

Presentation to the KCC Health Overview and Scrutiny Committee (HOSC) 19 April 2011

Maidstone & Tunbridge Wells NHS Trust

Colin Gentile

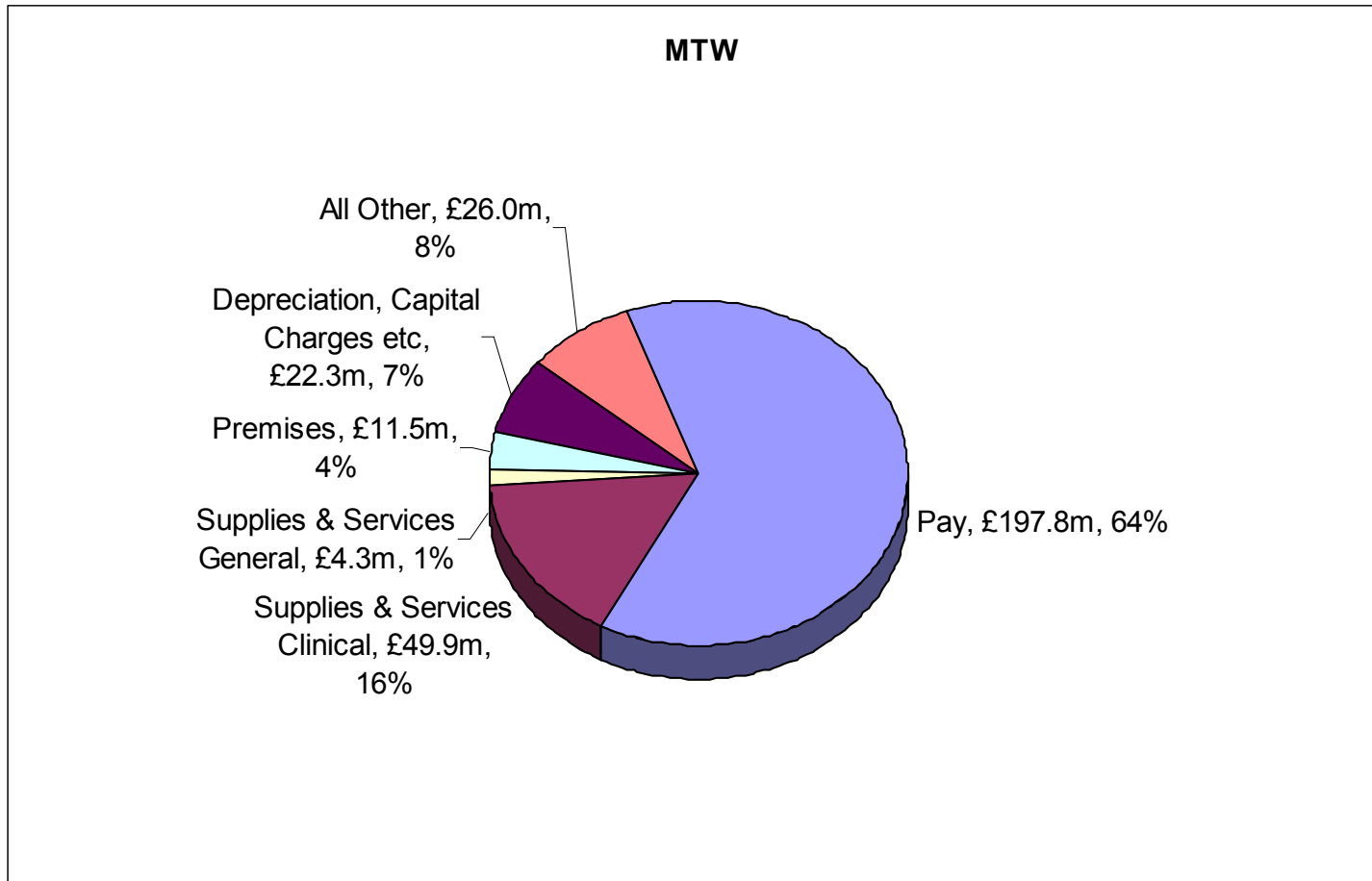
Interim Director of Finance



Structure

1. About Maidstone & Tunbridge Wells (MTW) NHS Trust
2. Why Financial Balance is important
3. 2010/11 Financial Balance and Service Change
4. 2011/12 and the impact of the Operating Framework
5. QIPP and MTW
6. Demographic Trends
7. Other Issues

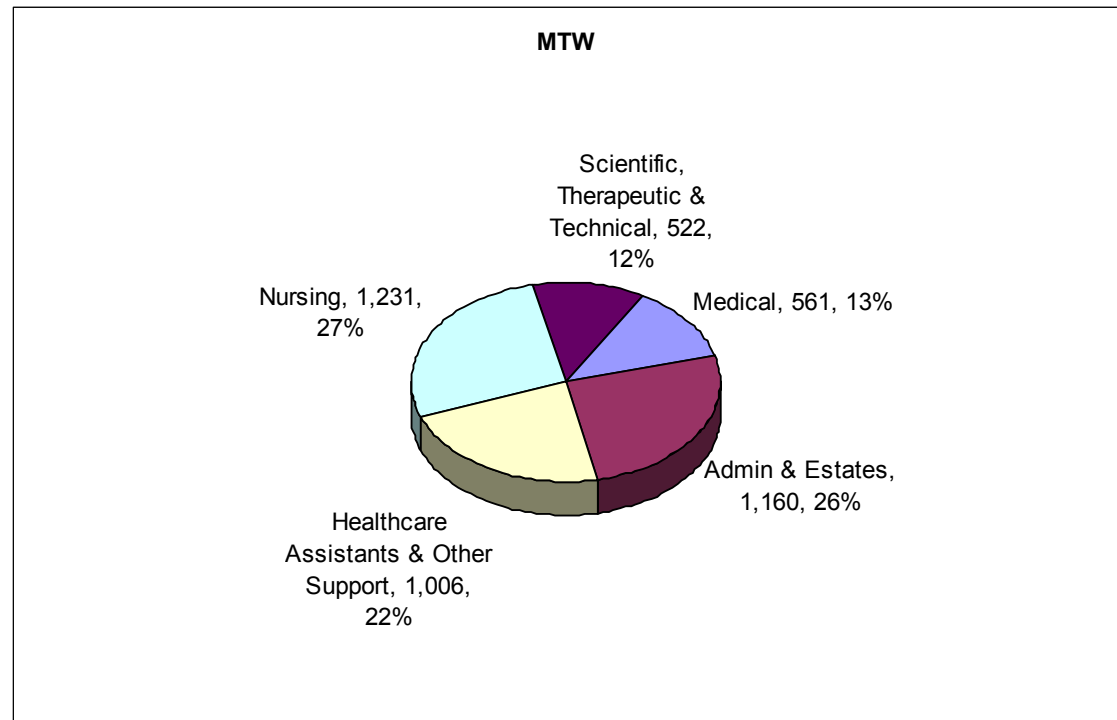
2009/10 Audited Accounts



Total Expenditure £311.7m

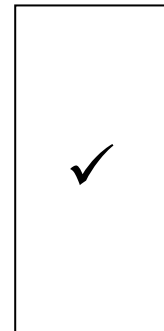
2009/10 Audited Accounts

Average No of Employees (WTE)	
Category	MTW
Medical	561
Nursing	1,231
Scientific, Therapeutic & Technical	522
Healthcare Assistants & Other Clinical Support	1,006
Admin & Estates	1,160
Total	4,480

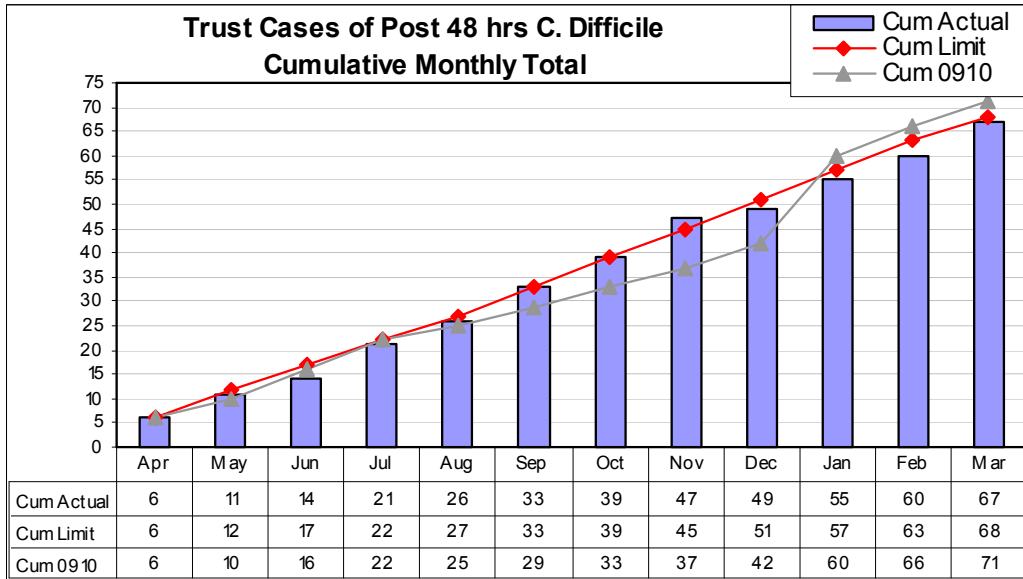


2010/11 – The Year Just Gone

1. Must achieve a £1.6m surplus to meet 5 year break-even duty
2. Delivered £15.2m efficiencies
3. Delivered:
 - a) A&E waits
 - b) 18 week elective surgery
 - c) Infection Control targets (see overleaf)

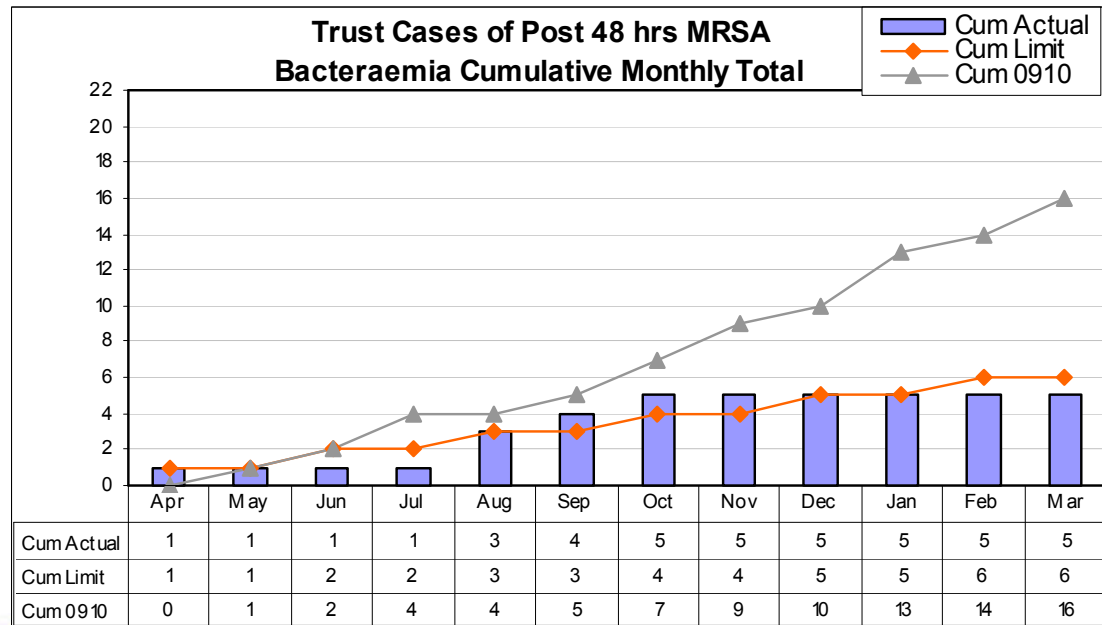


**Trust Cases of Post 48 hrs C. Difficile
Cumulative Monthly Total**



2010/11 Performance

**Trust Cases of Post 48 hrs MRSA
Bacteraemia Cumulative Monthly Total**



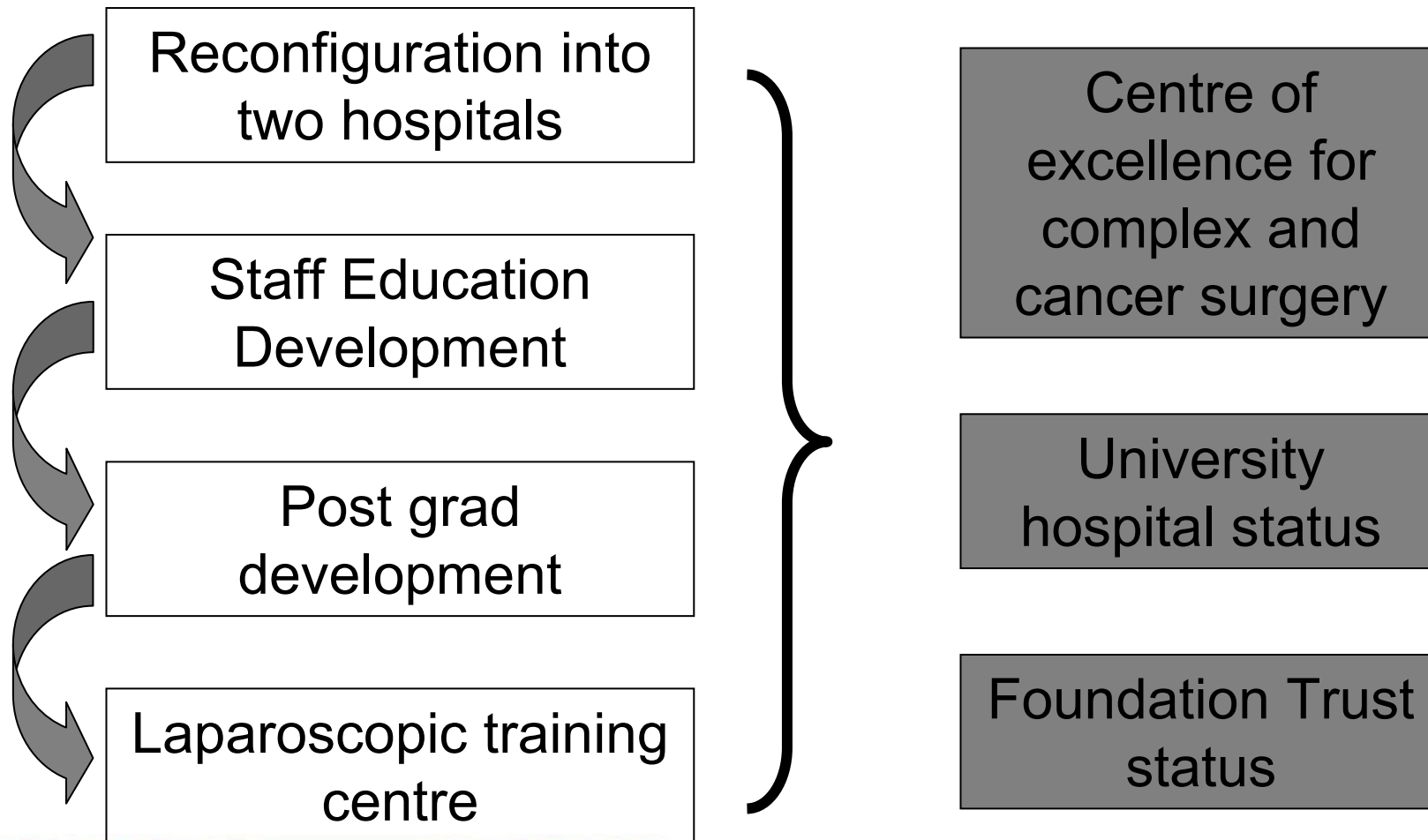
Why Financial Balance is Important

1. Sustainable services are only possible with sustainable finances
2. Living beyond our means in any one year results in more savings required in the following year
3. Financial Balance allows secure and sensible planning into the future
4. Facilitates delivery of our strategic objectives

Our Strategic Objectives

- Provide safe quality services and experiences for patients, staff and the public
- Deliver services which are efficient and productive
- Ensure effective governance of the Trust and its services
- Create a high performance workforce and, as an employer of choice, encourage innovation and learning
- Delivery financial viability and sustainability
- Establish the Trust as a lead provider of health services in the healthcare economy

Developments – a 5 year strategy



2010/11 Savings and Services

- Guiding principle – The Board of MTW will not take any action that adversely impacts on quality or safety of the care delivered.
- Our efficiency plans have delivered £15.2m or 5% of turnover. Headlines are:

	£m
Divisional Savings	8.1
Procurement	1.9
Outpatients	1.0
Trust to Trust SLAs/Private Patients	0.8
Administration	0.6
Length of Stay/Bed Management	0.5
Others in estates, diagnostics, prescribing	<u>2.3</u>
	15.2

- The efficiencies as well as generating savings also improve patient care.

Impact of 2011/12 Operating Framework

National

- £10.6 billion budget increase over 4 years
- £20 billion productivity improvements required over the same period
- Structural change SHAs, PCTs, Clusters, GP consortia and FT status for all NHS Trusts or.....?
- Outcomes Framework
- Patient experience and feedback

Impact of 2011/12 Operating Framework

Priorities include:

- Stronger Health Visiting Services
- Cancer Drug Fund
- Autism Strategy
- Dementia Strategy
- Support for Carers
- End of Life Care
- Cancer Reform
- Stroke Strategy
- Mental Health Strategy
- Waiting Times
- New A&E Targets
- Healthcare Associated Infections
- Mixed Sex Accommodation

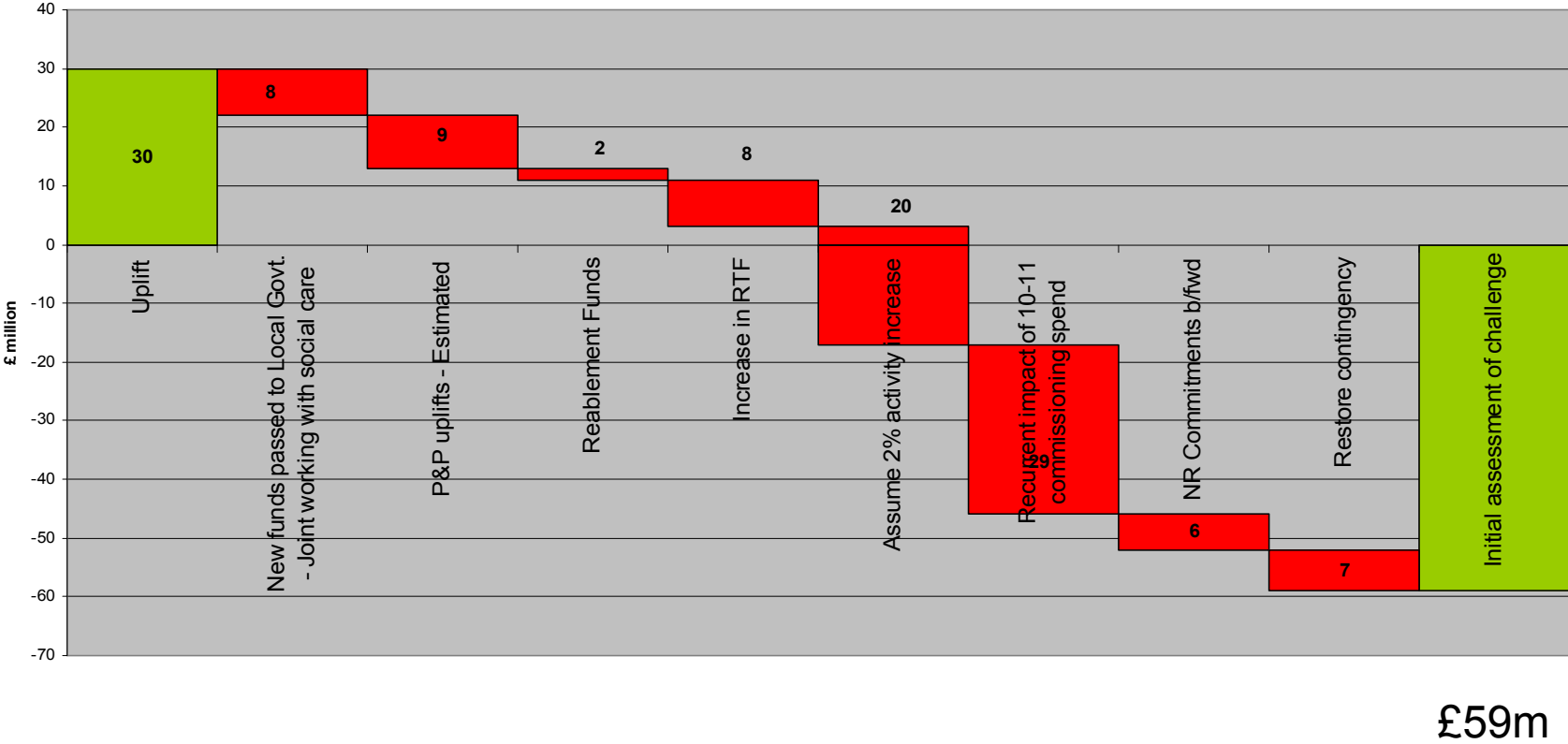
Impact of 2011/12 Operating Framework

The Scale of the Challenge

- NHS West Kent 2011/12 allocation of £1.008m
- Represents £30m uplift from 10/11
- Factor in PbR uplift, enablement funding transfer to SS, RTF, 2% activity increase, recurrent impact of 10/11 commissioning spend, Non-Recurrent commitment brought forwards, a contingency – £59m challenge
- Needs to be a plan to effectively spend the allocation to the benefit of patients – not just a plan to cost cut or cost shift – QIPP is an opportunity to improve quality, innovation, productivity and performance

Source NHS West Kent

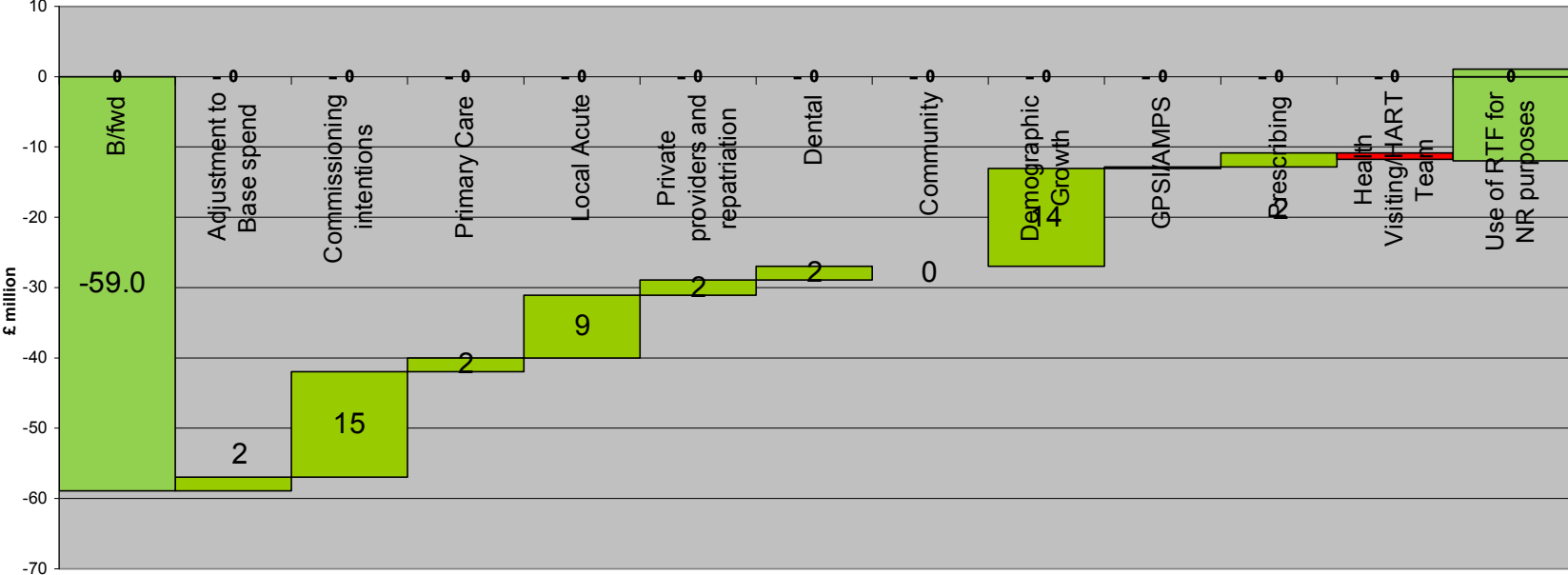
Initial impact of 2011-12 Annual Operating Plan



Source NHS West Kent



Initial impact of 2011-12 Annual Operating Plan



Source NHS West Kent



QIPP Expectations and Plans

- Commissioner challenge of £148.66m over next four years.
- Plus £81m expected from 2 main acute providers in WK over same period (£27.5m DVH, £53.5m MTW).
- Plus share of impact from other providers including new community trust.
- To address the scale of challenge required to deliver a balanced budget, plans above initial proposed levels are required.

Source NHS West Kent

Working Together to Rise to the Challenge and Deliver and Integrated Plan

- Whole System Delivery Boards - joint concordat – health and social care - focus on benefits not savings i.e. the right thing to do. Minimal bureaucracy and barriers. Identifying and driving opportunities for “win win ” Agreeing strategy for long term that makes sense to all partners
- Reform and best care plans driven by clinicians eg Urgent Care Boards.
- Routine and regular Executive – to - Executive review meetings.
- Robust review of progress – including PMO/QIPP Tracker (1 plan, triangulating finance, activity and workforce metrics).
- Clear strategic communication and engagement plan (which needs to be urgently developed). Driving a change in culture towards self care by patients and staff.
- Systematic and appropriate use of improvement leads/virtual improvement academy.
- Fully explore and utilise patient engagement /patient revolution opportunities.
- Best use of re-enablement/social care funds.

Source NHS West Kent

QIPP and MTW 2011/12

Key components of MTWs efficiency plans

	£m
Back Office	1.5
Procurement	2.0
Medicines Management	1.0
Workforce productivity	5.4
Safe care	1.7
Divisional small schemes	<u>3.9</u>
	15.5

Demographics

Main drivers for health planning:-

1. Population growth in Kent County is expected to be 10.6% or over 148,000 over a 15 year period to 2022. Rate of growth slower in West Kent than East Kent and Medway
2. Increase in the percentage of population aged over 65, with a 32.15% increase across Kent County to 2022.

The Kent and Medway New Commissioning Cluster will factor this major change into its commissioning plans. MTW will need to be involved in this planning and respond in its service changes.

Other Issues

- New hospital at Pembury and the closure of the Kent and Sussex Hospital
 - World class facilities
 - Increases the cost of delivery (working with the SHA and Department of Health)
 - Service reconfiguration and patient flow changes
- Need for greater vertical integration of services