

Council of Governors: 19.04.2018

Agenda Item: CGo.4.18.10

**Chief Executive's Report**  
**April 2018**

<b>Presented by:</b>	Professor Clive Kay, Chief Executive	<b>Author:</b>	Helen Haslam, Executive Officer to Chief Executive
<b>Previously considered by:</b>	Each item has been previously reported to the Board of Directors on 8 <sup>th</sup> March 2018		

Key points	Purpose:
<b>1. Visits and External Communications</b> <ul style="list-style-type: none"> <li>a. Visit from Chris Hopson, Chief Executive of NHS Providers – 25<sup>th</sup> January 2018.</li> <li>b. Visit from Richard Barker, Regional Director, NHS England, North Region – 24<sup>th</sup> January 2018.</li> <li>c. Care Quality Commission (CQC) Unannounced Inspection 9<sup>th</sup> – 11<sup>th</sup> January 2018.</li> <li>d. Care Quality Commission (CQC) Well-led Inspection 6<sup>th</sup> – 8<sup>th</sup> February 2018.</li> <li>e. Care Quality Commission (CQC) System-wide review 12<sup>th</sup> to 16<sup>th</sup> February 2018</li> <li>f. A &amp; E Delivery Board.</li> <li>g. NHS Improvement (NHSI) National Emergency Pressures Panel Update.</li> <li>h. NHS Providers Quarter 3 Finances and Performance Briefing.</li> </ul>	To discuss and note
<b>2. Quality, Investment and Development</b> <ul style="list-style-type: none"> <li>a. New Computerised Tomography (CT) Scanner.</li> <li>b. Trauma Training for Emergency Department Staff.</li> </ul>	To discuss and note
<b>3. Workforce</b> <ul style="list-style-type: none"> <li>a. New consultants in post.</li> <li>b. Launch of New Monthly Awards for Staff.</li> </ul>	To discuss and note
<b>4. Celebrating Success</b> <ul style="list-style-type: none"> <li>a. Neonatal Intensive Care Unit.</li> </ul>	To discuss and note

<b>Executive Summary:</b>
Report from the Chief Executive on the Trust's performance of its functions and the Directors' performance of their duties.
The report provides the Council of Governors with items of interest and details of recent events, achievements and important external correspondence received throughout the months of January and February 2018.

<b>Financial implications:</b>
No

<b>Regulatory relevance:</b>
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<b>Monitor:</b>	Risk Assessment Framework
	Quality Governance Framework

<b>Equality Impact / Implications:</b>	<b>Is there likely to be any impact on any of the protected characteristics?</b> (Age, Disability, Gender, Gender Reassignment, Pregnancy and Maternity, Race, Religion or Belief, Sexual Orientation, Health Inequalities, Human Rights)
	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
	If yes, what is the mitigation against this?

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<b>Strategic Objective:</b> <i>Reference to Strategic Objective(s) this paper relates to</i>	To provide outstanding care for patients
	To deliver our financial plan and key performance targets
	To be in the top 20% of NHS employers
	To be a continually learning organisation
	To collaborate effectively with local and regional partners

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## Report from the Chief Executive – 19<sup>th</sup> April 2018

### 1. Visits and External Communications

#### a) Visit from Chris Hopson, Chief Executive of NHS Providers – 25<sup>th</sup> January 2018

On 25<sup>th</sup> January 2018, I was very pleased to welcome Chris Hopson, Chief Executive of NHS Providers to the Foundation Trust.

Whilst at the Foundation Trust, Chris met with myself, Dr Bryan Gill, Medical Director, Sandra Shannon, Acting Chief Operating Officer and John Holden, Director of Strategy and Integration, to gain an oversight of the Trust, before commencing on his tour of the hospital.

Chris went on to visit our Emergency Department, where he was accompanied by Dr Sue King, Clinical Lead for Emergency Medicine and Joanna Stedman, Matron. He then moved on to meet Mr Richard Grogan, Clinical Lead for Orthopaedics, who explained how the Virtual Fracture Clinic, aligned to Orthopaedics outpatients, is making a real difference to patients.

After his visit to the Emergency Department, Chris then went on to meet the Multi Agency Integrated Discharge Team (MAIDT), and met with Corinne Jeffrey, Acting Divisional General Manager, Gail Harney, MAIDT Lead Nurse and Andrea Allanach, Lead Advanced Nurse Practitioner/Virtual Ward Frail Elderly, who explained how this joined up way of working makes a difference to patients. On his tour of the new wing, Paediatric Wards and Children's Clinical Decisions area Chris met Dr Mathew Mathai, Consultant Paediatrician who described our Wheezy Child Virtual Pathway.

The visit concluded with a trip to the Neonatal Unit where he had the opportunity to see our award-winning Baby View video system in action.

Chris was highly impressed with his visit and all the staff he met, and later tweeted about the experience and highlights of the day, Chris also wrote to me personally to express his thanks, and I have included this below for your information:

*"I had a great visit. You can tell there's something special about the Trust – committed staff delivering great care to the local community who, in turn, see the Trust as occupying a special place in their lives. The unexpected but impressive bit for me was how much innovation was going on – the virtual fracture clinic, the wheezy children's virtual pathway, the new baby watch service and the MAIDT integrated discharge service being great examples. My only challenge was whether the Trust should shout even louder about this leading edge practice, though the fact that these services and others are starting to win national awards is great. A final thought. It's been a challenging winter for the NHS. I was impressed with the Trust's determination not to put A & E patients on trolleys and in corridors and the way the entire hospital had rallied round to make this happen. That determination to do the right thing for patients is what the NHS, at its best, is all about"*

It was a pleasure to host Chris, and showcase the great work and innovation the Trust is involved in.

#### b) Visit from Richard Barker, Regional Director, NHS England, North Region – 24<sup>th</sup> January 2018

On 24<sup>th</sup> January 2018, it was a pleasure to host Richard Barker, Regional Director for NHS England to the Trust.

After meeting with myself, Bill McCarthy, Chairman and John Holden, Director of Strategy and Integration, I took Richard on a brief tour of the Trust where he saw our new Clinical Decisions Unit (CDU), which is based in the Emergency Department, and chatted to Joanna Stedman, Matron, and Sandra Shannon, Acting Chief Operating Officer, from there he visited the Ambulatory Care Unit (ACU), where he met Jill

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Clayton, Matron, and Jane Palmer, Sister. Richard also visited the Paediatrics ward, and met with Dr Mathew Mathai, Consultant Paediatrician.

Richard said he was very impressed with the facilities he saw whilst at the Trust, and commended the staff for their success in caring for increased volumes of patients who needed a higher intensity of nursing care over the winter period.

It was a pleasure to host Richard, and have the opportunity to show him the excellent work we are doing.

**c) Care Quality Commission (CQC) Unannounced Inspection 9<sup>th</sup> – 11<sup>th</sup> January 2018**

Twenty three CQC inspectors attended the Trust to undertake an unannounced inspection of four core services between the 9<sup>th</sup> -11<sup>th</sup> January 2018.

The core services inspected were Maternity, Surgery, Urgent and Emergency Services, and Medicine and Services for Older People. The inspectors reviewed records, policies and procedures, spoke to staff and patients, and undertook observational studies of services being provided. During the inspection they identified a small number of areas where we could make immediate improvements to the care we provide, these were all addressed during or soon after the inspection. In addition they made around 180 further information requests to support or explain their findings. All of these requests were accommodated within the timescales specified.

**d) Care Quality Commission (CQC) Well-led Inspection 6<sup>th</sup> – 8<sup>th</sup> February 2018**

During the 6<sup>th</sup> – 8<sup>th</sup> February 2018 the CQC returned to complete the annual Well-led inspection of the Trust. A pre-arranged schedule of interviews and focus groups were held with members of staff across the organisation. The inspectors also re-inspected areas that had been reviewed during the unannounced inspection.

The inspectors told me how impressed they were by the positive attitude and friendliness of our teams, and how grateful they were for the constructive engagement with our wards and departments during both of these inspections. The contribution of all staff was really valued, especially while they were at the same time maintaining safe, high quality care for our patients during a challenging time of the year.

**e) Care Quality Commission (CQC) System-wide review 12<sup>th</sup> to 16<sup>th</sup> February 2018**

The Trust participated in a system-wide review to help the CQC understand how the Bradford and Airedale system has coped with winter in supporting our frail older patients at different points in their care pathway. The CQC were again on site, throughout the week, meeting a range of professionals and patients, and undertaking pre-arranged visits to a number of departments, wards and teams.

I will update the Council of Governors once we receive the formal conclusions of both the Well-led, and System-wide CQC reviews.

**f) Thank you from Bradford District Accident and Emergency (A & E) Delivery Board**

At the recent A & E Delivery Board in January 2018, the Board was informed of how staff had been working together and going above and beyond to provide the best patient care during the particular pressures over Christmas, New Year and into January 2018.

The A & E Delivery Board was highly impressed with these examples of joint working and commitment that the staff had shown, and in turn sent a letter of thanks to staff to show their appreciation.

A copy of the letter is attached at **Appendix 1**.

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**g) NHS Improvement's (NHSI) National Emergency Pressures Panel Update**

I recently received an update from NHSI's National Emergency Pressures Panel, which is a panel of Clinical Leaders and experts from across the NHS set up to provide advice on pressure and clinical risk.

The letter explained how they were beginning to see increases in bed capacity, and there were early indications that the flu position was stabilising, and therefore they made the decision not to renew the national recommendation for suspension of elective activity beyond 31<sup>st</sup> January 2018.

The panel asked systems to work with their regional directors to plan a timely and appropriate return to a full elective care programme.

A copy of the letter from Pauline Philip, National Director, Urgent and Emergency, NHSI, is attached for information at **Appendix 2**.

**h) NHS Providers Quarter 3 (Q3) Finances and Performance Briefing**

On the 21<sup>st</sup> February 2018 NHS Improvement released the Q3 financial and operational performance figures for the provider sector. These figures cover the nine month period ending 31<sup>st</sup> December 2017, the briefing summarises the key points and headlines:

Key points:

- The 2018/19 net deficit forecast for the sector is now £931m, compared to the £791m deficit reported at year end in 2016/17. This forecast position had deteriorated by around £308m on the £623m forecast reported at Q2.
- At Q3, the year to date (YTD) deficit is now £1.28bn, which is a £130m deterioration from the £1.15bn YTD deficit recorded at Q2.
- Within the overall sector position there is now £601m worth of uncommitted sustainability and transformation (STF) funding which has not yet been received by providers. This is almost double the amount reported during the same period last year (£356m).
- For the first time, NHS Improvement had published vacancy figures, based on provider returns. This reports that there are 100,159 vacancies across the NHS provider sector, 8.7% of the total workforce. This includes 39,000 nursing vacancies, and 10,000 medical vacancies.

Headlines:

- The forecast deficit position at Q3 was £435m over plan. This compared to a challenging financial position for CCGs too, which was £471m over plan by the end of December 2017.
- 109 providers reported an adverse variance against plan at Q3, up from 87 at Q2; these were largely concentrated in the acute sector. This includes 20 trusts who reported adverse variance of more than £10m. The overall net adverse variance was largely driven by:
  - Under delivery of planned efficiency savings. In the first nine months of the year providers delivered £2.14bn worth of cost improvement plans (CIPs), however these are still £329m or 13% behind plan with pay cost savings being the largest area of under-delivery.
  - Continued growth in emergency demand. A & E attendances were up 4.7% and admissions up 5.4% compared to the same period last year.
  - Overspend on employee costs. At month nine employee pay costs were £701m over plan, with overspends reported across all regions. This was largely driven by £406m overspend on medical staff, as well as £201m overspend on nursing staff. Despite this, progress

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continues to be made on agency spend with trusts reducing their overall agency spend to 4.6% of total pay costs, a reduction in 20% compared to this period last year.

- Overspend on non-pay costs. At Q3 expenditure on non-pay costs increased to £292m (1.3%), with the biggest overspend being in the purchase of healthcare from other providers (16.4% above plan). Providers reported less income than planned for elective work over the period, with income £174m less than planned at Q3.

A full copy of the briefing is attached for information at **Appendix 3**.

## **2. Quality, Investment and Development**

### **a) New Computerised Tomography (CT) Scanner**

I am pleased to inform you that building work has commenced to support the replacement of the current CT scanner, and replace this with a new Canon Medical Systems Aquilion ONE Genesis 320 wide detector scanner.

Building on the experience of the Radiology Department gained through its close collaboration with the industry, this new scanner will bring significant benefits to patients, including using a lower radiation dose, and less contrast volume than its predecessor.

Rapid Cardiac CT scanning within one heartbeat, at the BRI site, will seal Bradford Teaching Hospitals NHS Foundation Trust's position as a leading provider of non-invasive Coronary CT Angiography.

As building works are required to support the scanner, a re-locatable scanner has been sited outside the area in-between X-ray and the Emergency Department to allow the Trust to continue providing a CT scanning service.

### **b) UK First Trauma Training for Emergency Department Staff**

I am pleased to inform you that our Emergency Medicine team had the chance to take part in some ground-breaking training recently.

Trauma and Resuscitation Team Skills (TaRTS) is a new concept in delivering training in the management of trauma patients for nurses, junior doctors and allied health professionals working in Trauma Units. The course is the first in the UK to be fully curriculum-mapped to the National Trauma Nursing Group Level 1 Clinical Competency Framework, and has been developed by Dr Alexandra Danecki, Consultant in Emergency Medicine and Clinical Lead for Trauma at Airedale NHS Foundation Trust.

A team of 17 staff, including sisters, nurses, and nursing and medical students took part in the course, giving them the opportunity to learn these new and invaluable skills, which will provide them with additional confidence to deal with trauma cases.

## **3. Workforce**

### **a) New consultants in post**

**Dr Ellen Mosley** joined the Trust on 2<sup>nd</sup> January 2018 as a Consultant Paediatrician, and has joined us from the Royal National Orthopaedic hospital in London. Ellen has been leading the care for children and adolescents with rheumatological and musculoskeletal conditions. She also has an interest in bone-related inflammatory and non-inflammatory conditions, developing services and education.



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**Mr Muhammad Amjad** joined the Trust on 8<sup>th</sup> January 2018 as a Consultant in Ophthalmology, and was previously a Specialty Registrar from Leeds Teaching Hospitals. Amjad is skilled in performing delicate eye surgery, and has in-depth knowledge across both vitreo-retinal and medical retinal areas.

**Dr Shafi Kahn** joined the Trust on 10<sup>th</sup> January 2018 as a Consultant in Emergency Medicine. Shafi has extensive knowledge and experience in emergency medicine at senior level, and has been a college tutor for two years, so possesses many skills in maintaining education and training standards to a very high level.

**Mr Saurajyoti Basu** joined the Trust on 12<sup>th</sup> February 2018 as a Consultant Urologist, and came to the Trust from Calderdale and Huddersfield NHS Foundation Trust. He has experience in Urology, with a special interest in stone and laparoscopic surgery, and has been the departmental lead in his previous role. Mr Basu has also been the assigned educational supervisor for specialty trainees in Urology, and holds specialised skills in ureterorenoscopy.

**Dr Arun Manoharan** joined the Trust on 12<sup>th</sup> February 2018 as a Consultant Histopathologist, with experience in Histopathology and Cytopathology, with specialist interest in gastrointestinal, breast, urology, liver and lymphoma diagnosis.

#### **b) Launch of New Monthly Awards for Staff**

The Foundation Trust believes it is important to regularly recognise the achievements of staff, and this year we have decided to launch monthly awards in addition to our annual ceremony which takes place at the end of the year. Staff will be able to nominate individuals and teams for the *Brilliant Bradford Employee* of the Month and Team of the Month Awards, to recognise members of staff who they feel deserve recognition for the way they work above and beyond, or have shown outstanding care to patients, and contributed to ensuring the Foundation Trust is an outstanding provider of healthcare, research and education.

All nominations will be judged by a panel, and the winners will receive an award and, at the end of the year, will go forward to be nominated in our annual awards.

I look forward to seeing the nominations and celebrating the recognition of our staff through these awards.

### **4. Celebrating Success**

#### **a) A National First for our Neonatal Intensive Care Unit**

I am delighted to inform you that our Neonatal Intensive Care Unit, based at here at Bradford Royal Infirmary, has become the first neonatal intensive care unit (Level 3) in the United Kingdom to achieve the “Baby Friendly Initiative” accreditation, set up by Unicef and the World Health Organisation.

This prestigious award is a testament to all the staff who work tirelessly on the unit to provide such high quality care to parents and their babies.

The “Baby Friendly Initiative” is a global programme which provides a practical and effective way for health services to improve the care provided for mothers and babies, and to help them to build close and loving relationships. Accreditation is based on a set of inter-linking evidence-based standards, and the accreditation programme is recognised and recommended in numerous government and policy documents across all four UK nations, including the National Institute for Health and Care Excellence guidance. It is a nationally recognised mark of quality care for babies and mothers.

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To meet the standards, the Neonatal Intensive Care Unit was judged against a set of criteria focusing on parents' experiences of Neonatal services during a visit by Baby Friendly assessors in December 2017. Staff were able to demonstrate how they support parents to have a close and loving relationship with their baby, enable babies to receive breast milk and breastfeed when possible, and value parents as partners in care. We have been working towards the award for the last three years, with staff training starting in 2014. In 2016 we were one of only six neonatal units in the country who were successful in achieving charitable funding from the Burdett Trust, to support the unit in moving forward with the implementation of the Neonatal standards. This is when we started working in earnest to implement the standards.

I would like to congratulate the team on all their hard work in achieving this success.

The Council of Governors is asked to receive and note this report.




## Thank you from the A&E Delivery Board

At the January meeting of the Bradford and Airedale A&E Delivery Board members discussed the current status of urgent and emergency care across our health and social care system. This is a standard agenda item, although this time we heard about the particular pressures placed on our frontline staff over Christmas, New Year and into January.

We heard some outstanding examples of partnership working, for example, staff moving across organisations to where the greatest pressure was at that time, working more closely with care homes to increase the number of beds available so we could provide care closer to home wherever possible, and even offering 4x4 vehicles between organisations to support our primary and community teams to reach patients in the snow and ice.

We wanted to say a big thank you to all of you. Your commitment, support and flexibility in managing the additional pressure this winter is greatly appreciated. We are very proud of the work you are all putting in to ensure our patients and service users continue to receive the best possible care under challenging circumstances.


Thank you



Bridget Fletcher  
Chief Executive Officer  
Airedale NHS FT



Clive Kay  
Chief Executive Officer  
Bradford Teaching Hospitals NHS FT



Julie Lawreniuk  
Deputy Chief Officer/ Chief  
Finance Officer, Airedale,  
Wharfedale and Craven,  
Bradford City and Districts CCGs



Lyn Sowray  
Assistant Director of Operations – Health & Wellbeing  
Adult Services  
Bradford Metropolitan District Council



Helen Carr  
Chief Executive  
Local Care Direct



Mandy Welsh  
Head of Care and Support – Harrogate/Craven  
North Yorkshire County Council



Kim Shutler-Jones  
Chief Executive Officer  
The Cellar Trust



Ruth Buchan  
Chief Executive Officer  
Community Pharmacy West Yorkshire



Dr Steven Dykes  
Deputy Medical Director  
Yorkshire Ambulance Service  
NHS Trust



Michael Jameson  
Strategic Director, Children's Services  
Bradford Metropolitan District Council



Andy Withers  
Clinical Chair  
Bradford Districts CCG



Colin Renwick  
Urgent Care Lead  
Airedale, Wharfedale & Craven CCG

*Debra Gilderdale*

Debra Gilderdale  
Director of Operations & Nursing  
Bradford District Care FT

*Ish Gilkar*

Ish Gilkar  
Medical Director  
Bradford Care Alliance CIC

*Sarah Hutchinson*

Sarah Hutchinson  
Manager  
Healthwatch Bradford and District

*Louise Metcalfe*

Louise Metcalfe  
Delivery Manager  
NHS England (Yorkshire and the Humber)

*Iain Murray*

Iain Murray  
Chief Executive  
Yordale Health



Pauline Philip  
National Urgent and Emergency Care Director  
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26 January 2018

NHS Provider Trust CEOs  
CCG Accountable Officers

**Publications Gateway ref: 07655**

Dear colleague,

I am writing to you following a meeting of the National Emergency Pressures Panel (NEPP), which convened today (26 January), chaired by Professor Sir Bruce Keogh.

As you know, the panel of clinical leaders and experts from across the NHS was set up earlier this year to provide advice on pressure and clinical risk. It met on 21 December and on 2 January and issued a number of recommendations to help you take decisions on patient safety during the heightened winter pressures.

We are now beginning to see increases in bed capacity in line with the additional funding allocated in the November budget. Early indications also suggest the flu position is stabilising. Whilst demand remains high and there will be further challenges, NEPP recognises that nationally the pressures on the NHS have eased in January compared to December.

Given this context, NEPP has decided not to renew its national recommendation for a suspension of elective activity beyond 31 January. Instead, systems will be expected to work with their regional directors to plan a timely and appropriate return to a full elective care programme, based on local clinical and operational pressures.

Yours,

A handwritten signature in black ink that reads 'Pauline Philip'.

Pauline Philip  
National Director, Urgent and Emergency Care, NHS England and NHS Improvement

## 2017 Quarter 3 finances and performance

Today NHS Improvement (NHSI) released the quarter three (Q3) finance and operational performance figures for the provider sector. These figures cover the nine month period ending 31 December 2017. This briefing summarises the key headlines from those figures as well as press release issued in response.

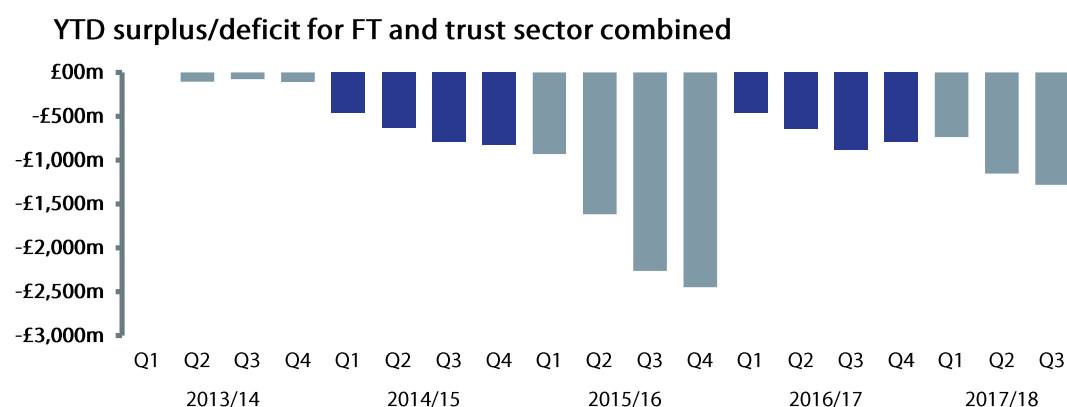
If you have any feedback or questions regarding any of the content in this briefing please contact: [Adam.Wright@nhsproviders.org](mailto:Adam.Wright@nhsproviders.org)

### Key points

- The 2018/19 net deficit forecast for the sector is now £931m, compared to the £791m deficit reported at year end in 2016/17 (figure 1). This forecast position has deteriorated by around £308m on the £623m forecast reported at Q2.
- At Q3, the year to date (YTD) deficit is now £1.28bn, which is a £130m deterioration from the £1.15bn YTD deficit recorded at Q2.
- Within the overall sector position there is now £601m worth of uncommitted sustainability and transformation (STF) funding which has not yet been received by providers. This is almost double the amount reported during the same period last year (£356m).
- For the first time, NHS Improvement has published vacancy figures, based on provider returns. This reports that there are 100,159 vacancies across the NHS provider sector, 8.7% of the total workforce. This includes 39,000 nursing vacancies and 10,000 medical vacancies.

FIGURE 1

Year to date surplus/deficit for NHS provider sector (£m)

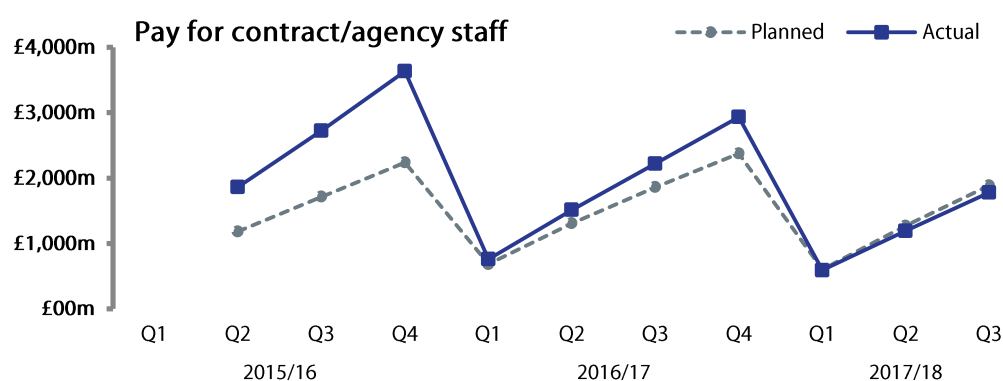


## Headlines

- The forecast deficit position at Q3 was £435m over plan. This compares to a challenging financial position for CCGs too, which was £471m over plan **by the end of December**.
- 109 providers reported an adverse variance against plan at Q3, up from 87 at Q2; these were largely concentrated in the acute sector. This includes 20 trusts who reported adverse variance of more than £10m. The overall net adverse variance was largely driven by:
  - Under delivery of planned efficiency savings. In the first nine months of the year providers delivered £2.14bn worth of cost improvement plans (CIPs), however these are still £329m or 13% behind plan with pay cost savings being the largest area of under-delivery.
  - Continued growth in emergency demand. A&E attendances were up 4.7% and admissions up 5.4% compared to the same period last year.
  - Overspend on employee costs. At month nine employee pay costs were £701m over plan, with overspends reported across all regions. This was largely driven by a £460m overspend on medical staff, as well as a £201m overspend on nursing staff. Despite this, progress continues to be made on agency spend with trusts reducing their overall agency spend to 4.6% of total pay costs, a reduction in 20% compared to this period last year (figure 2).
  - Overspend on non-pay costs. At Q3 expenditure on non pay costs increased to £292m (1.3%), with the biggest overspend being in the purchase of healthcare from other providers (16.4% above plan). Providers reported less income than planned for elective work over the period, with income £174m less than planned at Q3.

FIGURE 2

### Year to date agency staff spend



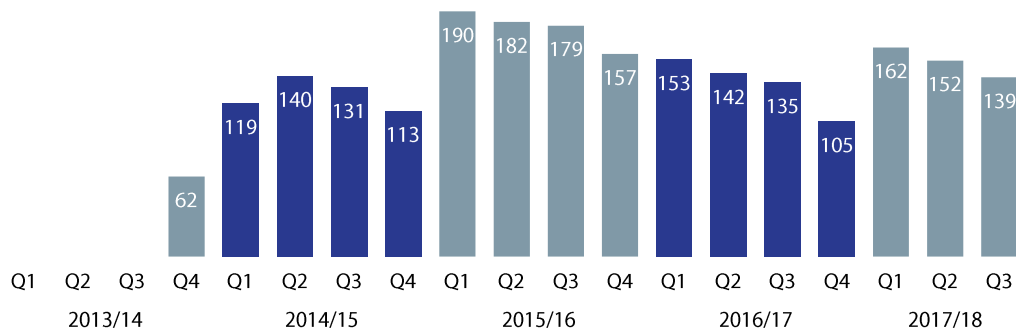
- 139 (59%) of 234 trusts reported a deficit, compared to 135 (58%) at the same point in 2016/17 (figure 3).
  - Overall, 124 trusts are forecasting a year-end deficit in 2017/18.
  - 211 trusts have now accepted their control totals, up five from Q2. 22 trusts are not signed up and consequently do not have access to the STF.
  - Based on year to date performance, trusts included £569m STF in their year to date positions.

- Forecast positions reported at Q3 included around 70% of the £337m funding announced by the government in the November 2017 budget.

FIGURE 3

### Number of providers in deficit

#### Number of providers in deficit

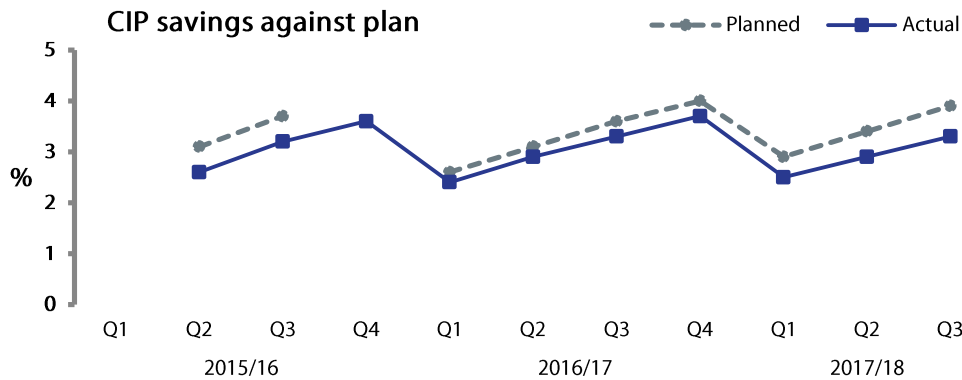


### Other key finance data at Q3

- Capital expenditure (capex) was £1.8bn by the end of month nine, £1.2bn below plan. The current forecast capex for year end is £3.4bn, which is £958m below plan.
- Total CIP delivery was £2.14bn (figure 4). However, total savings are now £329m behind plan, which is a symptom of the very ambitious savings plans the provider sector planned this year. The specific efficiency savings linked to Lord Carter's productivity themes in workforce productivity, resource optimisation and benchmarking are estimated to be worth around £974m.
- The implied productivity for the first nine months of 2017/18 was 1.8%, with improvements largely being driven by significant efficiencies in non pay spend. This is significantly higher than current UK whole economy productivity levels.
- Financial sanctions continue to fall with providers forecasting fines worth £56m. This is a significant reduction on the £99m received last year and is in response to the pausing of sanctions for trusts signing up to control totals. However year to date trusts have lost out on around £232m worth of income from the marginal rate emergency tariff (MRET). Only around £9m of MRET money has been reinvested so far this year.

FIGURE 4

### Forecast CIP savings against plan



### Key performance information for quarter 3

The figures published today also include the latest on operational performance, within Q3:

- 16.53m patients attended A&E departments during the first nine months of the year. NHS England data shows trusts managed to treat, admit and discharge 87.99% of A&E patients within four hours, although NHS Improvement's data shows performance at 86.98%.
- At Q3 there were 4.68m non elective admissions, which is 2.2% above plan and 3.1% more than in the same period as last year.
- The elective waiting list remains at 4m at the end of the quarter, a 15% increase compared to a year ago. Referral-to-treatment (RTT) performance was 88.17%, down from 89.1% at Q2 and 89.7% at Q3 last year.
- Ambulance services continue to be under pressure. Using the new ambulance response time standards, category 1 calls achieved a mean time of 8:52 (against the new 7:00 minute standard). Category 2 calls achieved a meantime time of 29:41 (against 18:00 minute standard).



## Press release

### Q3 figures show warning signs for NHS in plain sight

Commenting on today's NHS quarter 3 performance and financial results, Saffron Cordery, NHS Providers director of policy and strategy said:

"These figures show how the NHS has been pushed to the limit. Despite working at full stretch with around 100,000 vacancies and a real risk of staff burnout, and despite treating six per cent more emergency patients year on year in December, trusts can not close the gap between what they are being asked to deliver and the funding available.

"The figures confirm, once again, three key problems the whole NHS provider sector is facing - increases in demand for treatment continue to significantly outstrip increases in NHS funding; trust savings targets remain too ambitious; and there are serious ongoing workforce shortages.

"There is an increasing feeling amongst frontline trust leaders of 'we cannot carry on like this'. The NHS has shown extraordinary resilience in sustaining performance in the midst of an unprecedented financial squeeze. We have managed to keep the show on the road. But the warning signs are now clear and in plain sight. The time to act is now.

#### Demand increasing much faster than funding

"Today's figures show that demand is rising much faster than funding. Trusts are not only having to treat larger numbers of patients but more of those patients have serious, complex, illnesses. As a result, trusts have faced a financial triple whammy – less than full funding for many emergency admissions, higher costs than planned to meet the extra demand, and lost income from cancelled planned operations.

"We should therefore commend the way trusts have held performance against the four hour A&E target but, equally, shouldn't be surprised that, despite best efforts, their finances have taken a significant hit. Demand is also outstripping funding in the mental health, community service and ambulance sectors as well. As the figures clearly show, these issues are affecting all types of trusts in different ways.

#### Overambitious savings targets

"Today's figures show that NHS trusts continue to generate significant productivity gains – 1.8 per cent so far this year, which is nine times more than the UK whole economy and nearly twice the NHS' historical average. In the first nine months of the year NHS trusts have realised more than £2.1 billion of savings – which is 3.3 per cent of total spend and around £100 million more than last year. But plans required them to save four per cent. If trusts are asked to deliver the impossible, it's not surprising there's slippage against plan during the year.

#### Workforce shortages

"Today's consolidated vacancy figures shine a spotlight on the size of workforce shortage NHS trusts are having to cope with. Trust leaders tell us that having one in eleven posts vacant makes it much more

difficult to provide high quality care. It also means the continued progress trusts are making in reducing the amount of money they are spending on agency staff looks even more impressive.”

## What next

Trust leaders have said they need five things, all of which NHS Providers has highlighted over the last few months:

- a review of Winter performance, with full trust involvement, that honestly assesses the size of the current gap in NHS staff and treatment capacity and seeks to fill that gap before next Winter;
- ensuring that the 2018/19 NHS financial plan reflects the true end of year position, given that this position will clearly now be significantly worse than planned with results from a difficult fourth quarter still to come;
- acknowledgement that, as set out in the recent Kirkup report, overambitious cost improvement targets of above four per cent harm the quality of care and trusts therefore need a realistic and sensible dialogue with NHS Improvement on what they can deliver in their 2018/19 control totals;
- follow through on the recent workforce strategy, with a particular focus on what immediate and short term support trusts need to address current staffing shortages;
- a clear statement of intent and a plan to address – without delay - the long term funding of health and social care.