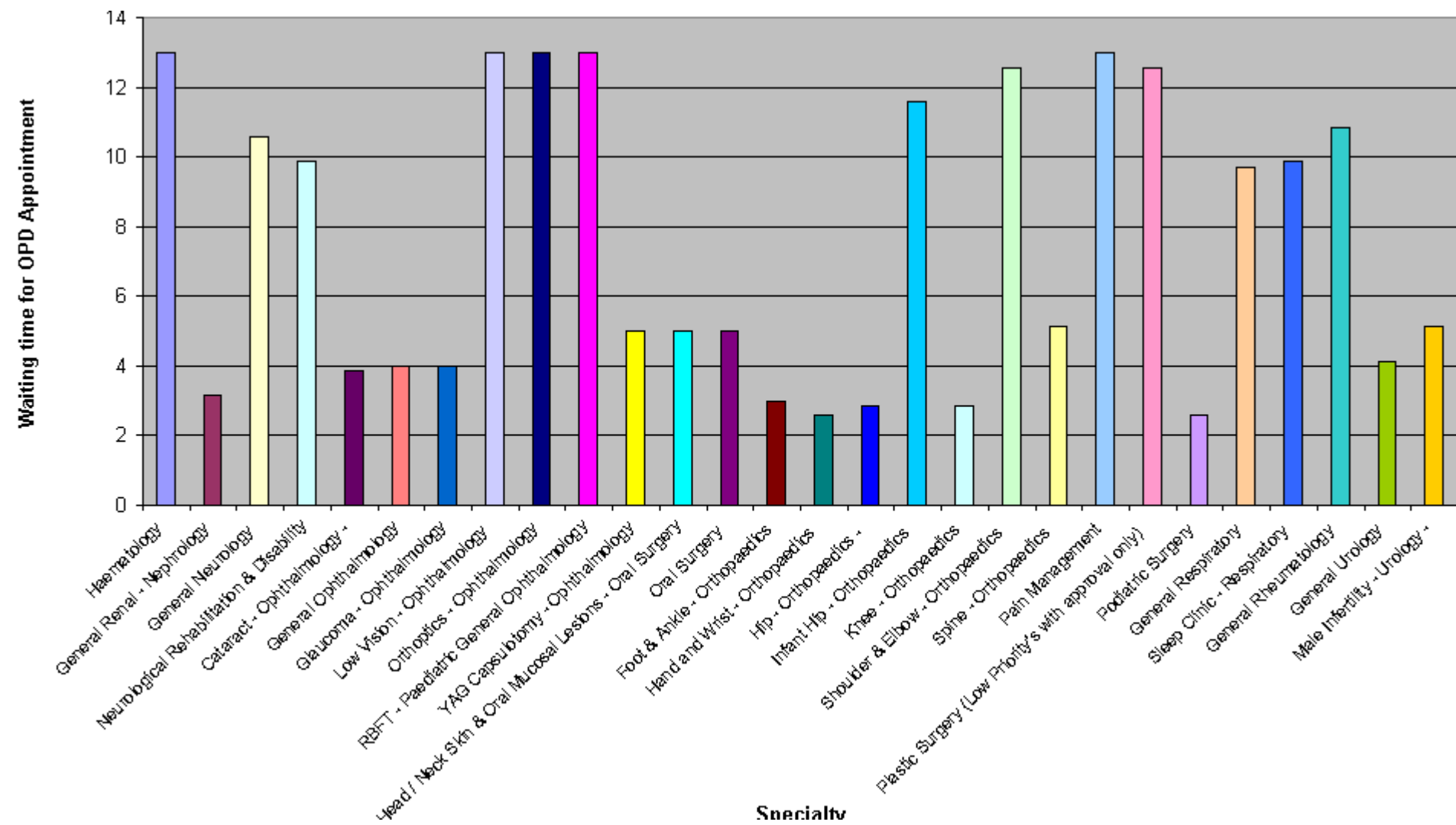


Breakdown by specialty of referrals received from Newbury GPs compared to the number of patients seen in WBCH in 2011/12

Referrals received from Newbury GPs vs
Newbury Patients seen in WBCH
2011/12



Snapshot of Indicative Waiting Times of Specialties at WBCH



Areas for Development - Theatres

- Each specialty to undertake a review of the daycases undertaken at RBFT and whether these could be carried out at WBCH
- What are the limiting factors for carrying out a range of daycase procedures at WBCH – e.g. patient co-morbidities, equipment, patient choice.
- Complete the Endoscopy project and recommence the endoscopy service being undertaken at WBCH again utilising the new room and equipment funded by the WBCH Trustees.
- General anaesthetic list for Plastic Surgery to repatriate simple GA daycase patients from Oxford
- Exploring the repatriation of vascular access surgery from Oxford – list per month

Summary of Development Areas

- Monthly clinical sessions (education & networking) led by Consultants
- Expansion in the provision of services offered by Plastic Surgery (GA lists)
- New Lucentis service to commence in August
- Shoulder day case service (pilot list)
- Commencement of the Soft Tissue Hand Service – repatriation of work from other Providers.
- Flexible sessions within specialties
- Working with specialties to review how WBCH can be further utilised.
- Continue working with the CCG lead for Newbury to best promote WBCH

Board of Directors

Title: Impact of Delays from Patients Medically Fit for Transfer and Whole System Response

Date: 31 July 2012

Lead: Caroline Ainslie
Supported by: Lindsey Barker
Lisa Glynn

Purpose: This report is to update the Board on the performance, action and strategy in respect of delayed transfers of care and patients medically fit for discharge.

Key Points:

- There has been a steady increase in delayed transfers of care over the past year.
- The number of patients medically fit for transfer has risen from 50 in September 2011 to 72 in May 2012.
- Delays have impacted on the operational, quality and financial performance of the hospital.
- System wide actions are in place and ongoing to address delays.
- Care Groups are focusing on reducing internal delays and bed reconfiguration to develop a step down facility for patients who no longer require acute care.

Decision required: The Board is asked to NOTE the report.

FOI Status This report will be made available on request.

1 Background

- 1.1 Delayed transfers can have a crippling operational, quality and financial impact.
- 1.2 The CEO highlighted the impact of delayed transfers in his June 2012 Board report.
- 1.3 It is important to differentiate between patients who are reported as delayed transfers of care (DTC) and patients who are medically fit for discharge (MFFD).
- 1.4 DTC's are patients who are declared medically fit by the multi-disciplinary team, relevant procedures completed and agreement with social services that they are officially reported as delayed transfers of care.

1.5 The national definition (from SITREP Definitions and Guidance) states:

(a) A delayed transfer of care occurs when a patient is ready for transfer from acute care, but is still occupying a bed designated for such care. A patient is ready for transfer when

(i) A clinical decision has been made that patient is ready for transfer **AND**

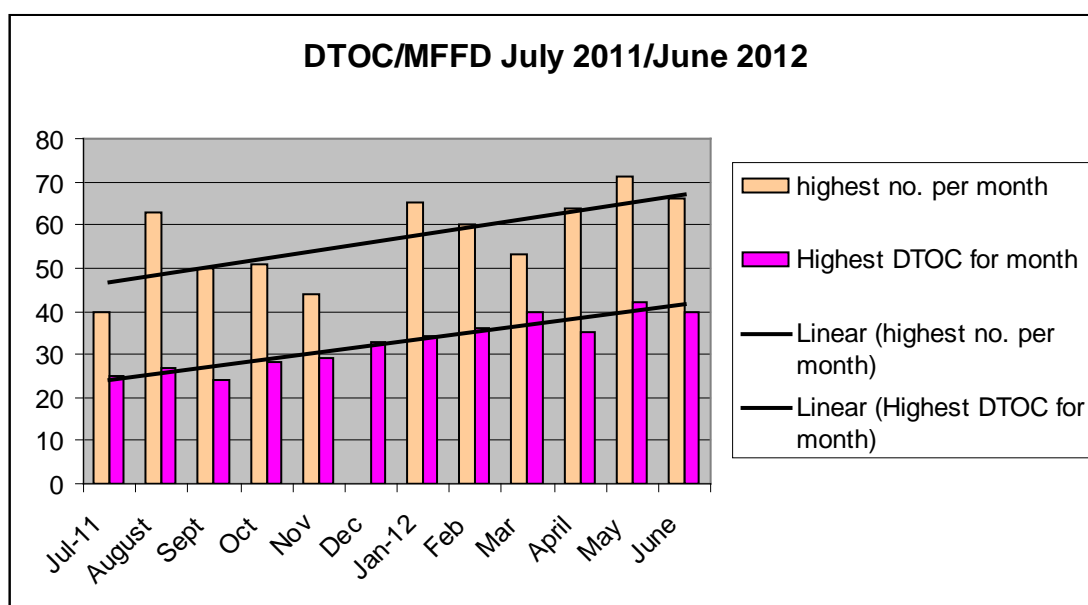
(ii) A multi-disciplinary team decision has been made that patient is ready for transfer **AND**

(iii) The patient is safe to discharge/transfer.

1.6 MFFD are patients who are medically fit but waiting for a package of care, intermediate care, nursing or residential home or community bed. It is acknowledged by the PCT that these patients present a significant burden on acute bed capacity.

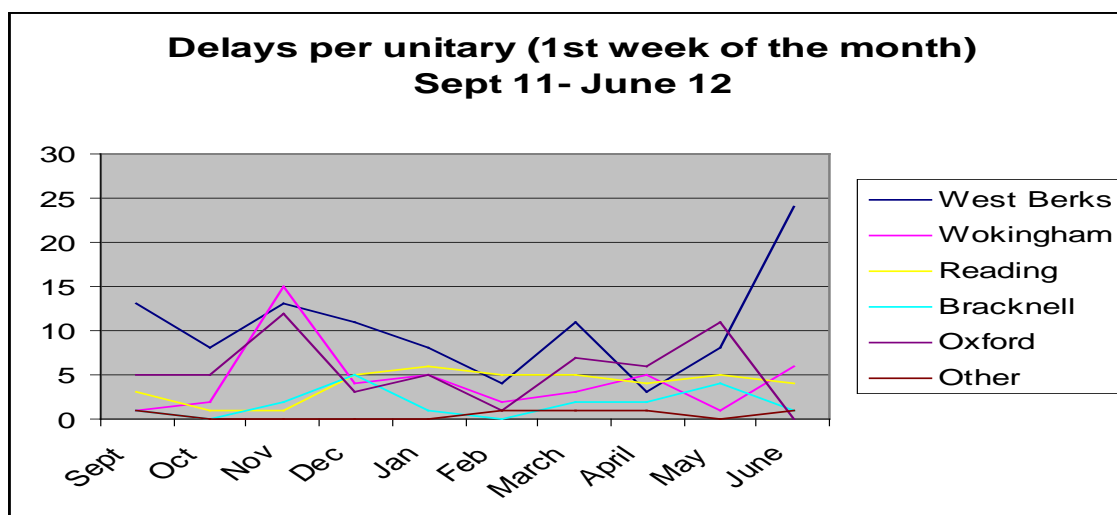
2 Performance on Delayed Transfers of Care

2.1 There has been an increase in MFFD including DTOC patients over the past year.



2.2 Bed capacity pressures have been compounded by a significant increase of MFFD patients rising from 50 in September 2011 to 72 in May 2012.

2.3 The number of delays within the West Berkshire locality is consistently higher than other local authorities. In addition to having the highest number of patients, the length of days for West Berkshire patients is considerably higher. It is noted that local authority funding in West Berkshire is the lowest per capita nationally.



3 A ward snapshot was undertaken across the Health Economy in March 2012.

- 3.1 27% of patients at the RBH and 38% in community beds were considered too fit for the level of care. Across the economy 72 patients were waiting for social services and 49 for community care.
- 3.2 28% (21-33%) of RBH patients could have been in a lower acuity setting, although some were waiting for diagnostics or procedures, highlighting opportunities for improvement of internal productivity
- 3.3 Occupancy rates ranged from 90% in Planned to 98% in Networked Care. Stroke, acute trauma and elderly care patients are most frequently displaced out of specialty as these are the areas where occupancy is highest.

4 Operational, quality and financial impact

- 4.1 The Trust has had 72 additional escalation beds open since October 2011. Only 31 of these additional beds have been closed and this has taken place in the last month. In previous years additional winter capacity has been closed by March/April.
- 4.2 Although A&E attendance rates have been comparable to previous years A&E performance has been significantly affected by the lack of downstream bed capacity. Lack of flow through the Clinical Decision Unit (CDU) has meant that GP medical referrals have been diverted via A&E causing a backlog of work.
- 4.3 Medical patients have been “outlied” on surgical wards throughout this period. This means that medical patients are dispersed throughout the hospital making teams less efficient and reducing throughput.

- 4.4 Whilst length of stay for non-elective patients remains low quote benchmarking figures. The consequences of teams having patients spread across the hospital undoubtedly has an impact on efficiency.
- 4.5 There has been an increase in the number of hospital acquired grade 3 and 4 pressure ulcers and patient falls over the corresponding time period. Root cause analysis has demonstrated links to escalation capacity and the increased use of temporary staffing.
- 4.6 Increased numbers of patient moves for non-clinical reasons reduces continuity of care and results in a poorer patient and family experience.
- 4.7 The increased instance of higher levels of medically fit for discharge patients in quarter 1 averages 56 in April and 36 in May and June. The cost of our escalation ward is approximately £175 per bed per day plus ward management costs of £4k per month. In addition, in June we have had to employ more expensive Thornbury staff at an incremental cost of £20k and locum doctors at an incremental cost of £2,500.
- 4.8 The cost of the additional capacity amounts to circa £712K for 128 patients from April to June 2012.

5 Actions and progress to date

- 5.1 West Berkshire community health and social care services integrated review being led by the West Berkshire Health and Wellbeing Board to establish:
 - (a) Joint understanding of the current and future demand pressures in West Berkshire Community Hospital, West Berkshire Council and RBH.
 - (b) Plans in place to meet demand over the next 3 years
 - (c) Identification of key barriers and resource gaps
 - (d) Proposals for action to be taken in current and next financial year to address pressures and reduce delays to discharge for agreement by West Berkshire Council, Clinical Commissioning Group and PCT.
- 5.2 The review is due to be completed during June/July 2012 with a summary report outlining actions taken and further work planned produced by end August 2012.
- 5.3 Transitional care project
 - (a) Joint working with community providers to understand and close gaps in service provision has resulted in speedier access and discharge into community.

- (b) Pilot with Berkshire Healthcare FT to provide social care component in addition to rehabilitation for patients requiring intermediate care across Berkshire Local Authority localities, as well as those overlapping into South Oxfordshire. (Check with Lindsey)
- (c) Explore development opportunity for BUPA Nursing/residential care home provision

5.4 Fortnightly review meetings with CEO's

5.5 Reablement project, admission avoidance meetings with CCG's and PCT.

5.6 Urgent Care Programme Board led by CCG to look at system wide issues and solutions.

5.7 Long term conditions board.

5.8 The Trust is in close liaison with the PCT about managing gaps in funding.

6 Strategy

6.1 There is acknowledgement that unintended impacts can arise when individual organisations working in a complex system take isolated action to do their best for their patients without fully understanding the shared impact on partner organisations.

6.2 There is agreement that a collaborative review of transfer and flow across the whole health and social care system can reduce delays sustainably, save money and deliver benefits to all partners, including patients.

7 Conclusion and Next Steps

7.1 The report highlights a number of system wide actions already in place to address the problem of delays.

7.2 Focused actions going forward are:

- (a) Meeting planned in August 2012 for CEO community to support West Berkshire unitary to improve delays.
- (b) Care Groups focusing on internal delays within our control, such as waits for diagnostic procedures to deliver improved efficiency, patient experience and reduction in length of stay.

- (c) Bed base review and reconfiguration within the organisation to develop an internal step down facility in advance of winter pressures to provide a safe, resource efficient environment. This will enable discussion with commissioners about funding a non-acute facility.

8 Recommendations

- 8.1 The Board is asked to note progress and actions to date.

9 Contact

Contact: Caroline Ainslie, Interim Director of Nursing
Phone: 0118 322 7229

Royal Berkshire NHS Foundation Trust**Board of Directors****Date** 31 July 2012**Leads** Craig Anderson
Ian Stoneham
Keith Eales**Title** In-Year Quarterly Report to Monitor - Quarter 1 – 2012/13

Purpose: Approval for submission of the Quarterly in-year Reporting Return, to be submitted to Monitor by 31 July 2012.

Key Points:

- Monitor's Compliance Framework requires the submission of a Quarterly Reporting Return (taking the form of standard templates and declarations) that has been assured by the Trust's Board of Directors. The Compliance Framework 2012/13 can be found on Monitor's website under publications: www.monitor-nhsft.gov.uk/
- The Trust went live with our new EPR system towards the end of June 2012. Whilst feedback given to us by external parties has suggested our implementation has been one of the best, it has not been without challenge. Challenges exist in the form of increased time to undertake administration, time taken to learn a new system, and data extraction and validation. As a result work continues to validate all our performance measures. It is in this context that we report our quarter 1 performance.
- The Q1 Declaration of Risks against Healthcare Targets and Indicators is attached (Appendix 1), which discloses failure to achieve two key targets:

Target or Indicator not met in Qtr 1	Target	Achieved
Cancer 62 Day Waits for first treatment (screening service referral)	90%	87.0%
Cancer 2 week from referral to first seen, all urgent referrals (cancer suspected)	93%	91.8%

- The resultant Governance Risk Rating arising from the above breaches is an AMBER-GREEN (against a Q1 Plan of GREEN).
- The Detailed Financial Summary from the financial templates is attached as Appendix 2, for information. The financial data disclosed in the Q1 Return for actual performance is entirely consistent with the Director of Finance Report for the 3 months ended 30 June 2012.
- The Return shows an achievement of a Financial Risk Rating of '3' against the Q1 2012/13 Plan of '3', as per table below:

YTD ENDED 30 JUNE 2012		PLAN (as revised)		ACTUAL	
Weighting	Element	Metric	Rating for Element	Metric	Rating for Element
25%	EBITDA Margin	5.2%	3	5.0%	3
10%	EBITDA % of Plan Achieved **	88.8%	4	97.7%	4
20%	Net Return after Financing	-2.6%	2	-2.5%	2
20%	I&E Surplus margin	-2.0%	1	-1.9%	2
25%	Liquidity (days)	22.8	3	20.1	3
	Weighted FRR for Qtr		3		3

** the Plan value for this item is the Prior Year actual performance (ie 2011/12)

- **Governance Statements from the Board** - The Quarterly Return requires the Trust's Board of Directors to respond "*Confirmed*" or *Not Confirmed*" to the following three statements (see Appendix 3). In the case of the absence of full certification, the Board is required to set out in the Return the reasons for the absence and the action it proposes to take to address it.

(The extracts from The Compliance Framework 2012/13 as quoted in the statements are attached at Appendix 4 for ease of reference).

1. **For Finance**, that: *"The board anticipates that the trust will continue to maintain a financial risk rating of at least 3 over the next 12 months"*

The most recent Financial Forecasts (July 2012) shows achievement of a FRR of '3' for each of the remaining 3 quarters of 2012/13. In respect of the 1st quarter of 2013/14 the Trust's published 3-year Plan shows the Board's intent to achieve FRR of '3' for that year. However, the key dependency for 2013/14 is the ability of the Trust's Commissioners to fund the Trust at the income level anticipated in the Trust's 2013/14 Plan. It is proposed that the Board should mark this statement with "Confirmed" but with a comment included within the Financial Commentary (which accompanies the Return) that highlights this key dependency.

2. **For Governance**, that: *"The board is satisfied that plans in place are sufficient to ensure: ongoing compliance with all existing targets (after the application of thresholds) as set out in **Appendix B**; and a commitment to comply with all known targets going forwards. "*

It is proposed that this should be "Confirmed", on the basis of the monthly Board Level assurances processes that are in place to review such compliance.

3. **Otherwise**, that: *"The board confirms that there are no matters arising in the quarter requiring an exception report to Monitor (per Compliance Framework page 17 Diagram 8 and page 63) which have not already been reported."*

It is proposed that this is "Confirmed" on the basis that no material issues are known requiring an Exceptions Report to Monitor.

- The template showing the Potential Financial Risk Indicators used in evaluating performance is attached (Appendix 5). Two risk indicators are highlighted:

1. Debtors over 90 days past due account exceed 5% of total Debtors. At the end of Q1 total current debtors were £8.0m, with those > 90 days at £0.9m. Of this figure c. £0.7m is represented by ongoing queries associated with NHS recharges for clinical staffing and services to other local NHS Providers. All these issues are in the process of being resolved within the Care Groups.
2. Capital expenditure in Q1 (£3.8m) was >125% of the Q1 Plan (£3.0m) – This significant variance is the mainly the result of changes to the payment profile to the EPR suppliers following the commercial negotiations to support the recent implementation of EPR.

The >25% variance for capital expenditure in Q1 requires the Trust (per the Compliance Framework) to submit a reforecast to Monitor of its quarterly profiled 2012/13 Capital Expenditure. It is proposed that the Director of Finance is authorised to submit the quarterly profiled Capital forecast of the 2012/13 that accords with the latest forecast as included within the July 2012 Financial Forecast Report (see Agenda Item 16). This reforecast shows that the Capital Expenditure will remain within the total of £19.3m in the original Capital Plan (as approved by the Trust Board at its May 2012).

- List of Governors Elections – No elections took place in the period so a 'nil' return will be submitted.
- For information: Changes in the membership of the Trust's Board of Directors are notified directly to Monitor by the Trust's Director of Corporate Affairs, as and when these changes occur. The Quarterly Return no longer includes this information.

Decision Required

The Board of Directors is asked to

- **AUTHORISE** the Chief Executive Officer and Director of Finance to sign the Q1 Monitor Return on behalf of the Board of Directors.

- **APPROVE** the Confirmation of the statement that the Board anticipates that the Trust will continue to maintain a financial risk rating of at least 3 over the next 12 months
- **APPROVE** the Confirmation of the statement that the Board is satisfied that plans in place are sufficient to ensure: ongoing compliance with all existing targets (after the application of thresholds) as set out in Appendix B; and a commitment to comply with all known targets going forwards.
- **APPROVE** the Confirmation of the statement that the Board confirms that there are no matters arising in the quarter requiring an exception report to Monitor (per Compliance Framework page 17 Diagram 8 and page 63) which have not already been reported.
- **APPROVE** the submission of the full Return to Monitor
- **AUTHORISE** the Director of Finance to submit a profiled reforecast of 2012/13 Capital Expenditure based upon the Capital reforecast as tabled at the July 2012 Board.

FOI Status: This report will be made available on request.

Attachments

- (a) Appendix 1 - Declaration of Risks against Healthcare Targets and Indicators
- (b) Appendix 2 – Detailed Financial Summary
- (c) Appendix 3 – In-year Governance Statement
- (d) Appendix 4 – Extracts from the Compliance Framework 2012/13
- (e) Appendix 5 - Financial Risk Indicators

Contact: Craig Anderson – Director of Finance (Tel: 0118 322 8833)

APPENDIX 1

Declaration of risks against healthcare targets and indicators for 2012-13 by Royal Berkshire

These targets and indicators are set out in the **Compliance Framework**
Definitions can be found in Appendix B of the **Compliance Framework 12/13**

NOTE: If a particular indicator does not apply to your FT then please enter "Not relevant" for those lines.

Key:  must complete
 may need to complete

Target or Indicator (per Compliance Framework 12/13)	Threshold or target YTD	Scoring	Risk declared at Annual Plan	Score	Quarter 1 Actual Performance	Achieved /Not Met	Any comments or explanations	Score
Clostridium Difficile -meeting the C.Diff objective	0	1.0	No	0	7	Achieved	A short comment or explanation can be entered in this column if you wish.	0
MRSA - meeting the MRSA objective	0	1.0	No	0	0	Achieved		0
Cancer 31 day wait for second or subsequent treatment - surgery	94%	1.0	No		98.0%	Achieved		
Cancer 31 day wait for second or subsequent treatment - anti cancer drug treatments	98%	1.0	No		98.6%	Achieved		
Cancer 31 day wait for second or subsequent treatment - radiotherapy	94%	1.0	No	0	94.0%	Achieved		0
Cancer 62 Day Waits for first treatment (urgent GP referral for suspected cancer)	85%	1.0	No		85.0%	Achieved		
Cancer 62 Day Waits for first treatment (from NHS cancer screening service referral)	90%	1.0	No	0	87.0%	Not met	Due to machine downtime and complex patient pathways	1
Maximum time of 18 weeks from point of referral to treatment in aggregate, admitted patients	90%	1.0	No		93.8%	Achieved		
Maximum time of 18 weeks from point of referral to treatment in aggregate, non-admitted patients	95%	1.0	No		99.5%	Achieved		
Maximum time of 18 weeks from point of referral to treatment in aggregate, patients on incomplete pathways	92%	1.0	No	0	95.9%	Achieved		0
Cancer 31 day wait from diagnosis to first treatment	96%	0.5	No	0	96.8%	Achieved		0
Cancer 2 week wait from referral to date first seen, all urgent referrals (cancer suspected)	93%	0.5	No		91.8%	Not met	Appears to be due to data issue arising from new EPR System. Being validated.	
Cancer 2 week wait from referral to date first seen, symptomatic breast patients (cancer not initially suspected)	93%	0.5	No	0	93.0%	Achieved		0.5
A&E: maximum waiting time of 4 hours from arrival to admission/transfer/discharge	95%	1.0	No	0	95.2%	Achieved		0
Community care data completeness - referral to treatment information completeness	50%	1.0	No		0.0%	Not relevant		
Community care data completeness - referral information completeness	50%	1.0	No		0.0%	Not relevant		
Community care data completeness - activity information completeness	50%	1.0	No	0	0.0%	Not relevant		0
Community care data completeness - patient identifier information completeness	TBC	0.0	No		0.0%	Not relevant		
Community care data completeness - End of life patients deaths at home information completeness	TBC	0.0	No		0.0%	Not relevant		
Care Programme Approach (CPA) patients receiving follow up contact within 7 days of discharge	95%	1.0	No		0.0%	Not relevant		
Care Programme Approach (CPA) patients having formal review within 12 months	95%	1.0	No	0	0.0%	Not relevant		0
Minimising MH delayed transfers of care	≤7.5%	1.0	No	0	5.3%	Achieved		0
Admissions to inpatient services had access to crisis resolution / home treatment teams	95%	1.0	No	0	0.0%	Not relevant		0
Meeting commitment to serve new psychosis cases by early intervention teams	95%	0.5	No	0	0.0%	Not relevant		0
Data completeness, MH: identifiers	97%	0.5	No	0	0.0%	Not relevant		0
Data completeness, MH: outcomes for patients on CPA	50%	0.5	No	0	0.0%	Not relevant		0
Ambulance Category A call - emergency response within 8 minutes (Red 1 & 2 calls consolidated for Q1)	75%	1.0	No	0	0.0%	Not relevant		0
Ambulance Category A call - ambulance vehicle arrives within 19 minutes	95%	1.0	No	0	0.0%	Not relevant		0

Compliance with requirements regarding access to healthcare for people with a learning disability	N/A	0.5	No	0	Yes		0
Risk of, or actual, failure to deliver mandatory services	N/A	4.0	No	0	No		0
CQC compliance action outstanding (as at 30 Jun 2012)	N/A	special	No		No		
CQC enforcement action within last 12 months (up to 30 Jun 2012)	N/A	special	No		No		
CQC enforcement notice currently in effect (as at 30 Jun 2012)	N/A	4.0	No		No		
Minor CQC concerns or impacts regarding the safety of healthcare provision (as at 30 Jun 2012)	N/A	special	No		No		
Moderate CQC concerns or impacts regarding the safety of healthcare provision (as at 30 Jun 2012)	N/A	special	No		No		
Major CQC concerns or impacts regarding the safety of healthcare provision (as at 30 Jun 2012)	N/A	2.0	No	0	No		0
Unable to maintain, or certify, a minimum published CNST level of 1.0 or have in place appropriate alternative arrangements	N/A	2.0	No	0	No		0
Trust unable to declare ongoing compliance with minimum standards of CQC registration	N/A	special	No		No		
Has the Trust has been inspected by CQC (in the quarter ending 30 Jun 2012)	N/A	special	No		No		
If so, did the CQC inspection find non compliance with 1 or more essential standards	N/A	special	No		No		

Results left to complete

0

Total Score

0

Override Rating (if any)

GREEN

Indicative Governance risk rating

GREEN

no of standards

0

0

1.5

Enter the reason for any non-scoring related rating override here

AMBER-GREEN

APPENDIX 2

Detailed Financial Summary £m	2011-12 Full Year Actuals	2012-13 Full Year Plan	2012-13 YTD Plan to 30 Jun 12	2012-13 YTD Actuals to 30 Jun 12
Community				
Co Cost & volume contract revenue	1.9	1.9	0.5	0.5
Co Block contract revenue	0.0	0.0	0.0	0.0
Ambulance				
Am Cost & volume contract revenue	0.0	0.0	0.0	0.0
Am Block contract revenue	0.0	0.0	0.0	0.0
Am Other clinical MS revenue	0.0	0.0	0.0	0.0
Mental Health				
Mh Cost & volume contract revenue	0.0	0.0	0.0	0.0
Mh Block contract revenue	0.0	0.0	0.0	0.0
Mh Clinical partnership (s31) revenue	0.0	0.0	0.0	0.0
Mh Secondary commissioning revenue	0.0	0.0	0.0	0.0
Mh Other clinical MS revenue	0.0	0.0	0.0	0.0
Acute				
Ac Elective revenue	61.7	59.4	14.5	13.6
Ac Non-Elective revenue	89.3	88.5	22.1	22.2
Ac Outpatient revenue	67.0	66.4	16.2	16.3
Ac A&E revenue	10.4	11.0	2.7	2.6
Ac other revenue	61.3	66.4	16.6	17.5
Private patient revenue	2.0	1.8	0.5	0.8
Grants and donations in cash	0.0	0.4	0.1	0.0
Other operating revenues	23.0	19.8	5.0	5.3
Total operating revenue for EBITDA	316.7	315.6	78.1	78.8
Grants and donations of PPE and intangible assets	0.7	0.0	0.0	0.0
Total operating revenue	317.4	315.6	78.1	78.8
Employee Expenses	(183.7)	(184.4)	(46.1)	(46.2)
Drugs expense	(30.3)	(29.8)	(7.5)	(7.9)
Supplies (clinical & non-clinical)	(46.0)	(42.2)	(10.6)	(11.2)
PFI expenses	0.0	0.0	0.0	0.0
Other expenses	(33.7)	(33.1)	(9.8)	(9.6)
Total operating expenses within EBITDA	(293.7)	(289.7)	(74.0)	(74.8)
EBITDA	23.0	26.0	4.1	4.0
Depreciation and amortisation	(13.6)	(15.7)	(3.9)	(3.6)
Impairments & Restructuring	(11.6)	(15.0)	0.0	0.0
Total operating expenses	(318.9)	(320.4)	(77.9)	(78.5)
Operating Surplus (Deficit)	(2.2)	(4.7)	0.1	0.3
Profit (loss) on asset disposal	0.0	0.0	0.0	0.0
Net interest	(1.3)	(1.1)	(0.2)	(0.4)
Taxation	0.0	0.0	0.0	0.0
PDC dividend	(6.1)	(5.7)	(1.4)	(1.4)
Charitable funds I&E included	0.0	0.0	0.0	0.0
Other non-operating items	0.7	(0.2)	(0.1)	(0.0)
Net Surplus / (Deficit)	(8.8)	(11.8)	(1.6)	(1.5)
EBITDA % of Op. revenue	7.3%	8.2%	5.2%	5.0%
EBITDA	23.0	26.0	4.1	4.0
Change in Current Receivables	1.5	(1.3)	(2.1)	(3.2)
Change in Current Payables	(1.5)	0.6	(0.1)	(0.3)
Other changes in WC	9.1	(11.6)	(6.9)	(1.3)
Other non-cash items	(1.1)	(0.2)	(0.1)	0.0
Cashflow from operating activities	30.9	13.3	(5.1)	(0.9)
Capital expenditure	(20.4)	(21.1)	(2.5)	(4.5)
Asset sale proceeds	0.0	1.0	0.0	0.0
other Investing cash flows	(3.7)	(2.6)	(0.7)	(0.5)
Cashflow before financing	6.9	(9.3)	(8.3)	(5.9)
Net interest	(1.3)	(1.1)	(0.2)	(0.4)
PDC dividends (paid)	(6.1)	(5.7)	0.0	0.0
Movement in loans	5.8	(0.9)	0.9	0.9
PDC received/(repaid)	0.0	0.0	0.0	0.0
Donations received in cash	0.0	0.0	0.0	0.0
other financing cashflows	1.6	0.3	0.8	0.8
Net cash inflow (outflow)	6.9	(16.8)	(6.8)	(4.5)
Cash at Y/E	36.8	20.0	30.0	32.3
Cash and Cash equivalents at Y/E	36.8	20.0	30.0	32.3
Non Safe Harbour Investments at Y/E	0.0	0.0	0.0	0.0

EXTRACTS FROM THE COMPLIANCE FRAMEWORK 2012/13

Extract from Appendix B

Table 1: targets and indicators, thresholds, weightings and monitoring periods for 2012/13

Area	Indicator	Threshold (1)	Weighting	Monitoring Period
Safety	Clostridium (C.) difficile – meeting the C. difficile objective (2)	0	1.0	Quarterly
Safety	Methicillin-resistant Staphylococcus aureus (MRSA) bacteraemia – meeting the MRSA objective (3)	0	1.0	Quarterly
Quality	All cancers: 31-day wait for second or subsequent treatment (4), comprising: surgery anti-cancer drug treatments radiotherapy	94% 98% 94%	1.0	Quarterly
Quality	All cancers: 62-day wait for first treatment (5) from: urgent GP referral for suspected cancer NHS Cancer Screening Service referral	85% 90%	1.0	Quarterly
Patient Experience	Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted (6)	90%	1.0	Quarterly
Patient Experience	Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted (6)	95%	1.0	Quarterly
Patient Experience	Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway (6)	92%	1.0	Quarterly
Quality	All cancers: 31-day wait from diagnosis to first treatment (7)	96%	0.5	Quarterly
Quality	Cancer: two week wait from referral to date first seen (8), comprising: all urgent referrals (cancer suspected) for symptomatic breast patients (cancer not initially suspected)	93% 93%	0.5	Quarterly
Quality	A&E: maximum waiting time of four hours from arrival to admission/transfer/discharge (9)	95%	1.0	Quarterly
Effectiveness	Data completeness: community services (10), comprising: Referral to treatment information Referral information Treatment activity information <i>The inclusion of further data items may be introduced later in 2012/13, comprising:</i> Patient identifier information Patients dying at home/care home	50% 50% 50% 50% 50%	1.0	Quarterly
Quality	Care Programme Approach (CPA) patients (11), comprising: receiving follow-up contact within seven days of discharge having formal review within 12 months	95% 95%	1.0	Quarterly
Quality	Minimising mental health delayed transfers of care (12)	≤7.5%	1.0	Quarterly
Quality	Admissions to inpatient services had access to Crisis Resolution/Home Treatment teams (13)	95%	1.0	Quarterly
Quality	Meeting commitment to serve new psychosis cases by early intervention teams (14)	95%	0.5	Quarterly
Effectiveness	Data completeness: identifiers (15)	97%	0.5	Quarterly
Effectiveness	Data completeness: outcomes for patients on CPA (16)	50%	0.5	Quarterly
Quality	Category A call – emergency response within 8 minutes (17)	75%	1.0	Quarterly
Quality	Category A call – ambulance vehicle arrives within 19 minutes (17)	95%	1.0	Quarterly
Patient experience	Certification against compliance with requirements regarding access to healthcare for people with a learning disability (18)	N/A	0.5	Quarterly

EXTRACTS FROM THE COMPLIANCE FRAMEWORK 2012/13 (cont'd)

Extract from Page 63

Non-exhaustive list of items requiring exception reporting

NHS foundation trusts must provide reports for risks to compliance with the Authorisation (including in relation to all the items on the following non-exhaustive list). These reports are required only by exception, i.e. if there is an issue. A more exhaustive list can be found in **Diagram 8 in Chapter 2**.

Finance

- Unplanned significant reduction(s) in income or significant increase(s) in costs;
- Requirement for working capital in breach of Prudential Borrowing Limits;
- Failure to comply with the *NHS Foundation Trust Annual Reporting Manual*; and
- Discussions with external auditors which may lead to a qualified audit report.

Governance

- Events suggesting material issues with governance processes and structures, e.g.:
 - Removal of director(s) for abuse of office;
 - Significant non-contractual dispute with an NHS body; and
 - Relevant third party investigations e.g. fraud, any relevant Care Quality Commission reviews, investigations or studies.
- Risk of failure to maintain plans to ensure ongoing compliance with the Care Quality Commission's registration requirements.

Mandatory services

- Proposals to vary mandatory service provision or dispose of assets (see Appendix E); and
- Loss of accreditation of a mandatory service.

In addition

- Explanations for qualified or missing certifications for any item from list above; and
- Breach of any Authorisation requirement.

EXTRACTS FROM THE COMPLIANCE FRAMEWORK 2012/13 (cont'd)

Extract from Page 17 - Diagram 8 of Chapter 2

Diagram 8: examples of exception reporting

Finance

- Unplanned significant reductions in income or significant increases in costs
- Requirements for additional working capital facilities beyond those incorporated in the prudential borrowing limit ("PBL")
- Failure to comply with the *NHS Foundation Trust Annual Reporting Manual*
- Discussions with external auditors which may lead to a qualified audit report
- Transactions potentially affecting the financial risk rating and/or resulting in an 'investment adjustment'
- Proposed disposals of protected assets (or removal of protected status – see *Protection of Assets: Guidance for NHS Foundation Trusts*)

Governance

- Removal of director(s) for significant contractual or non-contractual dispute with another NHS body
- Adverse report from internal auditors
- Risk of a failure to maintain registration with the Care Quality Commission
- Significant third party investigations that suggest material issues with governance e.g. fraud, Care Quality Commission reports of "significant failings", National Patient Safety Agency reports, Health Protection Agency reports of important or significant C. difficile outbreaks
- Care Quality Commission responsive or planned reviews
- Outcomes or findings of Care Quality Commission responsive or planned reviews
- Proposals to vary the Authorisation
- Other patient safety issues which may impact the Authorisation (e.g. serious incidents)
- Proposals to vary mandatory service provision or dispose of assets, including:
 - cessation or suspension of mandatory service(s)
 - variation of Authorisation or asset protection processes
- Loss of accreditation of a mandatory service
- Reporting of breaches in information governance (including data losses)
- Performance penalties to commissioners

Other risks

- Enforcement notices from other bodies implying potential or actual significant breach of any other requirement in the Authorisation, e.g.:
- Health and Safety Executive or fire authority notices
 - Material issues impacting the trust's reputation
 - Adverse reports from overview and scrutiny committees
 - Patient group concerns

Finance Risk Indicators for Royal Berkshire

Please respond "True" or "False" in the yellow cells below to statements 3 to 7 inclusive

Finance Risk Indicators

Response

- | | | |
|----|---|-------|
| 1 | Unplanned decrease in (quarterly) EBITDA margin in two consecutive quarters | FALSE |
| 2 | Trust is unable to certify that Board anticipates that the Quarterly FRR will be at least 3 over the next 12 months (from Governance Statement) | FALSE |
| 3 | Working capital facility (WCF) was used at any point in 2012/13 financial year | FALSE |
| 4 | Debtors > 90 days past due account for more than 5% of total debtor balances | TRUE |
| 5 | Creditors > 90 days past due account for more than 5% of total creditor balances | FALSE |
| 6 | Two or more changes in Finance Director in a twelve month period | FALSE |
| 7 | Interim Finance Director in place over more than one quarter end | FALSE |
| 8 | Quarter end cash balance <10 days of (annualised) operating expenses | FALSE |
| 9 | Capital expenditure < 75% of plan for the year to date | FALSE |
| 10 | Capital expenditure > 125% of plan for the year to date | TRUE |

Note: Once your financial results are entered in SoCI, SoFP and SoCF the "?" cells will be calculated

0

Notes: As set out in Monitor's Compliance Framework 2012-13, Monitor will separately consider this limited set of indicators to highlight the potential for any future material financial risk. Where Monitor believes that one or more of these indicators are present at an NHS foundation trust, Monitor will consider whether an earlier meeting with the trust to discuss them is appropriate. Following this meeting, Monitor may request the preparation of plans, or the provision of other assurances as to an NHS foundation trust's capacity to mitigate any potential risk. The use of these indicators will not form part of the formal regulatory framework or Monitor's approach to the potential use of its statutory powers of intervention.

[end]

June 2012

Clinical Governance Committee Annual Report 2011/2012

Kat Young
Clinical Governance Manager

1. Governance

2.1 The Committee met on seven occasions during the year

- 5 May 2011
- 16 May 2011 (Special meeting to approve Quality Accounts)
- 7 July 2011
- 8 September 2011
- 10 November 2011
- 12 January 2012
- 1 March 2012

2.2 The membership of the Committee has remained static over the course of the year.

2.3 The attendance record of members of the Committee is as follows

Clinical Governance Committee	No of meetings attended	Maximum no of meetings
Irene Inskip	7	7
Nigel Davies	7	7
Jonathan Fielden	7	7
Ed Donald	5	7

2.4 The terms of reference of the Committee have been reviewed, amended and approved by the Committee and the Board during the course of the year. The terms of reference recommended to the Board for approval are attached as Appendix 1.

2. Regular Work Programme

3.1 The Committee has routinely reviewed the clinical governance issues emerging across the Trust. These are highlighted to the Committee directly by the Chief Medical Officer/Patient Safety, Chief Nurse and Director of Patient & Public Affairs, the three Care Group Directors (prior to November 2011 this was four Divisional Directors), Legal Services/Risk, Berkshire West Primary Care Trust and the Clinical Governance Manager. The progress of various

clinical governance committees including Infection Control, NICE guidance, National Service Frameworks, national audits and actions plans are also discussed. It has assured itself that the Care Groups (previously Divisions) are providing robust monitoring and oversight of clinical governance and issues.

3.2 The following table summarises the key issues discussed over the year and on which the Committee has sought assurance.

Clinical Governance Committee Date	Summary of key issues discussed	Policies approved
5 May 2011	<ul style="list-style-type: none"> • Maternity Services, Clinical Risk and Clinical Governance Committees • Children's Forum and NSF for Children and Young People • Infection Prevention and Control • National Continence Audit • General Surgery Review 	<ul style="list-style-type: none"> • Safeguarding Children and Child Protection Policy
16 May 2011	<ul style="list-style-type: none"> • Special meeting to approve Quality Accounts 	N/a
7 July 2011	<ul style="list-style-type: none"> • Facilities Issues • National Service Framework – Long Term Conditions • National Service Framework – Renal • Improving Outcomes – A Cancer Strategy • Picker Young Inpatients and Outpatients Survey 2010 • Essence of Care Audit 2010 • Availability of Medical Records • Patient Services Team • Medicines Committee Report • Care Quality Commission – CQC Registration Assurance Report • CMACE perinatal mortality • Patient relations annual report •) NCEPOD – elective and emergency surgery in the elderly • NCEPOD – emergency admissions • End of Life Care • Nutrition Committee report • Organisational restructuring 	<ul style="list-style-type: none"> • Revised falls policy
8 September 2011	<ul style="list-style-type: none"> • Mandatory Training • Patient Transport Services • Non-Clinical Rebooking of Appointments 	<ul style="list-style-type: none"> • National confidential and other high level enquiries policy. • Clinical audit and

Clinical Governance Committee Date	Summary of key issues discussed	Policies approved
	<ul style="list-style-type: none"> • Diabetes NSF update • Annual Sexual Health Strategy • Infection Prevention and Control Committee • NCEPOD – Deaths In Acute Hospitals 	effectiveness policy. <ul style="list-style-type: none"> • Clinical governance strategy and policy. • Implementation of NSF and NICE guidance policy. • Healthcare record keeping policy. • VTE prevention policy for adult admissions. • Medical photographic policy. • Clinical audit and effectiveness strategy. • Blood transfusion policy. • Prevention of patient falls and the use of bedrails policy.
10 November 2011	<ul style="list-style-type: none"> • Mandatory Training Patient Transport Services • Royal College of Paediatrics and Child Health – Analysis Against Standard 10 • Hospital Transfusion Committee • Resuscitation Committee Report • Clinical Ethics Committee • Infection, Prevention and Control Minutes • Blood Transfusion MHRA Compliance Audit • Human Tissue Act Compliance 	None
12 January 2012	<ul style="list-style-type: none"> • Facilities Issues • Patient Transport Services • Security Issues • Retrieval and Transfer Standards – Paediatric Intensive Care Service • Paediatric Oncology Services Peer Review • Report on Progress of NSF Children and Young People and Report from the Children's Forum • Child Protection and Report 2010-2011 • RCPCH – Compliance with Facing the Future Standards for Paediatric Services • Sexual Health Strategy Update • NCEPOD – Parenteral Nutrition and Nutrition Audit Report • NCEPOD – Emergency and Elective Surgery in the Elderly 	<ul style="list-style-type: none"> • Resuscitation Policy • Intrathecal Chemotherapy Policy • Maternity Clinical Risk Management Strategy • Nutrition and Hydration Policy • Pain Management Policy in Children • NICE Guidelines Implementation Policy • Healthcare Record Keeping Policy • Adverse Incident and Near Miss Reporting Policy • Serious Incidents Requiring Investigation Policy • VTE Prevention Policy for

Clinical Governance Committee Date	Summary of key issues discussed	Policies approved
		Adult Admissions • Clinical Audit and Effectiveness Policy

Appendix 1**Clinical Governance Board Committee****Terms of Reference****Constitution and Membership**

The Committee will provide assurance to the Board that appropriate clinical governance mechanisms are in place and effective throughout the organisation.

The Committee will be appointed by the Board and chaired by a Non-Executive Director of the Trust. The membership will include the Chief Executive Officer, the Chief Medical Officer, the Chief Nurse and a Non-Executive Director (who will chair the Committee).

They will be expected to attend 4 out of 6 meetings. Substitutes are not permitted.

The quorum of the Committee will be three members.

Attendance

The following will be expected to attend meetings:

Urgent Care Group Director
Planned Care Group Director
Networked Care Group Director
Urgent Care Group Director of Nursing
Planned Care Group Director of Nursing
Networked Care Group Director of Nursing
Chief Pharmacist
Clinical Governance Manager
Deputy Director of Corporate Affairs
Risk Manager
Patient Safety Representative
Director of Midwifery

The following will be invited to attend meetings:

Patient Panel Representative
Local Involvement Network Representative
Clinical Governance Lead, NHS Berkshire West
Quality Improvement Manager, NHS Berkshire West PCT

Other members of staff may be called to present to the Committee as appropriate and staff observers may be invited on a rota.

The Director of Corporate Affairs & Secretary of the Trust (or their nominee) will act as secretary to the Committee.

Frequency

Meetings shall be held not less than six times a year. The Non-Executive Director, or two board members of the Committee may request a meeting if they consider that one is necessary.

Authority

The Committee is primarily concerned with the delivery of safe, high quality patient-centred care. This will be achieved through ensuring that the appropriate structures, processes and controls are in place to assure that quality in clinical care.

The Committee seeks to ensure:

- That the principles and standards of clinical governance are applied to monitor and improve patient safety and clinical quality by building upon existing control systems and providing a framework for self regulation against local and national standards.
- That appropriate mechanisms are in place for the effective engagement of representatives of patients and clinical staff.

Duties

The Committee is authorised by the Board:

- To co-ordinate and support all clinical governance activity within the Trust.
- To disseminate information and develop activities throughout the Trust that support and facilitate clinical governance within each department.
- To ensure that appropriate clinical and organisational policies are accurate, up to date and implemented throughout the Trust.
- To develop and implement appropriate strategies to ensure the delivery of safe high quality, patient-centred healthcare
- To provide information to the Board on Care Quality Commission Registration

The Committee shall

1. Ensure patient safety and quality of care are priorities for the Trust
2. Provide assurance to the Board that a robust Trust wide system of clinical governance is in place.
3. Ensure high level quality of clinical care
4. Monitor and review the processes and systems of clinical governance.

5. Ensure compliance with the relevant National standards.
6. Sign off the Trust Annual Report on clinical governance progress and plans
7. Identify areas of risk, act on these and promote safety for all
8. Review reports on aggregated analysis of incidents, complaints and claims
9. Reviews from a clinical governance perspective the corporate risk register
10. Approve clinical policies

Work Programme

The Clinical Governance Committee will receive reports for each meeting from:

- Chief Medical Officer
- Chief Nurse
- Each Care Group Director
- Clinical Governance Manager (to include six-monthly review of Departmental Clinical Governance minutes)
- Deputy Director of Corporate Affairs
- Clinical Governance Lead, Berkshire West PCT

The Clinical Governance Committee will receive at least an annual report from the following Trust Committees:

- Blood Transfusion Committee
- Child Protection Committee
- Children's Forum
- Clinical Audit Committee
- Critical Care Committee
- End of Life Governance
- Infection Control Committee (minutes submitted to each Committee)
- Medicines Committee
- Maternity Services Clinical Risk and Clinical Governance Committees
- Nutrition Steering Committee
- Research & Development Committee
- Resuscitation Committee
- Theatre Strategy Group
- Patient Safety Council
- Decontamination Steering Group

The Clinical Governance Committee will receive, at least annually, reports from/on:

- The work of each Care Group on National Service Frameworks, NCEPOD and CEMACH
- Breast Screening Service Annual report
- Cervical screening service Annual report
- Care Quality Commission Annual Health Check
- Local Supervising Authority (Maternity report)
- Healthcare Records Management
- National Patient Surveys
- NHSLA/CNST Progress

The Clinical Governance Manager maintains a rolling agenda plan of additional reports which need to be reported to the Committee.

Monitoring compliance

The Committee shall, once a year review its own compliance with these terms of reference via the preparation of an annual report. This should ensure it is operating at maximum effectiveness and discharging its responsibilities as set out in these terms of reference.

The report shall be presented to the Board.

The Committee will review its terms of reference annually and submit them for approval to the Board together with any recommendations for change.

Reporting

The minutes of the Clinical Governance Board Committee shall be formally recorded and submitted to the Board and Audit Committee. The Chair of the Committee will present the minutes and highlight significant issues to the Board.

Reviewed by the Committee: July 2012

Approved by the Board:

Charity Committee Annual Report 2011/12

Ken Hydon
Committee Chairman

Mark Goff
Charity Director

1. Governance

1.1 The Committee met formally on three occasions during the year

20 July 2011

16 November 2011

7 March 2012

1.2 The Committee has reviewed its membership over the course of the year and John Shaw replaced Geoff Findlay as the governor representative on the Committee.

1.3 The attendance record of members of the Committee is as follows

<u>Member</u>	<u>Maximum Number of Meetings</u>	<u>Number Attended</u>
Ken Hydon	3	3
Ed Donald	3	2
Colin Maclean	2	1
Rajinder Sohpal	3	3
Craig Anderson	3	3
Tim Parke	3	1
John Shaw	2	1

The Director of Finance attended all meetings. The Director of Corporate Affairs and Secretary attended all meetings. The Chief Executive was a regular attendee at meetings.

1.4 The terms of reference of the Committee were reviewed and revised in November 2011.

1.5 The Committee has followed a scheduled programme of work over the course of the year. This has been developed, with our Internal Audit team, to ensure that the Committee gives the appropriate level of consideration to all areas within its terms of reference.

5. Internal Audit

5.1 The Committee continues to oversee the delivery of a robust internal audit programme and continues to closely monitor retained funds and encourage the expenditure of charitable funds to enhance patient care.

6. Charitable Funds Strategy

6.1 The Committee has overseen the implementation of a programme to ensure that all Individual Funds comprise a full and active “establishment” complement of Fund Advisor supported by two Co-Signatories.

7. Risk Assessment

7.1 The Committee continues to assess the risk register at meetings of the Charity Committee

8. Guidance for Fund Advisors

8.1 The Fund Advisors Guide has been revised to reflect changes to Gift Aid, cash receipting and other procedural improvements.

9. Individual Funds

9.1 The Committee has overseen a reduction in Individual Funds from 233 (09/10) to 150 through the closure and/or amalgamation of redundant funds.

10. Annual Plan and Budget

10.1 The Committee has authorised the use of Charitable Funds to help achieve an income budget of £1.2m (11/12) against an agreed strategic income generation plan.

11. Staffing

11.1 The charity office comprises a Director, Fundraising Manager and Administrator with additional support provided by volunteers

12. Management Accounts/Reporting

12.1 The Committee receives regular Management Accounts from the Finance team.

Charity Committee

Terms of Reference

Constitution and Membership

The Royal Berkshire Hospital Trust Charitable Fund (Charity Registration Number 1052720) is governed by the Trust Deed which was approved by the Trustees. Under the terms of the deed the Charitable Fund is administered and managed by the Trustees, the members of the Royal Berkshire NHS Foundation Trust as a body corporate.

The membership of the Committee will comprise the Chairman of the Trustees, the Chief Executive, the Chief Finance Officer, the Commercial Director, two Non-Executive Directors and a Governor nominated by the Council of Governors.

The quorum will be three members.

Members will be expected to attend three quarters of meetings.

Either the Chairman or the Chief Executive, but normally not both, will attend each meeting.

Attendance

The Director of Fundraising is expected to attend all meetings.

A representative of fundholders, to be appointed by the Committee, will attend meetings.

External advisers may attend as necessary at the request of members.

The Director of Corporate Affairs/Secretary of the Trust (or their nominee) will act as secretary to the Committee.

Frequency

The Trustees shall normally meet at least twice yearly and at such other times as the Trust shall require.

Authority

The Trustees derive their authority to act from the Trust deed of the NHS Trust Charitable Fund, approved by the Trustees.

Duties

The Trustees are responsible for the overall management of the Charitable Funds. They are required to:

- (a) satisfy themselves that best practice is followed in terms of guidance from the Charity Commission, Audit Commission, National Audit Office, Department of Health and other relevant organisations;
- (b) ensure that the appropriate policies and procedures are in place to support the Charitable Funds Strategy and to advise Fund Managers on income and expenditure and that this is reviewed at regular intervals;
- (c) develop and review the Foundation Trust's Charitable Funds Strategy and Trustees' terms of reference on an annual basis and agree changes where appropriate;
- (d) develop and review the Scheme of Delegation for charitable funds on a regular basis and consider changes where appropriate;
- (e) obtain assurance that a separate register of interests is compiled for both Trustees and Fund Managers, and that this is reviewed and updated on a regular basis;
- (f) approve fundraising policies that comply with statutory requirements in conjunction with the Chief Finance Officer.
- (g) on an annual basis, review and approve summary level income and expenditure plans, compiled from Fund Managers' detailed plans, ensuring that they complement the strategy.
- (h) seek assurance that an effective mechanism exists whereby equipment needs are identified and satisfied, within resource constraints, through an equitable bidding process underpinned by business plans.
- (i) oversee the management of investments. Where an investment manager is used, the Trustees will ensure the investment strategy has been appropriately communicated, the information required is specified and received in a timely manner, and that the service is market tested at regular intervals;
- (j) receive assurance that all research monies paid into charitable funds meet the criteria for charitable status as specified by the Charity Commission;
- (k) review the number of funds on an annual basis and undertake a programme of rationalization, where appropriate;
- (l) undertake an annual risk assessment.
- (m) keep the equivalent of one year's running costs in reserves

Accountability

The Trustees are accountable to the Charity Commission for the proper use of the charitable funds and to the public as a beneficiary of those funds.

The Director of Corporate Affairs will therefore ensure that the Charitable Funds Strategy and Annual Report/Accounts are published on the Foundation Trust's website.

The Chief Finance Officer will ensure that all necessary reports and returns are made to the Charity Commission.

Reporting

The minutes of Committee meetings will be formally recorded and submitted to the Board.

The Committee will review these terms of reference on an annual basis and report to the Board accordingly.

Reviewed by the Committee: November 2011

Approved by the Board: November 2011

Board of Directors

Title: Revised Governance Protocols

Date: 31 July 2012

Lead: Keith Eales

Purpose: To approve revised protocols for the appraisal of the Chairman and for communications between the Council and the Board. .

Key Points:

- The Council and the Board recently agreed to a series of initiatives to improve joint working and information flows. .
- A number of the changes reflect existing governance protocols agreed between the two bodies and these have been updated accordingly.
- The updated protocols are attached and are being submitted to both the Board and the Council for approval.

Decision required: The Council of Governors is recommended to approve the updated Communications Protocol and the Protocol for Appraisal of the Chairman and Non-Executive Directors

1 Background

- 1.1 The last meeting of the Council approved a number of initiatives designed to improve communication, engagement and understanding between the Board of Directors and Council of Governors.
- 1.2 The changes adopted have been incorporated into the existing protocols on appraising the Chairman and on communications between the Board and Council. The revised documents are attached as appendices.
- 1.3 An additional protocol on Governor attendance at Board meetings was agreed at the last meetings of both the Board and Council.

2 Appendices

- 2.1 The following are attached to this report:
 - (a) Appendix 1 – Communications Protocol
 - (b) Appendix 2 - Protocol for Appraisal of the Chairman and Non-Executive Directors

3 Recommendation

The Council of Governors is recommended to approve the updated Communications Protocol and the Protocol for Appraisal of the Chairman and Non-Executive Directors

4 Contact

Contact: Mike Robinson, Head of Governance
Phone: 0118 322 5364

Governance Handbook Section S2

Protocol for Communication between the Board of Directors and the Council of Governors

1. The Principles

The effective flow of communication between the Board of Directors and Council of Governors is fundamental to enabling the latter to carry out its role, for the Board in understanding the views of Governors and the membership and to ensure the Trusts gains the full benefit of FT status.

Effective communication and information flows will underpin the role of the Council of Governors in

- Working in partnership with the Board for the benefit of the Trust
- Ensuring that the Trust is operating within its Terms of Authorisation
- Holding the Board to account
- Commenting on the forward plans of the Trust

The effective flow of information between the Board of Directors and the Council of Governors will be significant in

- Underpinning the development and continuity of a successful and constructive relationship between the Board and Council
- Enabling the Council and Governors to make a full and informed contribution to the development of the Trust
- Supporting and enabling the delivery of the core ambassadorial role of Governors

Therefore, the Board is committed, in terms of the flow of information and the communication of decisions, to being transparent in decision-making to the Council and to Governors. Confidentiality with regard to information provided will be the exception (and in the main based on personal or commercial sensitivity) rather than the norm.

2. Informal Communication

Informal and frequent communication between Governors and Directors is an essential in underpinning a positive and constructive relationship between the Board and the Council.

The Chairman of the Board and Council will encourage informal methods of communication, including

- Holding regular joint informal workshops between the Council and the Board, including one per year on strategic planning issues
- Participation of Board Directors in the induction and training of Governors
- Discussions between Governors and the Chairman, the Chief Executive or a Director
- Involvement in membership recruitment and briefings at public events organised by the Trust
- Attendance at Council of Governors meetings (when not formally requested to be present)

3. Formal Communication

Some aspects of communication are defined by the constitutional roles and responsibilities of the Board of Directors and Council of Governors.

Formal communication initiated by the Council of Governors and intended for the Board of Directors, will be conducted as follows

- Specific requests by the Council of Governors will be made through the Chairman to the Board
- Any Governor who considers that an issue should be brought to the attention of the Board can ask for an item to be placed on the agenda for a Council meeting
- Any Governor has the right to raise at a Council meeting, through the Chairman, a specific issue which is considered to be a matter to be brought to the attention of the Board of Directors
- An annual Regular joint meetings will take place between the Board and Council, with Governors and Directors being invited submit to place items on the agenda for discussion
- Meetings of governor Committees and sub-groups may ask for updates and information from the Executive

The Board of Directors will ~~request the Chairman to~~ seek the views of the Council of Governors on

- The draft strategic plan, integrated business plan and quality accounts The Annual Plan, prior to its submission to Monitor approval and in sufficient time so as to influence content

- The draft Annual Report and Financial Statements prior to publication
- Proposals for significant service development or alteration
- ~~• The proposed role of Governors in service review and evaluation~~
- Significant changes, plans or developments in the Trust

The following formal methods of communication will be used

- Provision of open board agenda packs to Governors in advance of board meetings. The packs to be placed on the Governors' secure website.
- Attendance of governors as observers at open Board meetings (see protocol S5 for details)
- Attendance of Board members (including Non Executive Directors) at meetings of the Council of Governors, ~~at the request of the Chairman or the Council~~
- Attendance of Non Executive Directors at Council sub-group meetings
- Provision of formal reports or presentations by Directors at meetings of the Council and at its sub-groups
- ~~• Inclusion of Board minutes, for information, on the agenda for meetings of the Council of Governors and vice versa~~
- Reporting, through the Chairman, the views of the Council to the Board, and vice versa
- Briefings by Directors to the Council of Governors on key topics
- ~~• A written Chairman's briefing to each meeting of the Council of Governors~~
- A written Chief Executive's briefing to each meeting of the Council of Governors
- The ~~Governors-Clinical~~ Assurance Committee and Business Assurance Committee receiving copies of reports submitted to the Board

4. General Information Flow

To support the work of the Council, the Board will ensure a wider flow of general information to Governors which will be aimed at

- Informing and engaging Governors in the work of the Trust

- Providing Governors with background information relevant to the priorities and work of the Trust
- Supporting specialist Council committees and groups with the information necessary to enable the discharge of their remit

The Board will make available

- A ~~Chairman's Chief Executive's~~ briefing for each Council of Governors meeting setting out key information and news, ~~covering~~ contact with Monitor, membership information, the work of Board assurance committees, service changes and developments, new policies and strategies, inspections and external reports, communication issues and awards ~~along with:~~ briefings on activity, performance and quality issues in the Trust

~~Where further information is required by an individual Governor on an item in the Chairman's briefing, a report discussed at a meeting of the Board will be made available. Items of a confidential nature will be edited before distribution.~~

- ~~• A Chief Executive's briefing on activity, performance and quality issues in the Trust~~
- The Monitor Quarterly returns in advance of consideration at the Board.
- The quarterly response from Monitor as soon as it is received.
- Any Board report requested by the Council (subject to commercial or personal confidentiality), or of such significance that it requires formal consideration by the Council, will be submitted to a meeting of the Council of Governors.
- Minutes of Board committee meetings distributed directly to Governors once approved by the Board
- A Board decision summary being sent directly to Governors within 24hrs f the meeting
- Any policy or strategy document considered by the Board (which would not otherwise be an issue on which the views of the Council would be sought)-, subject to any issues of commercial or personal confidentiality
- All Trust press releases, Trust briefings, public information leaflets, issues of Talk About, the weekly summary of news items on the Trust and any documents of a general nature available to the public
- All information considered necessary to support the work of Council of Governor committees and other groups. At the commencement of their work, the Chairman and lead Director will agree with each committee or other group their information needs

5. Review

This protocol will be reviewed ~~annually at a joint meeting between~~ as required by
the the Board of Directors and the Council of Governors.

Corporate Affairs Directorate

Last Reviewed ~~October 2010~~ July 2012

Governance Handbook Section S3

Process for the Appraisal of the Chairman and Non-Executive Directors

Protocol Agreed by the Board and Council of Governors

Regulatory Requirements

1. The Monitor Code of Governance (main principle D.2) comments that

The board of governors, which is responsible for the appointment and reappointment of non-executive directors, should take the lead on agreeing a process for the evaluation of the chairman and non-executives, with the chairman and non-executives. The outcome of the evaluation of the chairman and non-executive directors should be agreed by the governors. The governors should bear in mind the desirability of using the senior independent director to lead the non-executive directors in the evaluation of the chairman.

Protocols Agreed Between the Board and Council of Governors

2. The Board and the Council of Governors recognise and confirm that
 - (a) the process for agreeing the arrangements for the evaluation of the chairman and non-executive directors will be led by the Governors Nominations Committee on behalf of the Council of Governors.
 - (b) ~~the~~ —process for the evaluation of the chairman and non-executives will be agreed between the Council of Governors, advised by its Nominations Committee, and the Board of Directors Nominations Committee
 - (c) the confidentiality of the appraisal process and the importance of the detailed content of interviews remaining known to the appraiser and appraisee only is recognised
 - (d) the appraisal interview for each of the non-executive directors will be undertaken by the chairman
 - (e) the appraisal of the chairman will be undertaken by the ~~senior independent director~~Vice Chair of Governors
 - (f) a summary of the outcome of the appraisal interviews will be submitted to and agreed by the Governors Nominations Committee.
3. The purpose of the process set out in this document is to support the Board and the Council in working together to ensure that the arrangements for the appraisal of the chairman and non-executive directors is completed to the satisfaction of the individual postholders, the Board and the Council.

The Appraisal Process

4. The following steps will constitute the agreed process for the appraisal of the chairman and non-executive directors
 - (a) the Governors Nominations Committee will agree periodically (but at least every three years), with the Board Nominations Committee, the arrangements for the appraisal process to be followed.
 - (b) the Governors Nominations Committee will identify any feedback that it would wish the chairman (or the ~~senior independent director~~ Vice Chair of Governors in the case of the chairman) to consider in undertaking the appraisal of non-executive directors
 - (c) the chairman will appraise each of the non-executive directors annually. The chairman will identify appropriate individuals to consult in preparing for each appraisal. Those consulted should include at least some of the Executive and Non-Executive Directors
 - (d) the ~~senior independent director~~ Vice Chair of Governors will appraise the chairman annually. The Vice Chair of Governors ~~senior independent director~~ will identify appropriate individuals to consult in preparing for the appraisal, but those consulted will include all other non-executive directors ~~and the Vice-Chair of the Council~~
 - ~~(e) the role of 'grandparent' in the appraisal process will be undertaken by the Vice Chair of the Council of Governors~~
 - (f) a summary of the outcome of the appraisals will be submitted to the Governors Nominations Committee for agreement
 - (g) the chairman will communicate the conclusions of the appraisal to each of the non-executive directors (and the Vice Chair of Governors ~~senior independent director~~ will confirm the appraisal conclusions to the chairman)

Agreed: Nominations Committee in ~~January 2014~~
Council of Governors January 2014
Board of Directors

Last Reviewed January 2014 July 2012

Council of Governors

Council of Governors

Monday 25 June 2012

6:00pm – 6:15pm

Seminar Room, TEC, Royal Berkshire Hospital

Present

Mrs. Vera Doe	(Public Governor, Wokingham) (Vice-Chair)
Dr. Muhammad Abid	(Public Governor, Reading) (for part)
Mrs. Aileen Blackley	(Public Governor, West Berkshire)
Mr. Carl Bruce	(Public Governor, Reading)
Mrs. Caroline Bowder	(Public Governor, Southern Oxfordshire)
Mr. Ian Clay	(Public Governor, West Berkshire)
Mrs. Rebecca Corre	(Staff Governor, Nursing and Midwifery)
Mr Sanusi Koroma	(Partner Governor, Reading CRE)
Cllr. Alan Law	(Partner Governor, West Berkshire Council)
Mr. Colin Lee MBE	(Public Governor, West Berkshire)
Cllr. Bob Pitts	(Partner Governor, Wokingham Borough Council)
Mr. John Shaw	(Partner Governor, Princess Royal Carers Trust)
Mr. Tony Skuse	(Public Governor, Wokingham)
Cllr. Bet Tickner	(Partner Governor, Reading Borough Council)
Ms. Maria Walker	(Staff Governor, Admin/ Management)

In attendance

Mrs. Janine Clarke	(Director of HR and Workforce Development)
Dr. Keith Eales	(Director of Corporate Affairs & Secretary)
Mr. Mike Robinson	(Head of Governance)

Apologies

Ms. Lola Blissett	(Staff Governor, HCA/ Ancillary)
Mr. Jeremy Butler	(Public Governor, East Berkshire)
Mr. Ross Carroll	(Public Governor, East Berkshire)
Ms. Margie Cutts	(Public Governor, Reading)
Mr. David Cooper	(Public Governor, Reading)
Mr. Dave Dymond	(Public Governor, Reading)
Miss Jana Hunter	(Partner Governor, Youth MP)
Dr. Warren Fisher	(Staff Governor, Medical & Dental)
Mrs. Sally Kemp	(Partner Governor, NHS South Central)
Mr Jonathan Mason	(Staff Governor, Allied Health Professionals / Scientific)
Mr. John McKenzie	(Public Governor, Wokingham)
Mr. David Mihell	(Public Governor, East Berkshire)
Dr. Rod Smith	(Partner Governor, NHS Berkshire West)

54/12 Exclusion of the Press and Public

Resolved: that the press and public be excluded from the meeting for the remaining items of business.

55/12 Appointment of Trust Chairman

The Vice Chair reported that the Nominations Committee had just met to receive the feedback from the Selection Panel. The Panel and the Committee had both unanimously recommended the appointment of Mr Stephen Billingham.

Mr Billingham was felt to have right skills to lead the Board and it was explained that the short delay in progressing the appointment had been due to Mr Billingham assuring himself that he could fulfil the role despite his limited knowledge of the NHS. The Panel and Committee had not felt this to be an issue and had been very impressed with his skills and knowledge. He was felt to be a strong communicator and a quick learner.

The Council discussed his experience and likely approach to working with the Board and Governors as well as issues in relation to workload, time commitments and other continuing duties. It was noted that a stakeholder group had commented on his apparent lack of research on the role of the Council.

The Selection Panel had concluded that he had a good understanding of the Chairman's role. Mr Billingham's financial skills and focus were considered to be high and he was keen to marry that discipline with a commitment to patient care and the NHS.

The Council unanimously agreed to support the Nomination's Committee recommendation.

It was confirmed that an announcement on the appointment would be made shortly and that it was anticipated that Mr Billingham would be involved in the process for appointing the substantive NED positions.

Resolved: that the Mr Stephen Billingham be appointed as Trust Chairman for a four year term of office commencing on 2 July 2012.

56/12 Date of Next Meeting

The next meeting would be held on 26 July 2012 at 6:00 pm.

SIGNED

DATE

Clinical Governance Committee

Clinical Governance Committee

Thursday 5 July 2012, 10:30am – 12:30pm
Boardroom, Level 4, Royal Berkshire Hospital

Members

Ms Janet Rutherford	(Interim Non-Executive Director) (Chair)
Dr. Emma Vaux	(Interim Chief Medical Officer)

In Attendance

Dr. Lindsey Barker	(Care Group Director, Networked Care)
Ms. Clare Cartwright	(Clinical services Manager, Pharmacy) (For Bill O'Donnell)
Ms. Karen Hampton	(Quality Improvement Lead, Berkshire West PCT)
Mr. Peter Malone	(Care Group Director, Planned Care)
Ms. Anne McDonald	(Head of Clinical Quality Improvement) (for Caroline Ainslie)
Ms. Patricia Pease	(Care Group Director of Nursing, Urgent Care)
Mr. Mike Robinson	(Head of Governance)
Mr. David Shepherd	(Reading LiNK Representative)
Ms. Stephanie Seigne	(Deputy Director of Corporate Affairs)
Dr. Prem Sharma	(Patient Panel Representative)
Ms. Gill Valentine	(Director of Midwifery)
Ms. Kirsty Ward	(Care Group Director of Nursing, Planned Care)
Ms Hester Wain	(Head of Patient Safety)
Ms. Katharine Young	(Clinical Governance Manager)

Apologies

Ms. Caroline Ainslie	(Interim Chief Nurse & Director of Patient & Public Affairs)
Mr. Ed Donald	(Chief Executive Officer)
Ms. Sharon Herring	(Care Group Director of Nursing, Networked Care)
Dr. Helen Hegarty	(Berkshire West PCT)
Mr. Bill O'Donnell	(Chief Pharmacist)
Mr. Niall Smyth	(Risk Manager)

64/12 Minutes – 3 May 2012

The Minutes of the meeting were approved as a correct record and signed by the Chairman subject to amending Minute 52/12 such that the last sentence read "... in the context of the need for improved completion of surgical site infection audits".

65/12 Matters Arising

The following matters arising were raised:

(a) Minute 48/12 - Mandatory Training

It was queried whether mandatory training compliance was now reported in the integrated performance report to the Board. It was felt that it should be routinely tracked at Board

level. The Head of Governance would confirm the position with the Commercial Director.

Action: Mike Robinson/Ian Stoneham

(b) Minute 53/12 - Delayed Discharges

The Networked Care Group Director reported that the current number of delayed discharges stood at 76. This was down from a peak of 100 but was still unacceptably high. Fortnightly meetings were being held with stakeholders from across the health economy and it was noted that the majority of the delays were associated with patients from West Berkshire Council area.

(c) Minute 52/12 – Infection Audits

The Planned Care Group Director confirmed that resources have been made available to complete surgical site infection audits.

66/12 Minutes –21 May 2012

It was noted that the meeting had been held to discuss the approval of the quality accounts and it was confirmed that the appropriate assurance had been provided to the Audit Committee in respect of the content of the quality accounts from a Clinical Governance perspective.

The Minutes of the meeting held on 21 May 2012 were approved as a correct record and signed by the Chair.

67/12 Schedule of Outstanding Actions

The Committee considered the outstanding actions schedule and it noted those issues which had been completed, were elsewhere on the agenda or scheduled for future meetings. Other points to note were as follows:

(a) Minute 47/12 (31/12, 03/12, 98/11) - Neurological Nurse Provision

The PCT representative explained that a meeting had been held the previous day to discuss the provision of MS nurses and she would circulate an update.

Action: Karen Hampton

The Networked Care Group Director advised that the entire neurological pathway had been discussed rather than just MS. An update to the next meeting of the Committee would be provided on neurological long-term conditions.

Action: Lindsey Barker

(b) Minute 60/12 - Care Group Report Format

The Planned Care Group Director explained that contributions from clinical governance leads within his area have not been readily forthcoming and additional pressure would be brought to bear to improve the content of the report in future. The Urgent Care Group Director of Nursing explained that good contributions and input had been received from across that directorate and that she was undertaking a review of the items submitted with the New Care Group Director. The Networked Care Group Director explained that Care Group based Clinical Governance Committees should be established across the Trust as these would assist in the Clinical Governance Committee becoming more of an assurance body.

The LiNK representative felt that the quality of the Care Group reports had improved significantly over the years. However, there remained a significant amount of duplication between them and other reports on the agenda. The Chair agreed and felt simplification of what was presented to the Committee should be considered. She suggested a meeting of herself and the Care Group Directors, Care Group Directors of Nursing, Chief Medical Officer and Chief Nurse along with the Head of Governance and Clinical Governance Manager to discuss the way forward.

Action: Mike Robinson

68/12 Urgent Care Group Report

The Urgent Care Group Director of Nursing introduced the report and highlighted a key issue as the continuing high occupancy levels within the Trust. Despite it being the summer period, the Trust was still fully escalated and this was causing pressure across the Care Group and elsewhere. It was noted that business cases for improving staffing levels within the Emergency Department would shortly be submitted to the Executive.

The Director of Midwifery highlighted the continuing diversions that were taking place within the Maternity Department. It was confirmed that capacity issues were being discussed across the region and that the Trust was considering whether to expand its capacity. The estates and other issues associated with an expansion were currently being examined. There were also an ongoing repairs and maintenance backlog to tackle.

The Urgent Care Group Director of Nursing explained that a review of mental illness in paediatric wards was being undertaken with Berkshire Healthcare NHS Foundation Trust along with colleagues from the Emergency Department and Clinical Decision Unit. The LiNK representative commented that a recent patient panel had noted the difficulty in confirming with Berkshire Healthcare NHS Foundation Trust details of the contract and what services should be provided. It was noted that the Joint Emergency Department/Clinical Decision Unit clinical governance meeting had been a useful innovation.

It was noted that the number of falls and pressure ulcers within the Urgent Care Group was high and work was ongoing to understand the data and track performance. It was noted that future Urgent Care Group reports would also include an analysis of any "red flags" received from Dr. Foster.

It was noted that an annual report from the Trauma Committee was outstanding and that this, together with a report on the Critical Care Committee, would be received at the next meeting.

Action: Tricia Peace

Resolved: that the report be noted.

69/12 Networked Care Group Report

The Networked Care Group Director introduced the report and commented that there were still a good number of detailed operational issues being reported by Clinical Governance Leads and this would be addressed.

A key issue noted was in relation to the labelling of histology specimens; a serious incident had occurred where a sample had been lost. It was noted that similar issues had been seen in theatres and it was suggested that lessons be learned from the implementation of the WHO checklists and theatre procedures.

Action: Lindsey Barker/Peter Malone

It was noted that the extension and reconfiguration of pharmacy was underway and that additional services had been provided at ward level.

It was reiterated that the Trust was still fully escalated and there were ongoing problems with delayed discharges. Staffing levels were stretched and there was a risk of clinical impacts associated with the ongoing pressures. On a positive note, it was highlighted that C. difficile infection levels had been reduced.

In response to a query, it was noted that communication of DNACPR forms to relatives was the subject of a continuing action plan and was also now recorded on the new electronic patient record system. The PCT representative confirmed that this was one of the CQUINS and was being closely monitored. It was confirmed that on readmission there was reassessment of the need for DNACPR. There was ongoing training of nurses and other senior staff on the issue.

Resolved: that the report be noted.

70/12 Planned Care Group Report

The Planned Care Group Director highlighted that administrative staff were under significant pressure from the implementation of the new electronic patient record system. In addition to staff needing to get used to the new system, it was felt that its configuration also meant that specific tasks took longer. The Care Group was considering additional administrative support to assist. It was felt important to recognise the problems at Board level. It was noted that there was continuing resource available from the EPR team with intensive "hit squads" available to support if needed.

It was noted that the Planned Care Group's key divisional risks remained largely static. One risk related to the ongoing need to have a stable bed base. However, it was noted that a model was being developed to successfully take this forward. It was also noted that a recent Care Quality Commission review of the termination of pregnancies have shown that the Trust operated legally in that forms were no pre-signed.

Capacity issues within the Ophthalmology Department remained a top priority. Recruiting skilled clinicians into this area remained a challenge and although new staff were being recruited, there remained a large number of vacancies.

It was noted that the Trust had missed a radiotherapy access target. This had been due in part to the temporary failure of one of the linear accelerators and capacity issues within the unit. In addition, a number of patients had deferred their appointments. An action plan was in place to ensure that the target would be met in future.

Resolved: that the report be noted.

71/12 Quality Report

The Interim Medical Director introduced the report and explained that it was very comprehensive in nature and that there would be a review of its format in the context of the information provided within the Care Group reports. The report would contain more narrative and be less repetitive compared to other items on the agenda. It would become a more holistic overview of key issues.

It was noted that the number of falls had continued to reduce and that the Trust had been short-listed for a Health Service Journal award in this area. Action plans were in place to continue a focus on this important area as serious injuries to patients could occur.

Information was drawn to the action plan and issues which would be taken forward to reduce the incidence of hospital acquired pressure ulcers.

It was noted that there would be a review of the memory check to see how information was presented such that the Committee could receive information on the number of subsequent related incidents and whether root cause analyses and action plans had become embedded. The LiNK representative commented that issues relating to ophthalmology did not appear in the memory check and it was felt this was possibly because it dated from a previous 2007 version.

It was noted there had been a significant fall in the number of VTE assessments. However, it was not clear whether this was because the new EPR system had not yet recorded the assessments or because they had not been undertaken. There were some initial teething problems with the EPR system not pulling through and logging the appropriate data which would be addressed. The PCT representative commented that undertaking the assessments was an important factor in the CQUIN for VTE and that if other information on their completion could be provided this could be taken into consideration with regards to payment.

The Head of Clinical Quality Improvement explained that safety data collated over one day have been provided for a national survey. Data covered issues such as falls, pressure ulcers and other aspects of harm free care. The results showed that harm free care within the Trust was higher than the national average. The Interim Medical Director highlighted that this and other issues such as the Trust being ranked as a preferred place to train. This showed that there were excellent initiatives being pursued in spite of the capacity issues faced by the Trust.

Resolved: that the report be noted.

72/12 Clinical Governance Committee Annual Report

The Clinical Governance Committee annual report for 2011/2012 was received. It was noted that the terms of reference should be updated to reflect the membership of the Director of Midwifery.

Resolved: that the Clinical Governance Committee annual report 2011/2012 be noted and that the Board be recommended to approve the revised terms of reference at Appendix 1.

73/12 Medicines Committee Annual Report

The Interim Medical Director introduced the report which was the annual review from the Committee. A particular issue to highlight was in relation to the Trust's capacity to provide liquid oxygen. A solution had been identified which was being submitted for capital approval and could be implemented swiftly. It was requested that an update be provided at the next meeting to confirm that the issue had been resolved. **Action: Emma Vaux**

74/12 Legal Services Report

The Committee received the report outlining the latest position in respect of new and proposed claims received by the Trust along with inquests notified.

Resolved: that the report be noted.

75/12 Corporate Risk Register

The Deputy Director of Corporate Affairs introduced the report which outlined the significant changes to the corporate risk register. It was also noted that the Board had requested changes to the format of the register and that a new Trust Assurance Framework be developed to highlight the key risks being faced by the Trust. A Board workshop to discuss the issues would soon be held.

Resolved: that the report be noted.

76/12 NHS Berkshire West Report

The PCT representative confirmed that there were no issues to raise and confirmed that there was good cooperation with the Trust in respect of contract and other issues.

77/12 Hard Copies of Agenda Papers

A request was made that all attendees at the Committee received hard copies of agenda papers. The Head of Governance undertook to discuss the issue with the Director of Corporate Affairs.

Action: Mike Robinson

The following items of business were discussed by members only.

78/12 Infection Prevention and Control Minutes – May 2012

The Minutes of the Infection Prevention and Control Committee held were received.

Resolved: that the May 2012 Minutes of the Infection Prevention and Control Committee be noted.

79/12 Policies for Approval

The Head of Governance advised that as the meeting was not quorate it would not be possible for the Committee to formally approve the policies submitted. He would ascertain whether policies could be deferred until the next meeting and if not, steps should be taken for them to be approved in advance of the September Committee; either by consideration at the Board or via email approval.

Action: Mike Robinson

80/12 Date of Next Meeting

The next meeting would be held on 13 September 2012 at 10:30 am.

SIGNED

DATE

Appendix 1**Clinical Governance Board Committee****Terms of Reference****Constitution and Membership**

The Committee will provide assurance to the Board that appropriate clinical governance mechanisms are in place and effective throughout the organisation.

The Committee will be appointed by the Board and chaired by a Non-Executive Director of the Trust. The membership will include the Chief Executive Officer, the Chief Medical Officer, the Chief Nurse and a Non-Executive Director (who will chair the Committee).

They will be expected to attend 4 out of 6 meetings. Substitutes are not permitted.

The quorum of the Committee will be three members.

Attendance

The following will be expected to attend meetings:

Urgent Care Group Director
Planned Care Group Director
Networked Care Group Director
Urgent Care Group Director of Nursing
Planned Care Group Director of Nursing
Networked Care Group Director of Nursing
Chief Pharmacist
Clinical Governance Manager
Deputy Director of Corporate Affairs
Risk Manager
Patient Safety Representative
Director of Midwifery

The following will be invited to attend meetings:

Patient Panel Representative
Local Involvement Network Representative
Clinical Governance Lead, NHS Berkshire West
Quality Improvement Manager, NHS Berkshire West PCT

Other members of staff may be called to present to the Committee as appropriate and staff observers may be invited on a rota.

The Director of Corporate Affairs & Secretary of the Trust (or their nominee) will act as secretary to the Committee.

Frequency

Meetings shall be held not less than six times a year. The Non-Executive Director, or two board members of the Committee may request a meeting if they consider that one is necessary.

Authority

The Committee is primarily concerned with the delivery of safe, high quality patient-centred care. This will be achieved through ensuring that the appropriate structures, processes and controls are in place to assure that quality in clinical care.

The Committee seeks to ensure:

- That the principles and standards of clinical governance are applied to monitor and improve patient safety and clinical quality by building upon existing control systems and providing a framework for self regulation against local and national standards.
- That appropriate mechanisms are in place for the effective engagement of representatives of patients and clinical staff.

Duties

The Committee is authorised by the Board:

- To co-ordinate and support all clinical governance activity within the Trust.
- To disseminate information and develop activities throughout the Trust that support and facilitate clinical governance within each department.
- To ensure that appropriate clinical and organisational policies are accurate, up to date and implemented throughout the Trust.
- To develop and implement appropriate strategies to ensure the delivery of safe high quality, patient-centred healthcare
- To provide information to the Board on Care Quality Commission Registration

The Committee shall

1. Ensure patient safety and quality of care are priorities for the Trust
2. Provide assurance to the Board that a robust Trust wide system of clinical governance is in place.
3. Ensure high level quality of clinical care
4. Monitor and review the processes and systems of clinical governance.
5. Ensure compliance with the relevant National standards.

6. Sign off the Trust Annual Report on clinical governance progress and plans
7. Identify areas of risk, act on these and promote safety for all
8. Review reports on aggregated analysis of incidents, complaints and claims
9. Reviews from a clinical governance perspective the corporate risk register
10. Approve clinical policies

Work Programme

The Clinical Governance Committee will receive reports for each meeting from:

- Chief Medical Officer
- Chief Nurse
- Each Care Group Director
- Clinical Governance Manager (to include six-monthly review of Departmental Clinical Governance minutes)
- Deputy Director of Corporate Affairs
- Clinical Governance Lead, Berkshire West PCT

The Clinical Governance Committee will receive at least an annual report from the following Trust Committees:

- Blood Transfusion Committee
- Child Protection Committee
- Children's Forum
- Clinical Audit Committee
- Critical Care Committee
- End of Life Governance
- Infection Control Committee (minutes submitted to each Committee)
- Medicines Committee
- Maternity Services Clinical Risk and Clinical Governance Committees
- Nutrition Steering Committee
- Research & Development Committee
- Resuscitation Committee
- Theatre Strategy Group
- Patient Safety Council
- Decontamination Steering Group

The Clinical Governance Committee will receive, at least annually, reports from/on:

- The work of each Care Group on National Service Frameworks, NCEPOD and CEMACH
- Breast Screening Service Annual report
- Cervical screening service Annual report
- Care Quality Commission Annual Health Check
- Local Supervising Authority (Maternity report)
- Healthcare Records Management
- National Patient Surveys
- NHSLA/CNST Progress

The Clinical Governance Manager maintains a rolling agenda plan of additional reports which need to be reported to the Committee.

Monitoring compliance

The Committee shall, once a year review its own compliance with these terms of reference via the preparation of an annual report. This should ensure it is operating at maximum effectiveness and discharging its responsibilities as set out in these terms of reference.

The report shall be presented to the Board.

The Committee will review its terms of reference annually and submit them for approval to the Board together with any recommendations for change.

Reporting

The minutes of the Clinical Governance Board Committee shall be formally recorded and submitted to the Board and Audit Committee. The Chair of the Committee will present the minutes and highlight significant issues to the Board.

Reviewed by the Committee: July 2012

Approved by the Board:

EPR Executive Governance Committee Minutes

EPR Executive Governance Committee Minutes

Monday, 9 July 2012

12:00 noon -1:10pm

Boardroom, Level 4, Royal Berkshire Hospital

Present

Mr. Ed Donald	(Chief Executive) (Chair)
Mr. Craig Anderson	(Director of Finance)
Dr. Lindsey Barker	(Networked Care Group Director)
Mr. Chris Brown	(Cerner)
Ms. Angela Hughes	(Finance Director, Networked Care)
Mr. Mike Robinson	(Head of Governance)
Dr. Emma Vaux	(Interim Medical Director)
Ms. Elizabeth White	(Head of Informatics)

Apologies

Mr. John Barrett	(Non-Executive Director)
Mr. Julian Gagie	(Interim Head of Procurement)
Dr. Jon Swinburn	(Consultant Cardiologist, Clinical Lead)

60/12 Minutes – 25 June 2012

The minutes of the meeting held on 25 June 2012 were approved as a correct record.
There were no matters arising.

61/12 Millennium Overall Project Overview

The Head of Informatics tabled the status report. The Chief Executive confirmed that a significant number of Executive walk-arounds have been undertaken to reassure staff who appeared in the main to be getting used to the system. Nevertheless, there were significant issues, particularly with administrative staff and evidence was being gathered to determine whether continuing delays were a result of the system and would therefore be liable for Cerner funding and support.

The Head of Informatics explained that users were adapting to the system and getting into normal workflow situations. However, it was taking time to complete the required work and some new practices and automation would be required. Some areas of the Trust were struggling, particularly patient services and the Prince Charles Eye Unit. Intensive support teams were in place to assist. A daily meeting on backlogs and issues was being held, informed by a dashboard. The daily meeting fed into the proactive support and activities needed to be undertaken the following day.

It was confirmed that the backlog was increasing in some areas with activities not properly recorded on EPR. The Networked Care Group Director confirmed that some administrative

staff were struggling and additional support was being drafted in to assist. It was noted that one of the issues was the need for particular screens to be more integrated and linked to reduce duplication. The Cerner representative explained that summary screens were envisaged for phase 2 of the project but were being brought into the Trust as soon as possible and in advance of a change control notice. The Chief Executive confirmed that in addition, integration was needed within the Emergency Department, Clinical Decision Unit and on the bed view system. As yet the Trust did not believe that the EPR system was fully integrated. The Chief Executive commented that efforts should be made to reduce the backlog by half every week and this could be undertaken through a combination of additional staffing and through support by the central EPR team.

The Interim Medical Director highlighted the importance of clinicians properly undertaking the required EPR processes to assist their administrative colleagues and it was agreed that communications and enforcement of these messages needed to be undertaken.

However, the Committee noted that the Trust's launch had been considered to be the best implementation of Cerner Millennium yet and that despite staff misgivings, the project was progressing well. This positive message should also be disseminated.

The Head of Informatics explained that there had been no significant reduction as yet in the EPR team although there had been a small reduction in the number of floorwalkers and the recruitment of additional specialists to ensure the best available skills were available. It was concluded that investment in support now would be the most viable solution to ensure that the project continued to develop well. The alternative option of reducing support upfront to drive self-reliance was not felt to be appropriate at this stage. However, it was recognised that staff would need to be in a position to resolve issues themselves and with colleagues first rather than rely on the EPR team as the first point of call.

The Head of Informatics explained that a high severity incident had taken place at the weekend where the system had operated extremely slowly. This had been resolved in one and a half hours and a root cause analysis of the problem was being undertaken. It was confirmed that the maximum usage of the N3 connection had been 5.6 megabits.

In respect of data migration, work continued and two identified issues have been resolved in respect of migrating bookings into scheduled clinics. The Chief Executive requested that confirmation of how many patients this had involved. **Action: Elizabeth White**

In respect of interfaces, it was confirmed that more systems such as pharmacy were coming online. However, it was noted that the interface engine had failed for a period of five hours and had confirmed the need for 24/7 support from suppliers.

In respect of the ophthalmology team at Prince Charles Eye Unit ceasing to use the Millennium project, the Committee confirmed its view that this was unacceptable. Individual teams should not have the option to decide whether or not to use the product and there were significant implications for the Trust as a whole. The Chief Executive would be meeting with the team regularly together with the Planned Care Group Director of Operations to resolve the issues. The Cerner representative explained that such issues with particular departments were not uncommon during initial roll outs.

In respect of testing issues, it was confirmed that there were minor multiple configuration issues on correspondence which were being worked through. It was also confirmed that EPR training continued and was widely available both centrally and through the direct support of teams.

On solution design, it was explained that changes were needed to the new bed view system, including some configuration and error resolution. The Chief Executive explained that the Emergency Department and Clinical Decision Unit required a system which replicated the functionality of the previous Bedman system.

It was noted that standard operating procedures were being revised where applicable and that there had been a streamlining of the regular day attendee process in the Berkshire Cancer Centre.

It was noted that a number of areas had requested additional mobile devices and there was a cost implication for this which was being discussed with the Director of Finance.

In respect of reporting issues, the Head of Informatics confirmed that data was successfully flowing to the warehouse and was meeting external requirements with the exception of the need to validate 18-week wait times. However, the backlog in incorporating all activities properly on to the EPR system was affecting the quality of the SUS data. It was noted that a good deal of data correction was being undertaken by clinical coding at this stage. It was noted that there had been an increase in the amount of Emergency Department work recorded and this could reflect improved recording. The Director of Finance confirmed that it had been concluded that EPR data would be relied upon for June in calculating income and activity levels. The Committee congratulated the team on achieving this as it was felt to be a considerable achievement.

In respect of communications issues, it was emphasised that the messages needed to acknowledge the difficulties being experienced by staff in implementing EPR. However, this needed to be balanced with positive messages emphasising the success of the project and the support that would continue to be made available. The Chief Executive felt that a small group should get together with the Director of Corporate Affairs and Assistant Director of Communications to clarify the messages.

Action: Elizabeth White

The Cerner representative left for the remainder of the meeting.

62/12 Future Working of the Committee

The Chief Executive confirmed that the EPR Executive Governance Committee should revert to its previous monthly meeting cycle. Additionally, it was felt that a weekly meeting of appropriate staff should be held to draw together the key actions emerging from the daily implementation meetings.

In response to a query from the Head of Governance, it was confirmed that the minutes of the EPR Governance Committee would no longer need to be submitted to the Board. This would necessitate a change to the terms of reference which would be submitted for approval to the Executive and Board.

Resolved: that the Executive Committee and Board be requested to approve the revised terms of reference attached at Appendix 1.

63/12 Financial Report

The Director of Finance, Network Care explained that the forecast was to be revised at a meeting the following day and would be circulated thereafter.

Action: Angela Hughes

It was noted that expenditure to date was approximately £26m and had been extended as expected at the rate of approximately £1m per month. Work continued to confirm a step down of resources and the Head of Informatics explained that this would involve an examination of change control notices and implementation of phase 2 projects. The Chief Executive confirmed that a budget for the year would be required which could then be monitored closely. Going forward, future cost would need to be approved as part of business case submissions. It was also noted that the Trust would need to look at impairment of the EPR asset in the accounts. The business case for the July Board meeting would need to incorporate the original budget forecast benefits compared to the current position.

Action: Elizabeth White

64/12 Date of Next Meeting

The next meeting would be held on Monday, 13 August 2012 at 12:00 noon.

SIGNED

DATE

Appendix 1**EPR Programme Executive Governance Committee****Terms of Reference****Constitution and Membership**

The Committee will monitor progress of the EPR Programme against agreed delivery plan, schedule, timelines and budget. It will bring together, prioritise and co-ordinate clinical and non-clinical governance, risk and controls assurance issues in a way that ensures that the overall objective of the EPR solution – *a fully integrated clinical solution that is safe and reliable for patients* – is met.

The Committee will be appointed by the Executive and chaired by the CEO as Programme Sponsor. The membership will include:

- The Chief Medical Officer and Director of Clinical Standards
- Divisional Directors
- Chief Nurse
- Chief Operating Officer
- Executive Director of IT and EPR Programme Director
- EPR Clinical Lead
- Non-Executive Director (nominated by the Board to focus on EPR)
- Senior accountable Supplier executive

A quorum shall be five members.

Members will be expected to attend all meetings.

Attendance

The Director of Corporate Affairs/Secretary of the Trust (or agreed nominee) will act as secretary to the Committee.

The appointed Programme Financial Controller and Commercial Engagement Lead will be required to attend. Members of the Clinical Steering Group, Operational Steering Group or EPR Programme Management team may be requested to attend.

Frequency

The Committee will meet monthly.

Monitoring

The work of the Committee will be kept under review by the Trust Executive and Trust Board.

Authority

The Committee is authorised by the Board:

1. To approve and confirm the Programme Delivery Plan, Management Arrangements, Reporting and Controls
2. To receive, consider and approve progress and status reporting against Plan in meeting the overall Programme objectives.
3. To review significant risks, issues or dependencies highlighted by the Programme, to ensure appropriate mitigation action plans are in place and to report significant issues to the Executive and Board.

Duties

1. To advise the Executive on EPR Programme status and progress against Plan through agreed scorecard measures and ensure that the Executive and Board are appropriately informed about the key clinical and non-clinical risks affecting the Trust.
2. To monitor Programme performance on status and progress against plan and budget, including management and mitigation of clinical and non clinical risks.
3. To monitor the effectiveness of the Programme's governance arrangements to ensure appropriate clinical, non-clinical engagement and operational engagement (including management information and reporting), consultation and involvement in deploying the EPR solution
 - a. To review and approve Programme governance structure and representation (membership)
 - b. To review and approve Supplier engagement and performance against contract
4. To receive exception reports from the Programme's Clinical Steering Group and Operational Steering Group for decision or action
5. To review any reports from independent assurance and audit organisations and ensure the required action for improvement is being progressed via monitoring of the relevant action plans.
6. To bring together and agree status to be reported to the Executive and Board including significant clinical and non-clinical risks and issues are presented with action plans and targets.

Reporting

The minutes of the Governance Committee meetings will be formally recorded and submitted to the Executive.

Reviewed by the Committee: July 2012

Approved by the Executive:

Approved by the Board:

Council of Governors

Special Council of Governors

Wednesday, 11 July 2012

6.15 pm – 6.30pm

Boardroom, Level 4, Royal Berkshire Hospital

Present

Mr. Stephen Billingham	(Chairman)
Mrs. Vera Doe	(Public Governor, Wokingham) (Vice-Chair)
Ms. Lola Blissett	(Staff Governor, HCA/ Ancillary)
Mr. Jeremy Butler	(Public Governor, East Berkshire)
Mrs. Caroline Bowder	(Public Governor, Southern Oxfordshire)
Mr. Ian Clay	(Public Governor, West Berkshire)
Mr. David Cooper	(Public Governor, Reading)
Ms. Margie Cutts	(Public Governor, Reading)
Dr. Warren Fisher	(Staff Governor, Medical & Dental)
Mr. Colin Lee MBE	(Public Governor, West Berkshire)
Mr. David Mihell	(Public Governor, East Berkshire)
Cllr. Bob Pitts	(Partner Governor, Wokingham Borough Council)
Mr. John Shaw	(Partner Governor, Princess Royal Carers Trust)
Mr. Tony Skuse	(Public Governor, Wokingham)
Ms. Maria Walker	(Staff Governor, Admin/ Management)

In attendance

Dr. Keith Eales	(Director of Corporate Affairs & Secretary)
Mr. Mike Robinson	(Head of Governance)

Apologies

Dr. Muhammad Abid	(Public Governor, Reading)
Mrs. Aileen Blackley	(Public Governor, West Berkshire)
Mr. Carl Bruce	(Public Governor, Reading)
Mr. Ross Carroll	(Public Governor, East Berkshire)
Mrs. Rebecca Corre	(Staff Governor, Nursing and Midwifery)
Miss Jana Hunter	(Partner Governor, Youth MP)
Mrs. Sally Kemp	(Partner Governor, NHS South Central)
Cllr. Alan Law	(Partner Governor, West Berkshire Council)
Mr. John McKenzie	(Public Governor, Wokingham)
Mr Jonathan Mason	(Staff Governor, Allied Health Professionals / Scientific)
Dr. Rod Smith	(Partner Governor, NHS Berkshire West)

57/12 Quorum and Apologies for Absence

The Council of Governors welcomed the new Chairman, Mr Steven Billingham, to his first meeting of the Council.

The Council noted the apologies for absence and the Director of Corporate Affairs and Secretary confirmed that the meeting was not as yet quorate. Following discussion, it was

concluded that the meeting should continue and reach a conclusion on the recommendations. Formal approval of the decision to appoint Non-Executive Directors could be made subject to the subsequent email approval of the two absent Partner Governors. It was agreed that the Director of Corporate Affairs and Secretary contact the two Governors who had indicated they would be attending after the meeting to seek their approval.

Action: Keith Eales

58/12 Appointment of Non-Executive Directors

The Chairman outlined the recent work of the Selection Panel which had interviewed 12 candidates over two days and narrowed down the field to what was felt to be three excellent candidates. The Nominations Committee had considered the proposal from the Panel and was recommending it unanimously to the Council for approval.

It was noted that the recommendations did not meet the anticipated aim of appointing a Non-Executive Director with clinical experience. The recommendations were for one candidate with financial experience and two with excellent customer facing skills. The Selection Panel and Nominations Committee had concluded that it was appropriate to recommend the appointment of the best of the available candidates. The Chief Executive had supported this decision.

The Council was apprised of the backgrounds, experience and qualities of the three candidates. Two of the candidates, Janet Rutherford and Brian Hendon, were known to the Council as Interim Non-Executive Directors, and in the case of Janet Rutherford, as a former Governor. Members of the Selection Panel present outlined their views on the process and candidates whom they were extremely happy to recommend.

In response to a query regarding the decision not to appoint a Non-Executive Director with clinical experience, the Director of Corporate Affairs and Secretary explained that there was no formal requirement to appoint an individual with such a background. Monitor's view would probably be that it was appropriate for the Council to appoint the best possible candidates to the Board. It was noted the Selection and Nominations Committee had discussed this issue in detail and that the option remained for the Trust to appoint an additional Non-Executive Director. The Chairman stated his preference to review the position in due course in the light of experience over how the Board operated.

The recommendation to approve the appointment of the three candidates was approved unanimously. [Post meeting note – the subsequent approval to the recommendation was received from the absent partner Governors.]

Resolved: that subject to the endorsement of the two absent Governors, the appointment of Brian Hendon, Janet Rutherford and Jane May as Non Executive Directors be approved.

59/12 Release of Report

The Vice Chair of Governors queried whether the Council was content for the release of the independent investigator's report to the new Chairman. This was agreed unanimously.

Resolved: that the independent investigator's report be released to the Chairman

60/12 Date of Next Meeting

The next meeting would be held on 26 July 2012 at 6:00 pm.

SIGNED

DATE

Minutes of the Charity Committee

Charity Committee

Thursday 12 July 2012
10.00 – 11.30am
Boardroom, Level 4, Royal Berkshire Hospital

Present:

Mrs. Janet Rutherford	(Non Executive Director) (Chair)
Mr. Craig Anderson	(Director of Finance)
Mr. Stephen Billingham	(Chairman)
Mr. Ed Donald	(Chief Executive)
Mr. Brian Hendon	(Non Executive Director)
Mr. Ian Stoneham	(Commercial Director)

In attendance

Dr. Keith Eales	(Director of Corporate Affairs and Secretary)
Mrs. Angela Gardiner	(Group Financial Controller)
Mr. Mark Goff	(Charity Director)
Mrs. Caroline Lynch	(Governance Officer)

Apologies

Mr. John Shaw	(Partner Governor)
Dr. Tim Parke	(Consultant Anaesthetist)

14/12 Minutes: 7 March and 24 May 2012

The minutes of the meetings held on 7 March and 24 May 2012 were approved as a correct record and signed by the Chair.

15/12 Committee Workshop

The Chair recommended that as there had been a number of significant changes to the Committee it would be useful to hold a workshop in order for new members to gain further insight into key issues and to enable detailed discussion of items requiring decisions.

It was agreed that a workshop for the Committee would be arranged ahead of the next meeting.

Action: M Goff

16/12 Matters Arising

Minute 01/12 Apologies

The Governance Officer advised that Tim Parke and John Shaw had been consulted regarding availability for meetings however due to work commitments were unable to attend today's meeting. Tim Parke had confirmed he would be available for the November meeting. However, John Shaw had advised that Princess Royal Trust Carers Service would be changing their nominee to the Council of Governors so he would not be attending the November meeting.

Minute 03/11 (25/11): Matters Arising: Purchase of LINAC Using Charitable Funds

The Charity Director confirmed that information on the Trust website had been reviewed to enable people to see how to donate direct to the LINAC.

Minute 03/11 (25/11, 13/11): Matters Arising: Website Review

The Director of Corporate Affairs & Secretary confirmed that the Charity was able to make appeals through Facebook.

Minute 03/11 (27/11, 14/11): Matters Arising: Regular Overhead Charge

The Director of Finance confirmed a separate reserve account had been established for the amount set aside, in accordance with the Terms of Reference, to enable the Charity to operate for a year without income, currently agreed as £300k.

Minute 03/11 (27/11, 21/11, 14/11): Matters Arising: Fund Valuations and Transfers and Spending Plans

The Committee noted that discussions were ongoing with Care Groups in respect of obtaining spending plans from fund advisors and rationalising the number of individual funds.

Minute 04/12: Charity Director's Report

The Charity Director confirmed that the model adopted by the ITU for review and use of charitable funds would be used as an example for other departments who had not yet set up a formal arrangement.

The Committee noted that a copy of the publicity leaflet for the LINAC had been provided to Rajinder Sohpal.

The Committee noted that the four Harding funds had not been closed as the funds were restricted.

17/12 Schedule of Outstanding Actions

The Committee noted the schedule of outstanding actions. Only one outstanding action remained in respect of submission of the annual accounts to the November meeting.

Action: C Anderson

The Chair requested that the schedule of outstanding actions be added to future agendas after matters arising.

Action: C Lynch

18/12 Charity Director's Report

The Charity Director gave an update.

The Committee noted that income achieved for 2011/12 was £1.2m. The Charity Director advised that the current budget of £1.5m had been agreed by the Committee at the March meeting. For the period ending 31 May 2012 the income was currently £148,000 behind target based on the original income target of £1.5m.

The Charity Director had been asked by the outgoing Chairman to set a budget aimed at securing donations of £2m.

The Committee agreed that further discussions were required before a decision could be reached on increasing the income target beyond the £1.5m set by the Committee at its last meeting, particularly given the experience of the first few months of the year. It was therefore agreed that the Charity budget should be discussed at the Committee workshop.

Action: M Goff

The Committee noted the Fundraising Strategy which had been developed historically in 2009 by John Scourse. As requested by the Committee at the March meeting the original fundraising strategy had been reviewed against the achievements made by the Charity since 2010/11.

The Charity Director advised that progress to reduce the number of individual funds had been slower than anticipated. As a result of successful engagement with staff areas had subsequently become more proactive and did not wish to close their individual funds.

The Charity Director gave an overview of the legacy for which the Committee had been asked to nominate an Executor. Further developments however had resulted in probate being blocked and legal advice had been sought. It was hoped that the Charity would receive an offer of settlement from the Executor's solicitor.

The Charity Director advised that the staff Payroll was continuing. A total of £5,000 had been accumulated to date.

The Committee noted the funds raised by runners in the Reading half marathon. Volunteers had been recruited and would assist the Charity in contacting fundraisers in order to gain their support for next year's event. Shared events were being developed with Berkshire based charities such as a 10k and 2.5k run which could be used as a platform to recruit further runners for the Reading half marathon.

The Charity Director submitted a proposal to co-opt the major donor, Chris Harrison to the Committee. The Committee noted that Mr Harrison had undertaken a significant amount of work on behalf of the Charity. It was considered that the Chief Executive would meet with Mr Harrison to ascertain his expectations in respect of a role in the Charity.

Action: E Donald

It was agreed that the proposal to review the duties and responsibilities of the charity staff in relation to their current salary levels would be discussed further with the Director of Corporate Affairs & Secretary. **Action: M Goff**

The Charity Director submitted a proposal to reimburse volunteers for travel expenses. It was agreed that this would need to be reviewed against the current arrangements in place for other Trust volunteers. **Action: C Anderson**

Resolved: that the report be noted.

19/12 Charity Budget 2012/13

The Charity Director introduced the report.

The Committee recommended, as agreed earlier, that the budget would require further detailed discussion and this should be undertaken at the workshop.

Resolved: that the charity budget be discussed further at the Committee workshop.

20/12 Management Accounts

The Director of Finance introduced the report. The Committee noted that total funds as at 31 May 2012 were £3.5m

The Director of Finance advised that increased visibility in respect of spending plans would be included in future reports although this had not yet been achieved. Future reports would also include monthly figures and a full year forecast. **Action: C Anderson**

The Committee agreed that the issue of Robbie the Robot would be discussed at the workshop, in particular it was agreed that clarity regarding use of the robot to date was required together with impact on income and expenditure would need to be explored. A briefing note for the Committee would be prepared. **Action: C Anderson/M Goff**

Resolved: that

(a) the issue of Robbie the Robot be discussed at the Committee workshop

(b) the report be noted.

21/12 Establishment of an Independent Charity

The Director of Corporate Affairs & Secretary introduced the report and gave a summary of the considerations considered previously by the Committee regarding the establishment of an independent charity. Two options had been identified both of which would take considerable time to achieve.

It was considered that due to the significant changes to the membership of the Committee it would be timely to review overall approach. The Committee agreed that this would be discussed further as part of the planned workshop for the Committee.

Resolved: that the overall approach to establishment of an independent charity be discussed further as part of the planned workshop for the Committee.

22/12 Charity Risk Register

The Committee noted the risk register.

It was noted that the risk relating to loss of credibility in respect of returning Robbie the Robot was rated as a red risk. In addition, following the ongoing review of the Board Assurance Framework the charity risk register would be revised. **Action: M Goff**

Resolved: that the register be noted.

23/12 Charity Committee Annual Report 2011/12

The Charity Director introduced the report. The Committee noted that the annual report demonstrated how the Committee had discharged its terms of reference during the previous year.

It was agreed that a summary of the Charity's achievements during the year would be prepared and appended to the report prior to submission to the Board.

Action: M Goff

Resolved: that a summary of the Charity's achievements be appended to the annual report and submitted to the Board for approval.

24/12 Charity Committee Timetable 2012/13

The Committee noted the timetable for 2012/13. It noted that the annual accounts would be approved at the November meeting and the timetable would be amended accordingly.

Action: M Goff

25/12 Charity Office

The Charity Director advised that due to the successful recruitment of volunteers additional space for the Charity office was required. Discussions were ongoing with the Director of Estates & Facilities in an attempt to identify a suitable location. **Action: M Goff**

26/12 Date of Next Meeting

It was agreed that the next meeting would be held on Wednesday 7 November at 2pm.

Resolved: that the next meeting be held on Wednesday 7 November 2.00pm

SIGNED

DATE

Minutes of the Joint Constitution Working Group

Minutes of the Joint Constitution Working Group

Friday 13 July 2012

2.05pm - 3.05pm

Boardroom, Level 4, Royal Berkshire Hospital

Present

Mrs. Vera Doe	(Public Governor, Wokingham) (Chair)
Mr. Ian Clay	(Public Governor, West Berkshire)
Cllr. Bet Tickner	(Partner Governor, Reading Borough Council)
Mr. Ian Stoneham	(Commercial Director)
Ms. Maria Walker	(Staff Governor, Admin. and Management)

In attendance

Dr. Keith Eales	(Director of Corporate Affairs and Secretary)
Mr. Mike Robinson	(Head of Governance)

Apologies

Mrs. Sally Kemp	(Partner Governor, South Central SHA)
Mrs. Janet Rutherford	(Interim Non Executive Director)

01/12 Election of Chair

Resolved: that Mrs Vera Doe be elected Chair.

02/12 Review of the Constitution

The Director of Corporate Affairs and Secretary drew attention to the current Trust constitution and the new Monitor model constitution; the latter already took into account the changes which would be brought about by the new Health and Social Care Act. He introduced the report which set out the current position and options for future consideration.

The Group concurred with the suggestion that the first priority was to obtain the approval of the November 2012 Annual Members' Meeting (AMM) to a change in the constitution such that subsequent changes did not require AMM approval. It was noted that the new Health and Social Care Act specified that changes to the powers of Governors would require AMM approval, but other changes would not. Future changes would also not need to be ratified by Monitor. It was felt that seeking detailed changes to a constitution at an AMM was not practical, nor would be of much interest to those present. Most Foundation Trusts did not currently have a requirement for changes to be agreed at the AMM. However, there would need to be communication on the issue to members in advance of the AMM and it was noted that this should take place from October 2012.

The Group concurred with the need to appoint a legal advisor to prepare the wording of the required changes as it was important to ensure the document was correctly framed. It was noted that Monitor would expect legal advice to have been sought.

The Group discussed in detail the continuing work programme and concluded the areas which they would like to consider in more detail and receive options and information on.

It was considered that the issue raised previously by the Board and Council over the length of Non Executive Directors' appointment terms should be resolved; a move towards the Monitor guidance of three year terms was felt to be the way forward.

The Group felt that there should be a consideration of the public constituencies. An examination of their boundaries should be undertaken in the context of patient flows which had most likely changed since the constitution was developed in 2005. Similarly, a review of the break down of the numbers of public Governors for each constituency should be considered in this context.

The make up of partner Governors should also be reviewed. For example, partner governor posts would need to reflect new commissioning bodies and the demise of the strategic health authority. Whilst youth representation was felt to be very important, it had always proven difficult to fill the Youth MP post. Representation from hospital volunteers and the voluntary sector generally could also be considered. It was felt that increasing the overall numbers of Governors should be avoided.

In terms of relationships with emerging commissioning groups and others such as health and well being boards, the Commercial Director confirmed that contacts at executive/ operational level would certainly be in place. At Board/Council level, it was felt the new bodies should be given time to develop before making firm views on representation. It was noted that engagement generally could be discussed as part of the forthcoming Joint Board/ Council strategic workshop.

It was noted that the requirement in the constitution to fill casual election vacancies for the remainder of the original term meant that some Governors faced short terms of office. The Director of Corporate Affairs and Secretary explained that although it was recognised that this was frustrating for the individuals involved, there was no option to alter this as it was based on legislation and the required model election rules.

It was noted that there could be some 'tidying up' of the constitution, for example, to remove the transitional elements no longer required.

Clarification was sought on the extent to which Governors could be involved in approving the appointment of voting executive directors on the Board. The Director of Corporate Affairs and Secretary explained that the split in responsibilities for appointing Executive and Non Executive Board Directors was an important check and balance in the system and would remain. The appointment of voting executive directors, with the exception of the chief executive, was a matter for the Board and although the Council could be briefed, there was no requirement for it to be involved in direct consideration of the matter. He confirmed that the Trust detailed in the annual report any exceptions to the Monitor Code of Governance and this included the balance between Executive and Non Executive Directors.

The Group considered that reviewing the merits of the 'first past the post' (FPTP) versus the 'single transferable vote' (STV) systems for Governor elections would be appropriate.

The Chair summarised that the Group considered:

- That legal assistance in drafting constitutional changes should be sought

- That the November AMM would be asked to approve a change in the constitution such that future changes would not require AMM approval
- That the next meeting of the Group consider issues/options on the following areas:
 - Size of the public constituencies
 - The relative balance between the different public constituencies
 - The makeup of the partner governor appointing organisations
 - Terms of office of NEDs
 - The merits of FPTP versus STV elections

The Director of Corporate Affairs and Secretary confirmed that the Group would be presented with options on each of the above issues at its next meeting. It was considered this should be held in September in order to confirm changes to the constitution in advance of the Board, Council and AMM.

The recommendations from the Group would be submitted to the next Council of Governors and the Board of Directors.

RESOLVED: that the Board of Directors and Council of Governors be recommended to agree:

- a) that legal assistance be sought with drafting changes to the constitution
- b) that a revised constitution be prepared and submitted to the Board, Council of Governors and the November 2012 AMM to alter the constitution such that, unless required by statute, future changes would not require AMM approval
- c) that the Group consider in more detail options for further changes to the constitution.

03/12 Date of Next Meeting

The next meeting would be held on Friday 21 September 2012 at 2:00 pm.

SIGNED

DATE

Board Schedule of Outstanding Decisions

Agenda Item 12a)

Board Date	Board Minute Ref	Subject	Decision	Owner	Report Due
May 2010	89/10	Monitor Code of Governance	The term of office of non-executive directors be considered as part of the first review of the Trust Constitution	Keith Eales	Joint Constitution Review Working Group to recommend three year terms of office for NEDs
November 2011	162/11	East Berkshire – collaborative approach	The Chief Executive advised that he had agreed to work with the Chief Executives of Heatherwood & Wexham and Frimley Park to assess the feasibility of making a collaborative response to the commissioning intentions of the Ascot and Bracknell clinical commissioning group. He would submit the case to the January 2012 Board for review.	Ed Donald (Ian Stoneham)	Update provided to June board. Final business case planned for Sept. 2012 Board.
November 2011	167/11	Real Estate Strategy (RES)	The final strategy be submitted to the Board in February 2012	Philip Holmes	Real estate strategy si paused, awaiting the final clinical strategy.
January 2012	05/12	E. coli	The possibility of setting a target for E.coli diagnosed within 48hrs of admission be reviewed during the preparation of the annual plan	Ian Stoneham	The Trust is continuing to report E coli bacteraemia. There are no HPA targets for 2013/14. However we are to report against a safe benchmark from August 2012
February 2012	25/12	Electronic Patient Record Programme Options	(a) the concerns with the current contract be pursued with Cerner/UPMC during the 90 day default period (b) that a dedicated project leader and specialist procurement and legal advice be engaged.	Ed Donald (Elizabeth White)	Contract negotiations have taken place. The business case is being revised. A high level view should be available for the July Board.
February 2012	27/12	Water Hygiene issues	Briefing note on water hygiene to be circulated to Board members	Philip Holmes	Report provided to the June 2012

Board Schedule of Outstanding Decisions

Agenda Item 12a)

					meeting
April 2012	58/12	Underlying financial position	Paper on underlying financial trends (excluding one off items) to be presented to the May Board	Craig Anderson	See Quality of Earnings paper on this agenda
May 2012	72/12	WBCH Utilisation	The care group Director, Planned care submit a report to a future meeting setting out the action being taken and proposed to fully utilise Trust facilities at WBCH, and the overall cost of the facility to the Trust	Peter Malone	See paper on this agenda
May 2012	72/12	Capacity Issues	The Chief Executive, in consultation with Berkshire Healthcare NHS Foundation Trust and NHS Berkshire West submit a report in advance of the next meeting, setting out trends in emergency department attendances, admissions and discharges and the action being taken to address current concerns	Ed Donald (Lindsey Barker)	See report on this agenda from Nursing Director
May 2012	74/12	Performance monitoring	Board members be advised of the performance against the cancer targets following completion of the validation exercise	Ian Stoneham	Update to be provided.
May 2012	77/12	Clinical Services Strategy	The Commercial Director meet with the Non-executive Directors and the Care Group Directors to discuss the draft strategy.	Ian Stoneham	Update to be provided.
June 2012	95/12	Activity in the Trust	Interim briefing note for Board members to be sent setting out the issues and actions to address concerns. Provide a monthly briefing on delayed discharges, system capacity issues and the support required from commissioners.	Lindsey Barker	To be sent in July and monthly thereafter
June 2012	96/12	Shaping the Future – East Berkshire Consultation	A sub-group of Directors should meet to develop the Trust response to Shaping the Future	Ian Stoneham	First meeting being arranged for July.
June 2012	99/12	Drug spend	The Director of Finance undertook to provide a quarterly analysis of drug expenditure in 2011/12	Craig Anderson	See DoF report on this agenda
June 2012	99/12	Quality of Earnings Statement	The Board noted that the production of a quality of earnings statement for 2011/12 would be submitted to the next Board meeting	Craig Anderson	See DoF report on this agenda
June 2012	104/12	TAF Workshop	The appropriate risks to be included in the Board assurance framework be identified by a working group of	Keith Eales	Report on workshop outcome elsewhere

Board Schedule of Outstanding Decisions**Agenda Item 12a)**

			Board Directors		on the agenda.
June 2012	110/12	Engineering contract	The Chairman, Chief Executive and Director of Finance were authorised to appoint the successful contractor prior to the next Board meeting. A further report on the appointment to be submitted to the July Board	Philip Holmes	See DoF report on this agenda
June 2012	111/12	Bracknell Clinic Update	The Chief Executive commented that it would be appropriate for the Board to meet the Board of Frimley Park Hospital NHS Foundation Trust and for a similar meeting to take place at Executive level to discuss joint working	Ed Donald	Chairman and CEO meeting scheduled for Sept. 2012.
June 2012	112/12	Pathology Services	The Chief Executive commented that it would be appropriate for the Board to meet the Board of Heatherwood & Wexham Park Hospitals NHS Foundation Trust and for a similar meeting to take place at Executive level, to discuss the development of the joint approach. This was endorsed by the Board.	Ed Donald	Date being arranged with HWP.

Royal Berkshire NHS Foundation Trust
Board Agenda Plan

Agenda Item 12b)

This plan shows draft agendas for meetings of the Board.

Contact Mike Robinson on 0118 322 5364 mike.robinson@royalberkshire.nhs.uk with queries/updates.



NB – no August Board

September Board

Draft report deadline

Final despatch deadline:

Board

Thursday 13/7/12 (For 17/9/12 Exec)

Tuesday 18/9/12, 9am

Tuesday 25/9/12

Item	Origin/Details	Executive Lead/ author
Patient story presentation	Emma Vaux	
Performance Items		
Chief Executive's Report	Regular report	Ed Donald
Quality and Patient Safety Report	Regular report	Caroline Ainslie/ Medical Director (Hester Wain)
Integrated Performance Report	Regular report	Ian Stoneham (Caroline Hillman)
Director of Finance Report	Regular report	Craig Anderson (Graham Butler)
Strategy/Major Items		
Pathology Services	June Board	Lindsey Barker / Ian Stoneham
EPR Business Case		Elizabeth White
Other Items		
Research award Presentations	1st item?	Leslie Fredercik
Governance Items		
Minutes of Meetings	Regular report	Keith Eales (M Robinson/C Lynch)
Corporate Risk Register	Regular report	Keith Eales (Niall Smyth)
Clinical governance and charity cttee annual reports		Keith Eales (Kat Young / Mark Goff)
Monitor Quarterly Submission		Craig Anderson (Ken Taylor)
Information Items		

Schedule of Outstanding Actions	Regular report	Keith Eales (Mike Robinson)
Board Agenda Plan	Regular report	Keith Eales (Mike Robinson)

October Board

Draft report deadline

Thursday 18/10/12 (For 22/10/12 Exec)

Final despatch deadline:

Tuesday 23/10/12, 9am

Board

Tuesday 30/10/12

Item	Origin/Details	Executive Lead/ author
Patient story presentation	Crag Anderson	
Performance Items		
Chief Executive's Report	Regular report	Ed Donald
Quality and Patient Safety Report	Regular report	Caroline Ainslie/ Medical Director (Hester Wain)
Integrated Performance Report	Regular report	Ian Stoneham (Caroline Hillman)
Director of Finance Report	Regular report	Craig Anderson (Graham Butler)
Strategy/Major Items		
EPR Business Case		Elizabeth White
Other Items		
Governance Items		
Minutes of Meetings	Regular report	Keith Eales (M Robinson/C Lynch)
Corporate Risk Register	Regular report	Keith Eales (Niall Smyth)
Monitor Quarterly Submission		Craig Anderson (Ken Taylor)
Information Items		
Schedule of Outstanding Actions	Regular report	Keith Eales (Mike Robinson)
Board Agenda Plan	Regular report	Keith Eales (Mike Robinson)

Future business:

Patient story presentations to be on following rota: CEO, ND, MD, DoF, PCGD, NCGD, UCGD

Board Deadlines 2012

Meeting (Last Tuesday of each month)	Final despatch deadline (Tuesdays)	Papers to be considered at Executive (Mondays)	Draft Deadline for Exec (Thursdays)
25 September	18/9	17/9	13/9
30 October	23/10	22/10	18/10
27 November	20/11	19/11	15/11
11 December	4/12	3/12	29/11