Whittington Health NHS

The Whittington Hospital NHS Trust
Magdala Avenue
London N19 5NF

Whittington Health Trust Board

8th January 2014

Title:	Financial Position – Month 8 (November 2013)		
Agenda item:	14/009	Paper	5
Action requested:	For agreement.		
Executive Summary:	**This paper provides an overview of the financial performance to 30 November 2013 (month 8) and year-end forecast financial position. Key headlines:** • Financial results to the end of November show a break even position, maintaining the position reported last month and consistent with the target to deliver break even at the year end. • The November in-month position is a small deficit of £12k. • Reserves continue to be applied to support the position, but in November a lower adjustment than previous months was applied. The use of reserves underpins cost pressures relating to waiting times activity and related non-delivery of savings targets. • The delivery of further in-year savings initiatives is underway, but this continues to require focused effort to deliver a year-end recurrent break even position.		
Summary of recommendations:	The Trust Board is asked to note the contents of this report.		
Fit with WH strategy:	This report updates the Trust Board of progress in achieving statutory financial requirements. Successful delivery of financial plan in 2013/14 is essential to underpin financial sustainability and progression towards foundation trust status.		
Date paper completed:	20th December 2013		
Author name and title:	Matthew Creighton Head of Financial Management & Planning	Director name and title:	Simon Wombwell Interim Chief Financial Officer

Month 8 Finance Report

1. Introduction

1.1. This paper summarises the Trust's financial results for the period to November 2013 (month 8) and sets out the latest forecast to year end.

1.2. Performance in November shows a breakeven position, which maintains a break even against the year-to-date position to month 8. This position continues to be underpinned by reserves to address additional costs for waiting times' activity and under-delivery of the original savings plan. As a consequence, the Trust must maintain its focus on tight cost control and the delivery of additional, recurrent savings to achieve the year-end target and avoid increased savings targets in 2014/15.

2. Key Information

2.1. The year-to-November 2013 shows a breakeven position. This is £2.3m adverse compared to the plan. The in-month result for November is also a break-even position, £0.3m adverse to the planned surplus for November. The forecast for the year end remains break even.

2.2. Total income is 2.9% above plan but the combined impact of shortfalls on the cost improvement plans, the need to spend to recover Referral to Treatment (RTT) and Emergency Department (ED) targets, have led to costs being 5% in excess of plans. This has also resulted in a drop in the EBITDA margin to 4.9% (compared to a plan of 7%).

2.3. In order to address the in-year financial position and deliver break even at year end, the Trust has applied reserves to support increased spending levels compared to plan. Since these reserves are a non-recurrent solution, the Trust has been developing further in-year savings over and above those set in the April 2013 plan. The original target of £15m will deliver savings of £7.4m; hence a further target of £4.2m has been set. Performance against these planned recovery actions in November shows that the Trust is delivering £0.7m less than target. This will need to be recovered by year end to achieve break even. The closure of this gap is being addressed with clinical commissioning groups (CCGs) to increase the contract value to reflect activity levels above those set in the original contract.

2.4. Cash balances increased by £2m compared to the previous month, reflecting the November draw down of borrowed funds. Further cash will be drawn down in December. As reported previously, the use of reserves exposes the historically weak balance sheet. An application to turn this borrowing into a long term solution is being completed with the support of the NHS Trust Development Authority (NHS TDA).

2.5. Summary of divisional performance against budget.

2.5.1. Integrated Care and Acute Medicine (ICAM) - £0.8m adverse in month and £4.3m adverse year-to-date (YTD). Cost improvement plan (CIP) underperformance of £1.6m YTD.

2.5.2. Surgery, Cancer and Diagnostics (SCD) - £0.4m adverse in month and £3.5m adverse YTD. CIP underperformance of £0.8m YTD.

2.5.3. Women, Children and Families (WCF) – Break-even in month and £0.8m adverse YTD. CIP underperformance of £0.5m YTD.

2.5.4. Corporate - £0.9m favourable in month and £5.0m favourable YTD. CIP underperformance of £1.6 YTD. The favourable position is underpinned by £8.1m non-recurrent benefit from reserves.

2.6. Section 10 of this report provides a summary of the recent publications of the reference cost index, 2014/15 tariffs and CCG allocations.

3. Income Statement

3.1. The Statement of Comprehensive Income for the period to November 2013 is set out below:

Figure 1 – Month 8 Income and Expenditure Position

	Current Month			Year To Date			Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
NHS Clinical Income	20,354	20,547	(193)	162,045	163,225	(1,180)	243,777
Non NHS Clinical Income	1,542	677	866	9,257	5,468	3,788	8,169
All Other Non Clinical Income	3,064	2,521	543	22,364	19,553	2,811	29,373
Total Income	**24,960**	**23,745**	**1,216**	**193,665**	**188,246**	**5,420**	**281,319**
Pay	17,678	16,043	(1,635)	136,678	128,554	(8,124)	192,483
Non Pay	6,022	6,060	38	47,567	46,732	(835)	72,760
Centrally Held Savings	-	(13)	(13)	-	(97)	(97)	(155)
Total Expenditure	**23,699**	**22,090**	**(1,610)**	**184,245**	**175,189**	**(9,056)**	**265,087**
EBITDA	**1,261**	**1,655**	**(394)**	**9,421**	**13,057**	**(3,636)**	**16,232**
Loss on Disposal of Assets	-	-	-	-	-	-	-
Plus Interest Receivable	2	6	(4)	23	47	(24)	71
Less Interest Payable	228	232	4	1,847	1,855	8	2,808
Less Depreciation	818	908	90	5,846	7,266	1,420	10,899
Less PDC Dividend	229	216	(13)	1,775	1,731	(44)	2,596
Net Surplus / (Deficit) - before Impairments	**(12)**	**305**	**(317)**	**(24)**	**2,253**	**(2,277)**	**0**
Less Impairments	-	-	-	-	-	-	-
Net Surplus / (Deficit)	**(12)**	**305**	**(317)**	**(24)**	**2,253**	**(2,277)**	**0**
Net Surplus / (Deficit) excluding PFI IFRS (relevant for break-even duty)	**(0)**	**317**	**(317)**	**2**	**2,279**	**(2,277)**	**1,091**

3.2. The year-to-November 2013 shows a break-even position. The key reasons underpinning the position are detailed in the following paragraphs.

3.2.1. **Income** is £5.4m favourable against plan due mainly to the application of reserves to support waiting list reduction activity. If this non-recurrent benefit is removed, clinical income would show underperformance against contracted levels (because the majority of the contract is on a block i.e. fixed sum basis).

The under performance mostly relates to activity in critical care and neonatal special care (the billing of this activity is under review to ensure activity is captured in full).

3.2.2. Key risk: income continues to reflect payment for the transfer of services to local authorities and transfer of estates of c£15m (previously funding resided with primary care trusts). Final agreement to payment remains unconfirmed, so this remains a risk. The contracting team continues to work with CCGs, the commissioning support unit (CSU), as well as previous escalation to the NHS TDA (also talking to NHS England). We are awaiting confirmation of a meeting with the NHS TDA and NHS England.

3.2.3. A recent issue creating some risk is the inability to extract complete activity information from the new Electronic Patient Record (EPR) system. A fix is expected to be completed in February.

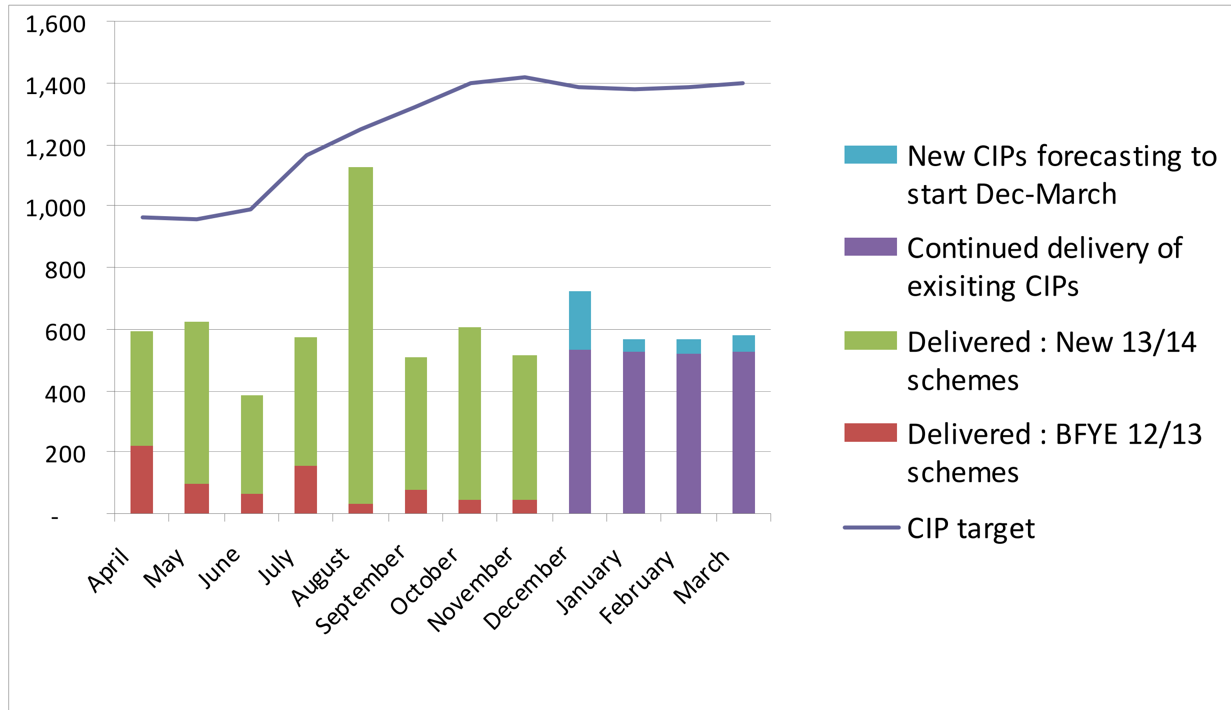
3.2.4. **Pay** costs are £8.1m adverse to budget due to shortfalls in the delivery of savings programmes, as well as the need to invest in returning patient waiting times to correct levels. A key component is the high use of flexible workers. Agency expenditure is £3.8m above 2012/13 levels to underpin vacancy levels (c.11%), sickness absence and specialing (one-to-one nursing care for high acuity patients). The increased agency cost is split across admin (£1.4m), medical (£1.3m) and nursing staffing (£0.9m); bank staffing is £1.0m higher driven by nursing (£0.8m) and admin (0.2m). HR has been implementing changes to the recruitment process to reduce the reliance upon agency staff in favour of substantive postholders.

3.2.5. **Non-pay** is £0.8m adverse to budget caused by shortfalls against savings targets and unplanned activity relating to waiting list targets.

4. Cost Improvement Programme – original target £15m

4.1. Our delivery of CIP to month 8 was 48% below plan, delivering £4.9m (3% of operating costs). This includes a one-off £604k non-recurrent provision release (to underpin the waiting list initiative which prevents delivery of some original plans).

Figure 2 - CIP YTD performance and forecast



4.2. The key reasons behind the year-to-date shortfall:

- Priority to meet A&E four hour and RTT access targets conflicting with delivering cost reductions in these areas;
- The planned date for the ambulatory care centre to become operational has been delayed;
- Some savings plans have been halted to avoid adverse impact on service quality and target delivery;
- Some estimates of savings in some plans have proved subsequently unrealistic.

4.3 As a direct result of the shortfall, all areas of the Trust are working on identifying and delivering further in-year savings measures to underpin the current use of reserves (as per Section 6).

5. Underlying position

5.1. An analysis of the underlying position, which excludes the use of reserves shows an underlying deficit of £8.1m – see Figure 3 below.

Figure 3 – Year-to-date underlying financial position

	Plan £m	Actual £m	Variance £m
Month 8 / Nov results	2.3	0.0	(2.3)
Reserves – non recurrent	0.0	(8.1)	(8.1)
Month 8 underlying	**2.3**	**(8.1)**	**(10.4)**

5.2. As a result of this underlying position, the Trust has developed in-year plans to deliver further in-year savings of £4.2m i.e. in addition to the savings identified at the beginning of the year. The target is to improve the run rate by £1m per month by April 2014.

6. Additional savings target - £4.2m

6.1. In order to achieve the planned breakeven position in 2013/14, as well as recurrent break even by March 2014, further in year savings plans are required. A £4.2m target has been set and allocated to divisions and corporate areas, profiled to achieve from October onwards, with a target to deliver £1m per month improvement by April 2014.

6.2. The Trust has currently identified plans to deliver £2.9m of the £4.2m target (including plans to reduce bank and agency staffing costs). Further work is on-going led by the chief operating officer and chief finance officer to deliver the target in full, including holding discussions with CCGs to increase the value of the 2013/14 contract.

6.3. The month 8 YTD achievement against the profiled savings target shows £429k identified against a £951k target, with £286k of savings delivered to November. The shortfall against target will need to be recovered by year end in order to deliver the forecast breakeven position.

Figure 4 - Performance against the additional £4.2m savings requirement

Division	13/14 Savings target £000's	13/14 Savings target YTD £000's	13/14 Savings identified £000's	YTD Savings identified £000's	YTD Savings achieved £000's	YTD delivery Over/ (under) vs ID'd £000's	YTD delivery Over/ (under) vs target £000's
ICAM	509	91	395	87	143	56	53
SCD	737	173	461	41	-16	-58	-189
WCF	960	225	340	89	89	0	-136
Agency	1,292	297	622	138	0	-138	-297
Corporate	704	165	302	72	69	-3	-95
Total	**4,202**	**951**	**2,120**	**429**	**286**	**-143**	**-665**

6.4. Delivery of the £4.2m savings target represents a key component of the forecast in order for the Trust to achieve the planned outturn breakeven position. Other components of the forecast include an assumption that the run rate will not further deteriorate due to increased operating expenditure and expectations surrounding levels of winter pressure funding and costs.

7. Forecast

7.1. In spite of the adverse variances reported above, the Trust continues to forecast the delivery of break-even position, consistent with the annual plan. The Trust Board will formally review this position following publication of the December (month 9) financial position, which allows new in-year savings to demonstrate delivery.

7.2. There remains significant risk to achieving the forecast position including achievement of the £4.2m additional savings target and containment of expenditure to forecast levels.

A risk assessment based on current performance not being improved upon values this risk at £2.5m.

7.3. In addition there are also the income risks outlined in Section 11. These are expected to be resolved in full by year end.

7.4. Our monthly monitoring of divisional positions now incorporates monthly targets (control totals) which, if met, will deliver break even at year end. With the exception of Integrated Care and Medicine Division (ICAM), divisions are meeting their control totals.

Figure 5 – November actual performance against forecast by division

Division	Variance against M7 forecast £000's
ICAM	(315)
SCD	13
WCF	21
Corporate	103
Total	**(178)**

7.5. Key variances against the previously forecasted November position within each division are as follows:

7.5.1. ICAM - £315k adverse due to high levels of both community and acute nursing agency as well as medical specialty agency.

7.5.2. SCD - £13k favourable variance. Increased costs in ITU medical staff offset by lower theatre non-pay and administrative interim costs.

7.5.3. WCF - £21k favourable variance. Additional midwifery costs are offset predominantly due to increased expectations in levels of income associated with sexual health and child and adolescent mental health services (CAMHS).

7.5.4. Corporate - £103k favourable, due to a combination of different one-off benefits in month. There was a benefit to catering in month of £96k due to an annual analysis of catering receipts showing an unexpected increase in turnover which resulted in an increased contribution share for the Trust.

8. Divisional Performance

Figure 6 – Month 8 Income and Expenditure by Division

Division		Month 8			Year to Date		
		Actual	Budget	Variance	Actual	Budget	Variance
		£'000	£'000	£'000	£'000	£'000	£'000
Integrated Care & Acute Medicine	Income	1,514	966	548	9,774	7,634	2,140
	Expenditure	8,066	6,678	(1,388)	60,061	53,643	(6,418)
	Total	**(6,552)**	**(5,712)**	**(840)**	**(50,287)**	**(46,009)**	**(4,278)**
Surgery, Cancer & Diagnostics	Income	373	286	87	2,430	2,341	89
	Expenditure	5,008	4,544	(464)	39,748	36,118	(3,629)
	Total	**(4,635)**	**(4,258)**	**(377)**	**(37,318)**	**(33,778)**	**(3,540)**
Women, Children & Families	Income	1,230	1,143	87	9,304	9,183	121
	Expenditure	5,549	5,432	(117)	43,511	42,547	(964)
	Total	**(4,319)**	**(4,288)**	**(30)**	**(34,208)**	**(33,365)**	**(843)**
Corporate	Income	21,843	21,349	494	172,158	169,088	3,070
	Expenditure	5,077	5,435	359	40,925	42,880	1,955
	Total	**16,766**	**15,914**	**853**	**131,233**	**126,208**	**5,025**
TOTAL	Income	**24,960**	**23,745**	**1,216**	**193,665**	**188,246**	**5,420**
	Expenditure	**23,699**	**22,090**	**(1,610)**	**184,245**	**175,189**	**(9,056)**
	EBITDA	**1,261**	**1,655**	**(394)**	**9,421**	**13,057**	**(3,636)**

Divisional summary – YTD

8.1. ICAM - £4.3m adverse of which the CIP underperformance is £1.6m. Further drivers of the adverse position include additional expenditure to meet both A&E and RTT targets, high agency usage across both acute and community, and cost pressures such as backfill for EPR training and extended hours working. Winter pressure costs are being offset by additional funding from commissioners.

8.2. SCD - £3.5m adverse, of which the CIP underperformance is £0.8m. Further drivers of the adverse position include a stepped increase in orthopaedic theatre activity, additional beds opened for medical and surgical outliers, high agency and clinical supplies usage and underachievement against the divisional overseas visitors' income target.

8.3. WCF - £0.8m adverse, of which the CIP underperformance is £0.5m. Drivers of the adverse position relate to agency expenditure (to cover sickness absence and EPR training) and clinical consumables as well as lower than expected audiology screening and genito-urinary medicine (GUM) income because of commissioning changes.

8.4. Corporate - £5.0m favourable, including CIP underperformance of £1.6m, linked to the release of reserves to offset waiting list investments and some under-delivery of savings targets. This masks pressures within the division relating to under-delivery against administration improvements and bed management projects (reported centrally) within the corporate division as a trust-wide initiative. Various areas within the acute estates and facilities as well as high temporary staff expenditure across a range of corporate functions including IT (supporting the EPR go-live) also contribute to the adverse underlying position.

9. Cash and Statement of Financial Position (formerly known as the Balance Sheet)

Figure 7 – Statement of Financial Position

Description	As at 1st April 2013 £000	As at 30th November 2013 £000	As at 31st March 2014 £000
Property, plant and equipment	137,747	134,666	171,039
Intangible assets	1,411	2,722	2,374
Trade and other receivables	635	1,090	639
Non-current assets	**139,792**	**138,478**	**174,052**
Inventories	1,290	1,441	1,291
Trade and other receivables	11,042	21,340	27,955
Cash and cash equivalents	15,088	6,918	876
Current assets	**27,420**	**29,699**	**30,121**
Trade and other payables	32,107	34,338	34,400
Borrowings	1,146	1,146	1,099
Provisions	4,292	692	203
Current liabilities	**37,545**	**36,176**	**35,702**
Net Current liabilities	**10,124**	**6,477**	**5,581**
Borrowings	38,593	36,630	37,140
Provisions	1,764	1,384	1,332
Non-current liabilities	**40,356**	**38,013**	**38,472**
Total assets employed	**89,312**	**93,987**	**129,999**
Public dividend capital	53,344	58,044	62,494
Retained earnings	5,299	5,307	36,869
Revaluation reserve	30,668	30,636	30,636
Total taxpayers' equity	**89,312**	**93,987**	**129,999**

9.1. The Trust's Balance Sheet for November has improved on the previous month following the draw down of £4.5m of short term borrowing in November. As outlined previously, in addition to the fact that the Trust has a historically weak balance sheet, the use of non-cash backed reserves to support the income and expenditure (I&E) position means a steady deterioration towards historic weak levels. The solution agreed with the NHS TDA is short term borrowing (repayable on 10 March) followed by an application for a long term loan or additional PDC to be submitted in February. A paper covering cash requirements is being prepared for discussion at the resources and planning committee in January, with Board approval for the loan application to be sought before the application is submitted.

9.2. Cash balances increased by £2m compared to the previous month, following the draw down of £4.5m of short-term borrowing. Note: the planned high-cash balance assumed a working capital loan to support the foundation trust (FT) application, allowing us to achieve regulatory requirements for FT status.

9.3. Proposed borrowing of £8.5m should be sufficient to meet the Trust's obligations, provided that a) the I&E recovery actions amounting to £4.2m are achieved in a way that delivers a cash benefit b) Payments to Property Co and Barnet Enfield and Haringey Mental Health Trust are delayed pending a conclusion on community estate funding c)

Progress is made on collecting GP rents/service charges and d) The Trust manages its debtors and creditors in a way that maximises the cash balance appropriately.

9.4. Note: in order to minimise borrowing the Trust is forecast to end the year with a bank balance of circa £0.5m and a permanent public dividend capital (PDC) advance of c£8.5m. The balance sheet included within this report does not yet reflect this as the final agreement has yet to be received, but will be adjusted in due course.

9.5. The planned actions mean the Trust will operate with appropriate levels of cash; however in order to prevent the situation deteriorating next year it is important that:

- A lower expenditure run rate is delivered by March 2014, such that no underlying deficit position impacts upon 2014/15
- Secure the SLA income appropriate for 2014/15 planned expenditure levels.
- Secure the full missing funding for the transfer of community estates and avoid any other legacy cash liabilities from PCTs (this factor is reflected in the high level of debtors in the balance sheet - £21.3m).
- Avoid cash liabilities associated with the transfer of residual primary care trust balance sheet items.

9.6. The Balance Sheet above shows a material increase in Fixed Assets (Property, Plant and Equipment) – increasing from £131m in November to £171m in March. This is the result of the transfer of community services assets.

9.7. The requirement to borrow cash does raise our risk profile. This will be improved through medium term actions to improve performance in I&E terms and produce cash surpluses.

10. Other financial information

10.1. The Trust's **Reference Cost Index** (RCI), measuring our relative cost to the national average of providers, was released on 21 November.

10.2. Our RCI is 104 (compared to 105 last year) i.e. four points more expensive than average. Our neighbouring trusts results: Homerton Hospital NHS Trust 90, Barnet and Chase Farm Hospitals NHS Trust 95, Royal Free London NHS FT 97, North Middlesex University Hospital NHS Trust 97 and University College London Hospitals NHS FT (UCLH) 109.

10.3. A paper is being prepared for the resources and planning committee exploring the results of the 2012/13 RCI and potential implications for informing the improvement programme.

10.4. The **2014/15 national tariffs** were announced on 17 December 2013 which provides prices for 2014/15 contracts. In brief, tariffs are reducing by 1.5% on last year's prices (reflected in our efficiency target). The policy document also allows commissioners and providers "greater freedom to experiment with new payment approaches to support the new models of care that they will develop". Link: http://www.england.nhs.uk/resources/pay-syst/national-tariff/

10.5. **2014/15 CCG allocations** were announced on 20 December 2013. Funding for NHS commissioners will rise from £96bn to £100bn over the next two years, offering protection from inflation. All CCGs will receive increased allocations, at least matching inflation. In 2014/15, this increase is 2.14% for Islington (minimum increase) and 2.54% for Haringey; the maximum increase is 2.8% for those CCGs with the fastest growing populations. In 2015/16, allocations will reduce to reflect the transfer of funding to local authorities, known as the *Better Care Fund* (previously Strategic Integration Fund). Link: http://www.england.nhs.uk/2013/12/18/ccg-fund-allocs/

11. Income risks explained

11.1 Transfer of Community Estates and IT: The funding being sought from the CCGs (the risk) remains at £8.3m i.e. a total of £15.7m less what is already included within the SLAs of £7.3m. The matter has been escalated to the NHS TDA who is arranging a meeting with NHS England. In reporting the month 8 position, this income has been accrued and is expected to be paid.

11.2 Baseline SLA transfers: following the transfer of funds from PCTs/CCGs to NHS England and local authorities, there continues to be difficulties in finalising the revised SLAs. This is partly due to the lack of a joined-up approach to reconciling transfers and a unilateral alteration by the CSU of what was previously agreed. Discussions are continuing with commissioners and progress has been made with the London Borough of Haringey. The overall shortfall that remains to be resolved is as follows:

Figure 8 – SLA funding risk

	This month £m	**Last Month £m**
London Borough of Haringey sexual health services	0.0	1.0
NHS England Hanley Rd GP practice	0.8	0.8
CCG baseline items not included by CSU in offer that was previously provided	1.0	1.0
Latest switches by CSU impacting multiple parties	1.2	1.2
Total Income needing to be included within agreed SLAs	**3.0**	**4.0**

11.3 Transfer of residual primary care trust (PCT) balances: As part of the dissolution of the PCTs, NHS England has allocated outstanding PCT balance sheet values to successor bodies, including Whittington Health. Initial estimates were a liability of c£3.5m. This risk has now reduced to c£200k.

11.4 Note: the above risks are not reflected in the forecast. If these risks crystallise, this would worsen the forecast break even position.

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Whittington Health Trust Board

8 January 2014

Title:	CQUIN performance and delivery		
Agenda item:		**Paper Number**	**5.1**
Action requested:	For Information		
Executive Summary:	This paper responds to the Trust Board request to understand current performance against Commissioning for Quality and Innovation (CQUIN) delivery. Whittington Health CQUINs are valued at £3.2m for 2013/14 (included within the contract) and span divisions and specialities, the majority of these being within Integrated Care and Acute Medicine. Delivery on CQUINs will: • Secure improvements in the quality of services and provide better outcomes for patients • Embed quality within commissioner-provider discussions and create a culture of continuous quality improvement • Ensure Whittington Health maximise full CQUIN funding Current performance, projected to year end, estimates that 83 percent of CQUINs are being delivered, resulting in a shadow income of £2.7m (against a maximum payment of £3.2m), an underperformance of £0.5m.		
Summary of recommendations:	To note the progress year to date with CQUINs.		
Fit with Whittington Health strategy:	Strategic goal five – Change the way we work by building a culture of education, innovation, partnership and continuous improvement		
Reference to related / other documents:	None		
Reference to areas of risk and corporate risks on the Board Assurance Framework:			
Date paper completed:	16 December 2013		
Author name and title:	**Janet Wint** **CQUIN Project Manager**	**Director name and title:**	**Simon Currie** **Director Contracts and Business Development**

Date paper seen by EC		Equality Impact Assessment complete?	N/a	Risk assessment undertaken?	N/a	Legal advice received?	N/a

Introduction

This paper outlines the 'shadow' impact of the delivery of national, local and specialist CQUINs i.e. the true impact of CQUIN if the values were not included in the contract value.

The Quarter 2 CQUIN performance report, with a narrative of the potential financial impact if Whittington Health moves to a payment by results contract in 2014/15 can be found at the end of this report.

Background

Commissioning for Quality and Innovation (CQUIN) was introduced by the Department of Health in order to financially incentivise healthcare providers to improve the quality of services that they deliver. A proportion of Whittington Health's income depends on achieving quality improvement and innovation goals agreed between the Trust and its commissioners.

CQUINs are a mix of national (mandated) standards and locally agreed (to reflect local needs).

2013/14 Whittington Health CQUIN Schemes

2.5 per cent of the value of all Whittington Health services, commissioned through the NHS Standard Contract are linked to CQUINs. Note that this only applies to NHS commissioners, and that local authorities for example are not required to pay CQUINs

In 2013/14 the following CQUINs were agreed with commissioners:

CQUIN	Type	Performance
1. Implement Friends and Family Test (FFT)	National	Partially met
2. Meet NHS Safety Thermometer metrics	National	Substantially met
3. Dementia standards	National	Substantially met
4. Venous Thromboembolism (VTE)	National	Fully met
5a Prevention – stop smoking	Local	Fully met
5b Prevention – alcohol harm		Failing
6a Integrated Care – Multi Disciplinary Team (MDT) working	Local	Partially met
6b Integrated Care – ambulatory care sensitive conditions		Not started
6c. Integrated Care – supporting self care		Fully met
7. Chronic obstructive pulmonary disease bundle	Local	Fully met
8. Neonatal Intensive Care (NIC)	Specialised	Partially met
9. Child & Adolescent Mental Health Services (CAMHS)	Specialised	Fully met

The current contract arrangements for national and local CQUINs are through a block contract but it is likely that this arrangement will change next year such that CQUINs is payable based on actual performance. Non-delivery of CQUINs could present a significant financial (income) risk for Whittington Health (c£3.5m).

CQUIN performance for quarters one and two can be seen in full at the end of this report and is summarised in the table above. In shadow financial terms, based on year to date performance, an estimated 83 percent or £2.7m of the total potential revenue of £3.2m for the current year will be achieved.

Likely future CQUINs

The specifics of the CQUINs for 2014/15 are still subject to agreement through the contract round. The areas that the clinical commissioning groups (CCGs) have indicated that they would like to see covered by CQUINs are as follows:

- The national mandated CQUINs;
- Possible roll over of current year local CQUINs;
- Prevention, including alcohol and domestic violence;
- Diabetes
- Frail elderly
- Mental health (unclear whether or how this will apply to Whittington Health)

CQUIN Summary 2013-14

Friends and Family Test

Financial Value £160,000

ID	Maximum £	Projected £	Indicator	Target / Monitoring	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct
1.1	**40,000**	**40,000**	Maternity	Roll out by end of October	Survey written				Survey rolled out				
1.2.1	**40,000**	**0**	Emergency Department	A minimum 15% response rate	6%	5%	3%	**4.5%**	5%	7%	7%	**6.3%**	6%
1.2.2	**40,000**	**40,000**	Inpatient	A minimum 25% response rate	24%	35%	44%		36%	44%	39%		
1.3	**40,000**	**40,000**	Annual staff survey	FFT answer improvement on last year	Figures available on publication of the annual staff survey								
	160,000	**120,000**											

Additional commentary and notes

The only indicator for the Friends and Family test which is calculated prior to year end is ther maternity indicator which has been achieved. There are no provisions for partial payment of CQUINS. Therefore at present, if performance does not improve signficantly then £40k is at risk from not delivering a 15% response rate in the Emergency Department. Performance for inpatients has been consistently above the 25% target so, assume that there is not a signficant change in performance this should be achieved. The Annual staff survey is not published until February 2014.

NHS Safety Thermometer

Financial Value £160,000

ID	Maximum £	Projected £	Indicator	Target / Monitoring	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct
2.1	**80,000**	**80,000**	Completeness	100% each month	100%	100%	100%	**3/3**	100%	100%	100%	**3/3**	100%
2.2	**80,000**	**80,000**	Pressure ulcer (PU) incidence	Reduce incidence by 50% by Q4.	28	18	9	**55**	24	20	18	**62**	
	160,000	**160,000**											

Additional commentary and notes

PU incidence Baseline figure derived from 2012/13 = 80.

PU trajectory proposed 10% reduction in Q2 (72), 25% reduction in Q3 (60) and 50% by Q4 (40)

Achievement of completeness is measured and assessed on a quarterly basis and therefore the Trust has already secured 50% of the value of this indicator (i.e. £40k). Clarity is being sought from the CSU on the rules around pressure ulcer incidence as the national guidance suggests that this should be based on 6 monthly averages taken in October 2013 and March 2014. On this basis then the Trust would have achieved the target for the first 6 months (66 cases).

Dementia

Financial Value £160,000

ID	Maximum £	Projected £	Indicator	Target / Monitoring	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct
3.1.1			Screening	90% quarterly	85%	92%	97%	**91%**	97%	94%	94%	**92%**	
3.1.2	**144,000**	**144,000**	Assessment	90% quarterly	100%	100%	91%	**97%**	100%	100%	100%	**100%**	
3.1.3			Referral	90% quarterly	91%	81%	94%	**89%**	100%	100%	91%	**97%**	
3.2	**16,000**	**16,000**	Clinical Leadership	Lead clinician; planned training programme	Lead clinician- Rosaire Gray, training programme being rolled out								
	160,000	**160,000**											

Additional commentary and notes

Clarity from commissioners is currently being sought in relation to the rules for achievment. At present, documentation received suggests that 90% of patients aged over 75 and admitted non-electively for over 72 hours should be screened, assessed and referred. Payment is based on achieving an average of 90% or above for any 3 consecutive months in each of the 3 indicators which means that as of Q2, we should have secured the full value of the CQUIN provided that commissioners agree with our interpretation of the guidance.

VTE

Financial Value £160,000

ID	Maximum £	Projected £	Indicator	Target / Monitoring	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct
4.1	**80,000**	**80,000**	Assessment	95% monthly	96%	96%	95%	**96%**	96%	96%	96%	**96%**	
4.2	**80,000**	**80,000**	Root cause analysis (RCA) for H.A.T	70%= Q1, 75% = Q2, 80%=Q3 and 85%=Q4	100%	100%	100%	**100%**	100%	100%	100%	**100%**	
	160,000	**160,000**											

Additional commentary and notes

The Trust has met this CQUIN for both Q1 and Q2

Integrated Care

Financial Value £640,000

ID	Maximum £	Projected £	Indicator	Target / Monitoring	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct
5.1	**106,665**	**106,665**	Multidisciplinary Working	4 MDT Case conferences a month MDT case conference membership	n/a	n/a	n/a		Haringey -4 a week Islington- 4 a month				
5.1.1	**106,667**	**53,334**	Multidisciplinary Working- Haringey	90% WH actions completed	n/a	n/a	n/a					100%	
			Multidisciplinary Working- Islington	90% WH actions completed	n/a	n/a	n/a					**69%**	
5.2	**106,667**	**106,667**	Ambulatory Care Management	alternative to admission for ACSC attending ED	n/a	n/a	n/a		A.E.C.S is co-located with Emergency Dept				
5.2.1	**106,667**	**53,334**	Ambulatory Care Management	95% of management plans sent to GP within 24hrs	n/a	n/a	n/a		quarterly audit to be agreed from Q3				
5.3	**106,667**	**106,667**	Supporting self-care - training	25% of community matrons, LTC nurses trained in year	n/a	n/a	n/a		Qtr 2 fig CMs only			18%	
5.3.1	**106,667**	**106,667**	Supporting self-care - responses to LTC6	at least 35% of new patients completed LTC6	n/a	n/a	n/a		Qtr 2 fig CMs only			38%	
	640,000	**533,333**											

Additional commentary and notes

There have been issues with the clarification of the metrics for this CQUIN which have now in the main been clarified with commissioners. However, clarity is still being sought from commissioners as to whether the targets apply on a quarterly or annualised basis. We have made an initial assessment of the income projection, which will be revised as appropriate.

Stop Smoking

Financial Value £640,000

ID	Maximum £	Projected £	Indicator	Target / Monitoring	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct
6.1	**640,000**	**640,000**	Inpatient - Smoking status	90% per Quarter	95%	94%	96%	**95%**	94%			**94%**	
6.2			Inpatient - Brief advice	90% of smokers per Quarter	94%	90%	93%	**92%**	96%			**96%**	
6.3			Inpatient - Referral	15% of smokers per Quarter TBC	32%	29%	33%	**31%**					
6.4.1			Outpatient - Smoking status	Cardiology and Respiratory	To be piloted in Qtr 2								
6.4.2			Outpatient - Brief advice	Cardiology and Respiratory	Definition to be agreed								
	640,000	**640,000**											

Additional commentary and notes

At present the inpatient elements of the CQUIN scheme are being fully met. There is a query over the calculation of the outpatient elements therefore an initial financial assessment has been provided at this stage.

Alcohol Harm

Financial Value £640,000

ID	Maximum £	Projected £	Indicator	Target / Monitoring	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct
6.6	**160,000**	**0**	Screening in ED	Jul 10%, +10% each month to 70% by Jan 2014	0%	2%	4%	**2%**	**5%**	**11%**		**8%**	
6.7	**160,000**	**80,000**	Brief intervention	90%	0%	73%	79%	**77%**	**62%**	**85%**		**78%**	
6.8	**160,000**	**80,000**	GP communication	90%	0%	91%	90%	**90%**	**62%**	**83%**			
6.9	**160,000**	**80,000**	Crime Reduction Partnerships	Report by public health of anonymised dataset on alcohol related incidents									
	640,000	**240,000**											

Additional commentary and notes

At present we are missing all targets relating to the alcohol CQUIN. The CQUIN does contain a provision for payment of 50% of the total if 75% of the target has been achieved. On this basis 50% of the payments relating to brief interventions should be payable (which equates to £20k each for Q1 and Q2).

COPD

Financial Value £640,000

ID	Maximum £	Projected £	Indicator	Target / Monitoring	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct
7.1	**213,333**	**213,333**	Acute COPD bundle	90%	100%	92%	94%	**96%**	100%	100%	100%	**100%**	100%
7.1.1	**213,333**	**213,333**	Acute CAP bundle	80% by Qtr 4	100%	0%	78%	**83%**	64%	100%	100%	**86%**	100%
7.2	**213,334**	**213,334**	Community COPD bundle	75%	100%	100%	100%	**100%**	100%	100%	100%	**100%**	100%
	640,000	**640,000**											

Additional commentary and notes

At present this CQUIN is being fully met.

	3,200,000	**2,653,333**