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**PAH NHS Trust**

**Essex Health Overview and Scrutiny Committee**

**14 September 2011**

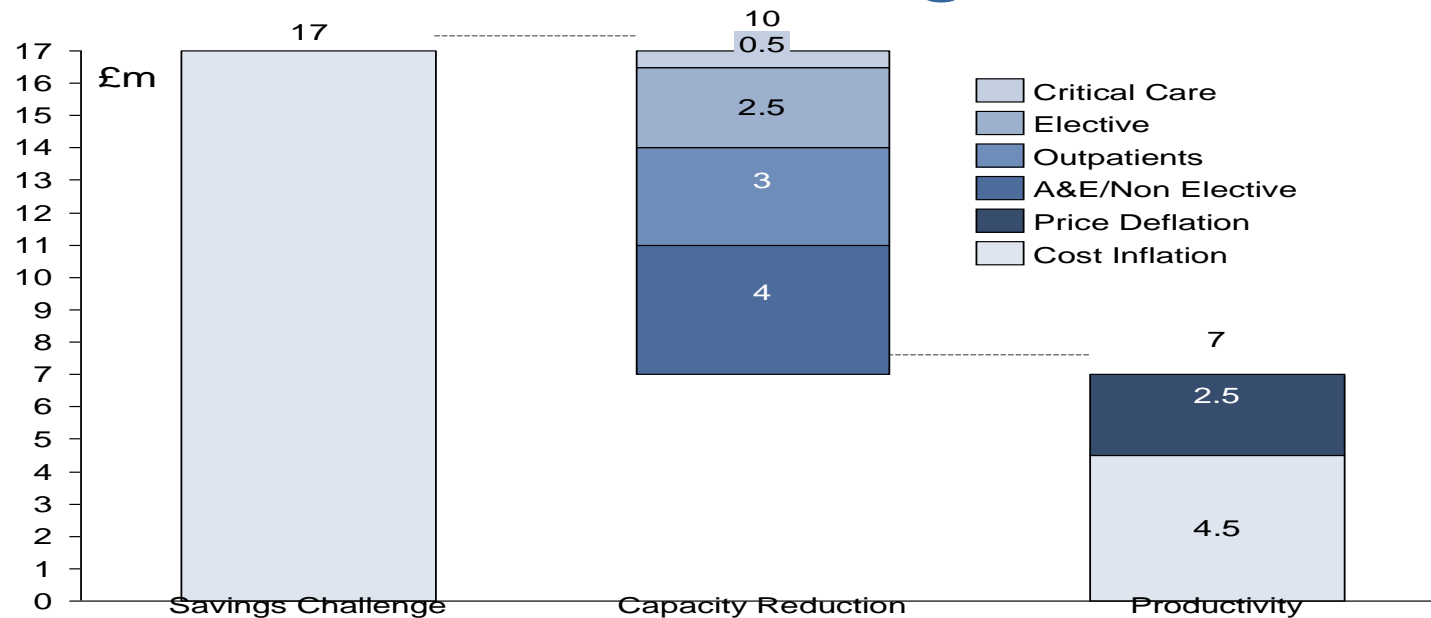
# Background

The NHS faces significant financial pressures due to the ageing population, increasing costs of medicines and higher expectations from the public. These factors mean that the NHS has to deliver financial saving of up to £20 billion in the next 3-4 years, this despite its budget being protected from the austerity measures.

At the same time, the national shift in focus away from hospital based care to care closer to home will result in a reduction in demand for hospital services. Further, new incentives such as use best practice tariffs and non-payment for unplanned emergency re-admission require hospitals to do more to improve safety, outcomes and patient experience, by working more efficiently and in an integrated manner.

Princess Alexandra Hospital (PAH) NHS Trust faces a financial gap of £17 million (£10m activity reduction, £7m efficiencies) for 2011/12 – representing 10% of its turnover. In addition the Trust faces a further savings challenge of £12m and £10m in the following years.

# Financial Challenge 11/12



These challenges means that the Trust has to:

- Reduce in size, potentially by as much as 25% over the next three years;
- Achieve concomitant reductions in its costs;
- Improve the quality of its services year on year.

# Our Commitments and Principles

The Trust has committed itself to a radical programme of change, which put simply will;

- Fix the Hospital;
- Save the money;
- Agree the medium to long term strategy;
- Achieve FT status.

The Trust has developed a set of guiding principles in order to ensure that the Transformational plan is implemented in a safe and rationale way. The principles are summarised below;

- patient safety is paramount;
- Involve clinicians in decision making;
- tackle capacity reductions before productivity;
- combine better health outcomes with more productivity;
- back office before front line clinical services;
- stakeholder buy-in;
- sustainability;
- QIPP alignment.

# Our Transformational Plan

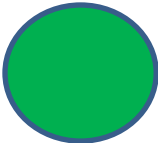
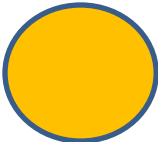
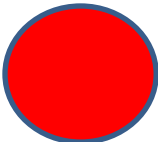


These challenges necessitate a programme of reform which will impact on all parts of the organisation, and which will need to impact quickly if it is to become an excellent local hospital with a sustainable financial future. The transformational plan faces up to the tough challenges and involves tough decisions that the Trust must make to;

- Deal more effectively with challenges in the areas of patient safety and quality;
- Improve its performance in delivering key operational standards;
- Improve the way it uses information to influence decision making.
- Get better at exercising control over its resources;
- Build-in more engagement of clinicians in decision making;
- Organise itself in a way which can more effectively focus management capacity on the priorities;

# Our Cost Improvement Programme (CIP)



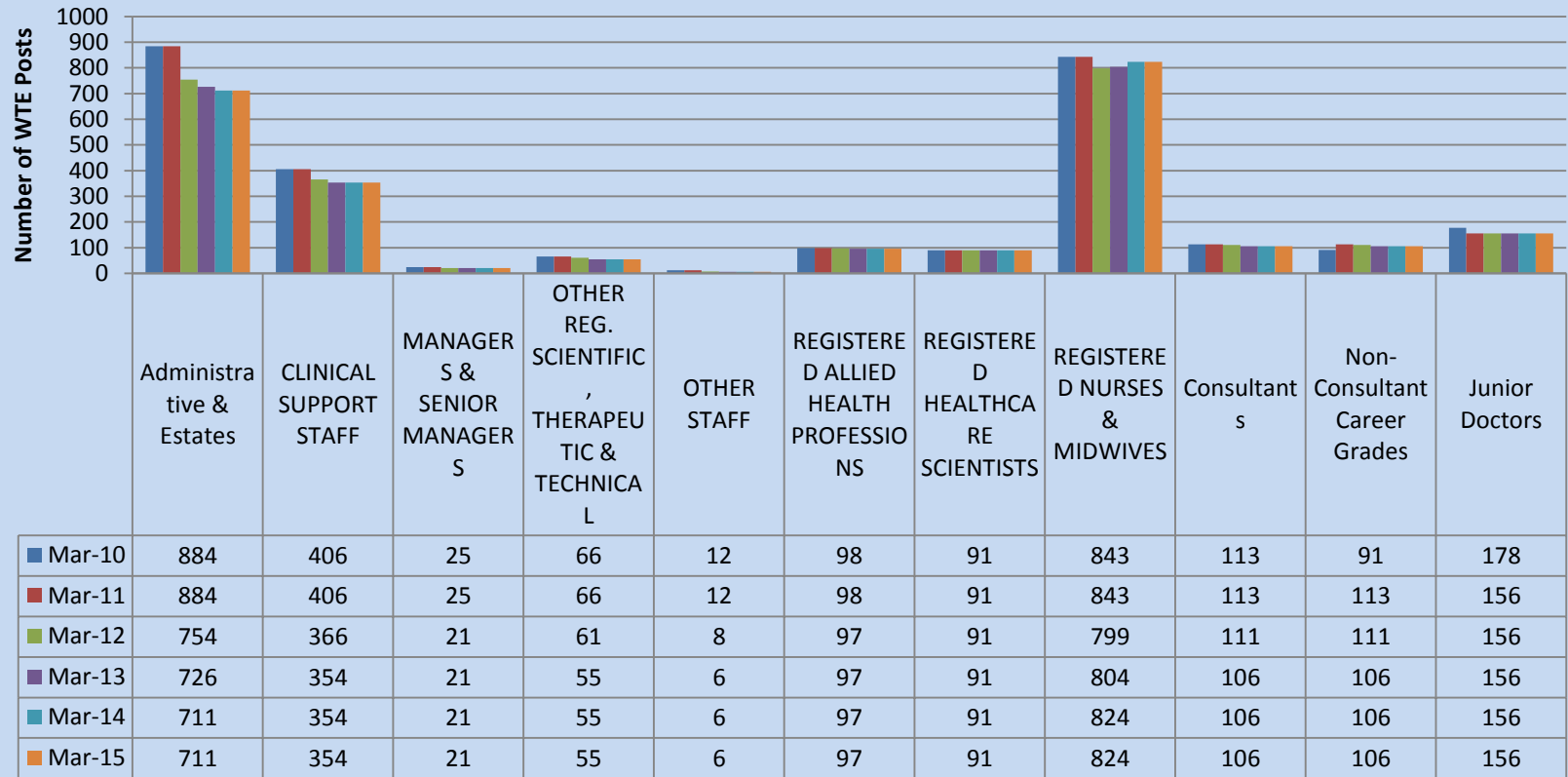
<u>Cost Improvement Programme 2011/12</u>		
	FYE	
Scheme Status	£ millions	Deliverability RAG rating
Green	13.1	
Amber	5.6	
Red	0.5	
<b>Total</b>	<b>19.2</b>	<b>22.4</b>

# Impact on Workforce

Our plan has identified the disestablishment of 247 whole time equivalents (WTE) posts. After taking into account attrition due to natural turnover and current vacancy rates, we estimate that the total number of redundancies will be around about 90 WTE posts. We have put in place mechanisms to reduce the number of compulsory redundancies to a minimum by;

- offering voluntary redundancy;
- facilitating redeployment of staff where possible;
- supporting affected staff in search for suitable employment elsewhere.

## Change in Number of WTE Posts





# Transformation Plan (1)



- The Board approved the Transformation Plan at the June Trust Board meeting.
- At month 4 (2011/12), the Trust CIP programme was phased to deliver £2,290k savings.
- The Trust has delivered 92% of the £2,290k.
- The slippage of £193k has been largely mitigated with vacancy control and other measures. We are working up further plan B to mitigate any future slippage.
- **Beds;**
  - The plan was to take out 28 emergency beds in October. A total of 22 beds have now been closed.
  - We plan to open 20 beds as elective beds in August to allow us to deliver the 18 weeks backlog. These will close down in October.
  - Average Length of Stay (ALOS) project continues to progress well with the 3 pilot wards. We are planning to roll out the programme for all wards by the end of August. This will involve daily ward rounds and nurse led discharge.
  - The ALOS for both elective and emergency is well ahead of target and nearly at the 15% reduction we set ourselves. If maintained this means we would be able to close the wards down in the plan with no reduction in capacity.

# Transformation Plan (2)



- **Outpatients**

- We have closed 240 of the 2185 planned clinics.

- **Theatres**

- We have reduced 4.5 lists per week through efficiencies and these have been used to help with backlog reduction.

- **HR Restructures**

- These have started and are on plan. We launched voluntary redundancies programme which closed in late August.
- All HR restructures launched in July are in the back office and remain largely on plan.
- We started informal consultation on medical secretaries in August.

- **Communications**

- We published our Transformation plan in early July 2011.
- The Chief Executive has met with all local MPs.
- We have engaged the press, Health Overview Scrutiny Committee, Staff side and the PCTs and other interest groups.
- Our main focus is on staff ; extensive meetings have been held between the top team and staff groups over the next few months. These are set to continue.

# Quality and Service Performance

- The Trust has steadily improved its performance in all Key performance indicators and is meeting the national targets and standards including;
  - PAH is registered by the CQC with two moderate conditions which are awaiting final closure by the CQC following actions by the Trust.
  - The Trust received generally positive report from the CQC following an announced inspection which focussed on care for the elderly.
  - A&E – Steady improvement in 4 hours waiting time - above 95.0% for since May 2011. The Trust is fully compliant with the new A&E standards.
  - HMSR (within the expected range)
  - Cancer waiting times. The Trust is ahead of plan in clearing the backlog related to 18 weeks & 6 weeks wait for diagnostics.
  - Venous Thrombo-embolism (VTE).
  - Reducing hospital acquired infections (Zero MRSA cases reported YTD)
- The Trust continues to focus significant energy on reducing hospital acquired infections and reducing the number of serious incidents in the hospital.
- The number of complaints is broadly static when compared to the same period last year.

# Next Steps



The Trust is in full implementation mode and progressing to plan. The next steps are;

- Maintain focus on quality;
- Operationalize those parts of plan not already progress;
- Continue to work to develop new possibilities and push the phasing to mitigate any slippage;
- Continue to work with the PCTs to ensure reduction of activity. Rapid deployment of this part of the programme is critical for the plan to succeed.