

COUNCIL OF GOVERNORS

Council of Governors' meeting to be held at 15.00 on 20 February 2019 in Room 6, Postgraduate Education Centre, Milton Keynes University Hospital, Milton Keynes

Time	Item		Report	Lead
15.00	1	Chair's Welcome and Announcements		Chairman
	1.1	Apologies To receive apologies for absence.-	Verbal	Chairman
	1.2	Declarations of Interest Governors are requested to declare any interests they have in items on the agenda.	Verbal	Chairman
	1.3	Minutes and Matters Arising		Chairman
	(a)	Minutes of the Council of Governors meeting held on 22 November 2018	Approve (Pages 3-8)	Chairman
	(b)	(b) Action Log	(Pages 9-10)	Trust Secretary
	2	(a) Chairman's Report	Verbal	Chairman
	PRESENTATION AND INFORMATION ITEMS			
15.15	3.	Integrated Care System update	Verbal	Chief Executive
	3.1	Update on Estate Development	Verbal	Chief Executive
	ASSURANCE REPORTS FROM COMMITTEES			
15:40	4.1	(Summary Report) Finance and Investment Committee 5 November 2018	Receive (Pgs 11-12)	Chairman of the Committee
	4.2	(Summary Report) Audit Committee 13 December 2018	Receive (Pgs 13-14)	Chairman of the Committee
	4.3	(Summary Report) Workforce and Development Assurance Committee 5 November 2018	(Pgs 15-18)	Chairman of the Committee
	4.4	(Summary Report) Charitable Funds Committee 5 November 2018	(Pgs 19-20)	Chairman of the Committee
	4.5	Feedback from Council of Governor	Verbal	Clive Darnell

		observation of Board Committee meetings		
GOVERNORS UPDATE				
16:00	5.1	Healthwatch Milton Keynes Update	Report (Pgs 21-24)	Maxine Taffetani
	5.2	Engagement Group Update	Verbal	Alan Hastings
PERFORMANCE				
16:20	6.1	Integrated Performance Report Month 9	Report (Pgs 25-38)	Chief Executive
	6.2	Finance Report Month 9 <ul style="list-style-type: none"> • A guide to NHS finances • Annual Plan 2019/20 update 	Report (Pgs 39-46) Presentation	Director of Finance Director of Finance
GOVERNANCE				
16:40	7.1	Motions and Questions from Council of Governors	Receive	Chairman
	7.2	Any other Business		Chairman
	7.3	Date and time of next meeting 16 April 2019; 09:30 – 11:30	Note	Chairman
	7.43 -	Resolution to Exclude the Press and Public		
		The Chair to request the Council of Governors' to pass the following resolution to exclude the press and public and move into private session to consider private business. <i>"that representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted."</i>		

If you would like to attend this meeting or require further information, please contact: Adewale Kadiri, Trust Secretary Tel: 01908 996234. Email: Adewale.kadiri@mkuh.nhs.uk

MILTON KEYNES UNIVERSITY HOSPITAL NHS FOUNDATION TRUST COUNCIL OF GOVERNORS' MEETING

DRAFT minutes of a meeting of the Council of Governors' of the Milton Keynes University Hospital NHS Foundation Trust, held in public at 2.30pm on Thursday 22nd November 2018, in the Conference Room in the new Academic Centre

Present:

Simon Lloyd - Chairman

Public Constituency Members:

Alan Hancock (AHa)
Alan Hastings (AH)
Peter Skingley (PS)
Akin Soetan (AS)
Brian Lintern (BL)
Clive Darnell (CD)

Appointed Members:

Andrew Buckley(AB) - Milton Keynes Council

Staff Constituency Members:

Michaela Tait (MT)
Kim Weston (KW)

Executive Directors

Danielle Petch (DP) - Director of Workforce
Daphne Thomas (DT) - Deputy Director of Finance

Non-Executive Directors

Helen Smart (HS)
Heidi Travis (HT)
Parmjit Dhanda (PD)

Sofia Gallo - Executive Assistant

1.	WELCOME & ANNOUNCEMENTS
	The Chairman extended a warm welcome to everyone present at the meeting.
1.1	APOLOGIES
	Apologies for absence were received from: William Butler Douglas Campbell Clare Hill Carolyn Pierson

	Robert Johnson-Taylor Paul Griffiths Amanda Anderson John Ekpa Maxine Taffetani Clare Walton
1.2	DECLARATIONS OF INTEREST
	There were no new declarations of interest received and no interests received in relation to any other open items on the agenda.
1.3	MINUTES
(a)	Minutes from the Council of Governors meeting held on the 11 September 2018. The draft minutes of the meeting held on the 11 September were considered. <u>Resolved:</u> That the draft minutes of the meeting held on the 11 September 2018 be agreed, noting that Helen Smart had given her apologies for that meeting.
(b)	MATTERS ARISING / ACTION LOG
	There were no outstanding actions.
2	CHAIRMAN AND CHIEF EXECUTIVE REPORTS
(a)	Chairman's Report
	<p>The Chairman gave an update on the inquest currently taking place into the death of the lady who fell from the top of the multi-storey car park. It was noted that much of the proceedings had been focused on the management of mental health. The inquest is scheduled to conclude tomorrow. There will clearly be lessons to be learned and these will be disseminated across the system.</p> <p>Update on the Cancer Centre. The construction work has started. A couple of weeks ago a 'Sign the Steel' event was held, during which a number of key local partners and stakeholders signed a steel beam that will eventually become a part of the structure. The Chairman also announced the appointment of a Patron for the Cancer Centre appeal, who will support activities to raise funds. The identity of the Patron will be announced publicly in due course. The campaign "Be Seen in Green" has also been launched the Garfield Weston Foundation has made a donation of £200k.</p> <p>The Big Give Christmas challenge will start on 27 November and run for a week. Everyone is welcome to visit the Big Give website and donate. The minimum donation is £5 and the Big Give company will match the total amount raised. The Chairman agreed to check whether it is possible to donate via PayPal and get back to AHa.</p> <p>It was noted that the Trust's policy around the use of charitable funds is being revised with a view to simplifying accessibility.</p> <p>The Chairman has been appointed a trustee of Arts for Health having taken over from John Blakesley.</p> <p>The Chairman attended the NHSI regional meeting on 24 October which focused mainly on improving the CQC assessment process specifically in relation to GP access and</p>

	<p>mental health, as well as making Well Led more consistent and transparent.</p> <p>NED recruitment – A meeting was held on Tuesday to shortlist those applicants who are to be appointed for interview. There were 17 applicants in total, many with NHS and/or NED experience. The 5 who have been shortlisted will be interviewed on 12 December.</p> <p><u>Resolved:</u> That the Chairman’s report be received and accepted.</p>
3.	Sustainability and Transformation Partnership (STP)
	<p>AHa enquired about the decision making as to whether the Milton Keynes system stays within BLMK. The Chairman confirmed that the process is ongoing, but was unable to provide a timeframe within which a decision would be reached.</p> <p><u>Resolved:</u> That the Sustainability and Transformation Partnership update be received.</p>
4.	Update on Estate Development
	<p>The Chairman’s update included:</p> <ul style="list-style-type: none"> • Cancer Centre – construction work is ongoing; • The remedial work on the older multi-storey car park is continuing, with some drilling to take place to check its foundations; • DP gave an initial presentation of the New Pathway Unit currently in discussion. This will be aimed at patients who do not necessarily require A&E attendance or admission. The unit will incorporate several specialties, and JB will be writing a proposal in due course. AH made the point involving the patients at an early stage would be beneficial. A query was also raised as to whether GP referrals are tracked. DP agreed to check with the Director of Clinical Services whether this is currently done. <p style="text-align: right;">Action: Director of Workforce</p> <p><u>Resolved:</u> That the Update on Estate Development be received.</p>
4.1	(Summary Report from) Finance and Investment Committee 3 September and 1 October 2018
	<p>Heidi Travis presented the summary report for the Finance and Investment Committee meetings held on 25 June and 6 August 2018. She highlighted the focus on supporting the organisation to achieve the further £2m worth of savings required to meet its CIP target for the year.</p> <p><u>Resolved</u> That the Summary Report from) Finance and Investment Committee 3 September and 1 October 2018 be received</p>
4.2	(Summary Report from) Audit Committee 29 October 2018
	<p>Bob Green not present. The report taken as read.</p> <p><u>Resolved:</u> That the Summary Report from the Audit Committee 29 October 2018 be received.</p>
4.3	(Summary Report from) the Quality and Clinical Risk Committee 29 October 2018

	<p>The written report for the Quality and Clinical Risk Committee meeting held on 29 October 2018 was received and considered.</p> <p>In the course of the discussion the following issues were highlighted:</p> <ul style="list-style-type: none"> • Changes are to be made to the way that pressure ulcers are measured and recorded; • Proposals are to be put forward for the development of robotic surgery within the Trust. The governors asked to be kept updated on progress; • HS commented favourably on her attendance at the Serious Incident Review Group, noting how the Trust positively challenges and supports members of staff involved in incidents. <p><u>Resolved:</u> That the Summary Report from the Quality and Clinical Risk Committee 29 October 2018 be received</p>
4.4	Summary Report from Management Board 3 October 2018
	<p>DP presented the report, and gave an update on the current state of the flu vaccination programme – the Trust's position is better than it was at the same time last year. The target is 75% which looks achievable. With regard to the staff survey, the Trust is taking a number of steps to help secure a higher response rate than last year, including providing incentives. There was discussion around the Freedom to Speak Up agenda. The next stage in this process is the appointment of Ambassadors from across the organisation who would be able to more readily support colleagues wishing to raise a concern.</p> <p>With regard to eCare, governors questioned whether a safety alert could be integrated into the system. DP agreed to check this with the Director Clinical Services, and also in relation to a question raised about incident reporting – whether Datix could be integrated into eCARE.</p> <p style="text-align: right;">Action: Director of Workforce</p> <p><u>Resolved:</u> That the Summary Report from Management Board 3 October 2018 be received</p>
5.1	Healthwatch Milton Keynes Update
	<p>The written update from Healthwatch Milton Keynes was received and considered.</p> <p><u>Resolved:</u> That the Healthwatch Milton Keynes Update be noted</p>
5.2	Engagement Group Update
	<p>The written update from the Engagement Group Update was received and considered.</p> <p><u>Resolved:</u> That the Engagement Group Update be noted</p>
6.1	Integrated Performance Report Month 6
	<p>The Integrated Performance Report for Month 6 was received and considered.</p> <p><u>Resolved:</u> That the Integrated Performance Report Month 6 be received</p>
6.2	Finance Report Month 6
	<p>The Deputy Director of Finance presented the Finance Report for Month 6.</p>

	<u>Resolved:</u> That the Finance Report Month 4 be received.
7.1	Motions and Questions from Council of Governors
	There was none.
7.6	Any other Business
	<p>The Chairman announced that he had received a letter from NHS Improvement praising the Trust on its performance and track record on Infection Prevention and Control.</p> <p>HS mentioned her recent '15 steps' visit to Ward 3 and reflected on what was a very positive experience.</p>
7.3	Date and Time of next meeting <p>The next scheduled informal meeting is on 12 December, but this would need to be re-scheduled as a result of the NED interviews. A new date will be announced in due course.</p>

Sofia Gallo
Interim Executive Assistant
22 November 2018

DRAFT

Council of Governors								
Updated 15/02/19								
Action Log								
Action Item	Mtg date	Agenda item		Action	Owner	Due date	Status	Comments/Update
001	22 Nov 2018	4	Update on estate development	An update is to be provided as to whether GP referrals are currently tracked	Danielle Petch	20 Feb 2019	Open	All GP referrals to the hospital are now made electronically via the e-referral system, and once a patient has chosen via that system to receive treatment at MKUH, they will be given an appointment, the timing of which might vary depending on the speciality involved.
002	22 Nov 2018	4.4	Management Board Summary Report	An update is to be provided as to whether a safety alert could be integrated into eCare, and with regard to incident reporting, whether Datix could be integrated into eCare	Danielle Petch	20 Feb 2019	Open	eCare has its own safety alert systems and the National Early Warning Score (NEWS) 2 assessment system, which helps to measure patients' physiological parameters, has been built into it. Datix is a well-established stand-alone patient safety provider, and it would not be feasible to incorporate it within eCare. However, all of the divisions have now adopted a more proactive and collaborative approach

								to incident reporting and investigation
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**MEETINGS OF THE FINANCE AND INVESTMENT COMMITTEE HELD ON 5 November and 17
December 2018**

REPORT TO THE COUNCIL OF GOVERNORS

Matters approved by the Committee:

No matters were approved at either the November or December meetings

Matters referred to the Board for final approval:

No matters were referred to the Board for final approval.

Matters considered at the meeting:

1. Performance Dashboard:

The Committee noted that:

- I. The work being done to improve length of stay for long stay patients was acknowledged.
- II. The number of patients waiting for 52 weeks for treatment has reduced to 10 as at the December meeting (it stood at 13 in November). The focus is now on reducing the number of patients waiting for up to 35 weeks.
- III. The rate of patients not attending outpatient appointments is rising (from 6 to 7%). MyCare is yet to have a significant impact on this.
- IV. The Trust is on track to meet the A&E performance component of Provider Sustainability Funding (PSF), both on a quarterly (Q3) and year to date basis, but it was acknowledged that Q4 will be difficult.
- V. So far, the winter position has not been as difficult as predicted, due in part to the relatively mild weather thus far, and the fact that there has only been a small number of flu cases.

2. Board Assurance Framework:

At the December meeting, it was agreed that:

- I. 7-1 (agency and locum staffing) is to be taken off the BAF, as the percentage of Trust staffing that is agency or locum has reduced significantly.
- II. 7-3 (Transformation Programme) should be changed from 16 (4x4) to 15 (5x3) on the basis that the Trust is on track to meet its control total..
- III. 7-5 (PSF) to change from 20 (5x4) to 15 (5x3) on the basis that although the Trust will lose around £1m of the STP funding of PSF, it will receive some additional transformation funding and expects to meet the Q3 performance requirements.

3. Finance Report

- I. At month 7, the Trust is on track to deliver the financial element of PSF as its performance was £14k better than plan.

- II. However, it has lost £467k YTD of PSF linked to the STP's performance, leading to an overall adverse variance in month of £143k against its own control total. This lost PSF is linked to failures by other organisations within the STP to meet the system control total that all had signed up to.
 - III. On the costs side, pay was above budget in month, driven by higher bank usage as well as the fact that the Agenda for Change pay deal was not fully funded from the centre. Non-pay expenditure is also above plan, caused by the impact of high cost drugs, outsourcing, and the higher cost of devices related to higher levels of activity.
4. Agency update
- I. There was a slight increase in usage compared to last month, but there is no cause for concern – this was mainly to do with more reliance on agency based clinical coders.
5. PLICS (patient level costing and information system) update
- I. PLICS will replace reference costs next year.
 - II. For this year, all acute trusts were required to submit reference costs, but the Trust has also submitted PLICS data this year.
 - III. PLICS will enable the Trust to compare its costs to those of other providers, and this information is now ready to be shared with the divisional general managers.
 - IV. Currently the costs are assessed based on consultant job plans, but it will soon also include more junior staff.
 - V. Currently, the Trust is middle of the road compared to other organisations.
 - VI. The fact that the Trust has already started using PLICS means that it is ahead of the game in advance of the mandatory roll-out next year.
6. Transformation Programme
- I. The position M7 is slightly improved from M6 in that the £9.6m worth of schemes have been identified, £8m of which were validated. This is £2.1m below the £10.1m target.
 - II. There are a number of schemes in relation to which there is now more confidence of delivery, including savings against STP budget and additional funding sources. There are other schemes for which there is further scope for development, including outpatients productivity.
 - III. The CIP meetings with the divisions have been re-focused with the intention of providing greater visibility of actions to Management Board.
7. Timeline for strategic capital projects
- I. The Trust continues to progress its capital investment plans, with work progressing on eCARE, the cancer centre, aseptic unit and the pharmacy robot replacement.

Audit Committee Summary Report

1. Introduction

The Audit Committee met on 13 December 2018. A summary of the key matters discussed is provided for the Council of Governors:

2. Matters Arising

The Trust Secretary provided the Committee with an update on the submissions of declarations of interests from across the organisation. Following a recent drive, there has been an increase in the number of “decision making” staff making declarations, but there is still more to be done. A number of additional actions are to be taken, including adding declarations to relevant staff’s appraisal checklists, and targeting line managers. A further progress report will be provided at the June meeting.

3. Data Quality

The Committee was notified that there has been an improvement in the quality of accident and emergency data, mainly as a result of a recent change in the systems that support the work of that department. Steps will continue to be taken to fully address concerns around data quality highlighted by the external auditor. The position regarding RTT remains difficult, with a high number of errors still being recorded. Measures to address the issue include the appointment of a new manager to specifically oversee case booking and tailored interventions to deal with the issues in different services.

4. Internal Audit

RSM, the Trust’s internal audit provider, presented the final reports of its first two reviews – on key financial controls, and financial planning and budgetary control. They were rated as providing significant assurance and reasonable assurance respectively. It was noted, in relation to the financial planning audit, that it is often more difficult to achieve significant assurance in this area.

RSM confirmed that they will be following up all of the outstanding actions from reports that had been produced by the previous internal audit providers. The Committee is keen that issues around clinical audit and compliance with NICE guidance, in particular, are followed up. It was noted that the structure of the clinical governance team has been reorganised to place more emphasis on learning from clinical audit and this will receive further attention in the recruitment of a new clinical audit manager.

5. Financial Controller Report

Write-offs for the quarter amounted to £26k, £25k of which related to overseas patients, and 50% of which would be a cost to the Trust in 2018/19.

Losses in the period amounted to £94k, £92k of which related to pharmacy and stock write offs. A pharmacy technician has been appointed to help manage drug stock in order to reduce the volume of write-offs.

In terms of credit notes over £20k, the Committee was informed that an invoice for £1.2m raised to Milton Keynes Council had erroneously included VAT, as a result of which the invoice was credited in full and re-raised for the correct value. Another invoice, for £56k related to an overseas patient who had subsequently provided proof of entitlement to treatment.

6. Board Assurance Framework

A Board session is to take place in January to consider the overall risk environment, including the possible impact of the UK's exit from the EU. In addition, work is to be done to ensure that actions to address the individual risks are effective and up to date, and that scores are appropriate.

7. Minutes from Board Committees

Minutes of the following Board Committee meetings were presented to the Committee for information:

- Finance and Investment Committee meeting on 5 November 2018 (approved)
- Quality and Clinical Risk Committee meeting on 28 October 2018 (draft)
- Charitable Funds Committee on 5 November 2018 (draft)
- Workforce and Development Assurance Committee meeting on 5 November 2018 (draft)

8. Recommendation

The Council of Governors is asked to note the report.

Workforce and Development Committee Summary Report

1. Introduction

The Workforce and Development Committee met on 5 November 2018. A summary of key issues discussed is provided below.

2. Workforce

Staff Story

A married couple, both nurses working in different departments in the Trust, attended to provide their story. They have both worked at the trust for over 10 years. They were both broadly positive about their time here, including the opportunities that they have had for training, upskilling and progression. However, the female nurse, who had recently taken on her first management role, expressed the need for more training specifically around the acquisition of management skills. She also raised concerns about what she saw as a lack of inclusiveness among some of her colleagues, although she conceded that this may be linked to her management role.

The Committee thanked the pair for attending to share their experiences.

Workforce Strategy 2018-2022

A detailed delivery plan for the next 3 years of the strategy has been devised focusing on the themes of attraction to the Trust, effective employee engagement and wellbeing, and maximising productivity through innovative and efficient workforce and infrastructure. The Committee will review progress against the plan as a standard item at each of its meetings, and it was noted that the level of ambition within the plan will require significant Board support. It was acknowledged that the extent to which electronic tools such as webex and e-rostering have been incorporated into ways of working is mixed. Measurable impacts of the strategy would include reductions in the time it takes to hire new staff, reductions in agency expenditure and the improvement in staff survey results.

Workforce Information Quarterly Report

Highlights from the report include:

- Temporary staffing costs have reduced by 2.5%, while bank usage is at an all-time high at £1.3m. Agency spend is well within the ceiling that had been agreed with NHS improvement
- The leaver turnover rate has been steadily falling over the recent months. However, vacancy rates among medical and dental and nursing and midwifery staffing groups remain the highest at around 20%.
- Appraisal and statutory and mandatory training rates have remained around the 90% mark. Changes being introduced under Agenda for Change are expected to have a further positive impact on these measures.

Findings from exit questionnaires

600 members of staff left the Trust in the last year and 16.3% of them had completed a leaver's questionnaire. The Committee made a number of suggestions to improve the questionnaire, such as the inclusion of a question as to whether people felt included.

Staff health and wellbeing report

This more detailed staff health and wellbeing report included the following information:

- The 3 key reasons for contact with the staff health and wellbeing team in Quarter 2 were psychological wellbeing, musculoskeletal and mental health. A backlog of referrals has grown as a result of a reduction in service provision by the occupational health consultant. The service is to be reviewed.
- Progress towards accreditation of the department is continuing.
- After 3 weeks of the flu campaign the Trust had achieved 58% coverage (the target is 75%). Achievement of this target would help the Trust to deliver the health and wellbeing CQUIN which is worth £130k.
- Usage of the Care First service has fallen to 8.5% but remains above the national average of 6%. The facility to receive feedback as to whether the service is deemed valuable by users is to be added.
- The Trust now has a manual handling adviser in post. A 3 year plan has been submitted the main focus of which is on musculoskeletal health.

We Care update

- This work is based around the outcomes of the 2017 staff survey and focused on the 7 areas that showed the most room for improvement. The main themes are around a lack of respect and value for people and their roles, as well as work related stress.
- Many of the staff in the areas that had been identified as having the most scope for improvement felt that they had made improvements themselves since the survey was completed, and it is anticipated that the results of such work would be demonstrated in the results of the 2019 survey.
- The suggestion was made for the introduction of a management charter setting out the Trust's expectations for managers.

3. Education

Library and eLearning services update

The library is being reconfigured to provide more space, and the Library Manager is working with colleagues to assist with the provision of evidence based information. The learning intranet site has not been as well used as had been expected – some pages need to be updated and the whole site is to be linked to the new Trust intranet site.

Medical Education update

The training programme for new consultants, which began 3 years ago, is now being recommended by consultants to their colleagues. It was suggested that we review if this should be rolled out to non-medical managers.

Education Update

- Going forward, pay progression is to be linked to the completion of statutory and mandatory training.
- The compliance rate for appraisals was 85% as at September.
- There has been a rise in the number of apprentices, linked to the nursing associate initiative. However national standards relating to a number of apprenticeships are still awaited. The requirement for the provision of 20% off the job training is proving difficult for a number of departments and this is contributing to the relatively low take up of apprenticeships.
- Contact has been made with The Samaritans with a view to assessing whether they can assist with the provision of suicide awareness training, and providing support for those involved.
- 3 students will receive £300 each from the MKGU Rotary Club Bursary to support them with their studies.

Equality and Diversity Annual Report

- The Committee highlighted one of the themes from the report which is the greater likelihood that White people, rather than those from an Asian background, are appointed to roles. Work is being done to review this position, with measures being considered including the adoption of a management toolkit approach alongside a recruitment training session, attendance of which would be a requirement before joining a recruitment panel.
- Applications from the more disadvantaged groups are reviewed, and targeted work is being done with such applicants with a view to improving the quality of their applications.
- We will benchmark the data to assess whether it is indicative of the region and other NHS bodies.

Other business

It was noted that the staff survey response rate currently stands at 28.6%, which is 1.5% above the average.

The Council of Governors is asked to note the summary report.

Charitable Funds Committee Summary Report

1. Introduction

The Charitable Funds Committee met on 5 November 2018.

2. Key matters

The following items were presented to the Committee:

Matters arising –

- Steps are being taken to obtain separate public and trustees' liability insurance for the charity. Work is also continuing on overhauling the charity's governance arrangements.

Update on the Cancer Centre appeal

- The Duke of Bedford has agreed to become Patron of the Cancer Centre appeal, and this information is now in the public domain. In this capacity it is expected that His Grace will make a significant personal donation, and help facilitate the provision of further substantial gifts from others.
- The Committee received an update of progress being made on the appeal, and noted that a number of significant donations have either been made or promised. The charity is on track to achieve the £2.5m target.
- A new corporate fundraiser has been appointed. This appointment will allow the Head of Fundraising to focus more on sustainability, promoting regular giving and legacies

Charitable Funds Finance updates

- The charity's Annual Accounts were signed off at the meeting.
- It was suggested and agreed that going forward, the preparation of the annual account is to be taken over by the fundraising team in order that it better reflects the charity's aims and highlights the work that it does. It was agreed that this more comprehensive report would provide the opportunity for a comparative analysis of the charity's costs to spend ratio.
- To date, both income and expenditure are slightly under plan.
- Charitable spending on the Cancer Centre, which will mainly be on equipment and furnishings, is not expected to take place until the building is at or near completion.
- In terms of the charity's 'business as usual' funding, it was agreed that steps should be taken to avoid an unduly large amount of uncommitted spend at the end of the financial year.

Future strategic direction of the MK Hospital Charity

- The Committee noted the contents of a presentation from a firm of charity lawyers, providing guidance on how and where NHS charitable funds may be spent.
- A scoping exercise is to be carried out drawing on comparisons with other similar sized hospitals, and this Committee's terms of reference are to be amended in light of this guidance.

Registration with the Fundraising Regulator

- The Head of Fundraising made the point that it is advisable for any charity raising more than £100k a year to register with the Fundraising Regulator.
- It is considered best practice to register and provides assurance to the public. The cost of registration is relatively low.
- The Committee agreed to consider the Code in detail and make a decision offline.

Other business

- It was confirmed that the charity is up to date on Gift Aid claims.

3. Risks highlighted during the meeting for consideration on BAF/SRR

None

Report for the Council of Governors of Milton Keynes University Hospital FT

February 2019

Our Activity

Update on support to patients requiring British Sign Language (BSL) support

In the September briefing we reported on an issue brought to us by the service that is contracted by Milton Keynes Council to provide support advice and assessment to people who have sight or hearing loss.

They had told us that a number of their service users are profoundly deaf and use British Sign Language (BSL). Over the years, they have come to them with their hospital appointment letters because they have been unsure if an interpreter has been booked for their appointments, even though one has been requested.

Our recommendation was that once the interpreters are booked a confirmation is sent (we found text or email would be preferred) with a caveat that if there is no 'RSVP' the interpreter may be cancelled.

As a result, with the involvement of the Hospital Patient Experience and Engagement Manager, we received further feedback from the interpreting service:

"one of our profoundly deaf service users who uses BSL, has let us know that she received an appointment letter from the breast screening clinic. The letter included a note saying that an interpreter has been booked for her appointment. This is the first time we have been made aware of a service user being notified beforehand of an interpreter being booked".

Issues, concerns and compliments

We received 21 pieces of feedback regarding Milton Keynes University Hospital during the last quarter.



The experience of care/ facilities section refers to both, the clinical care and the physical environment and how that impacts on a patient's experience. One person told us:

"I have a disability and have needed to have scans (MRI and CT) for other health problems. I was faced with two problems: -

- Firstly, I need help getting changed. The changing rooms in the hospital were completely inappropriate for people with disabilities. They were not big enough for a carer to help me get changed in, and they had no rails to help me stand. As a result, I had to change in the toilet.*
- Secondly, I was unable to get out of the scanner because the bed did not tilt (like other hospital beds too), and again, there was no rail to pull myself up on"*

The patient confidentiality section area of the graph refers largely to issues reported to us by transgender patients about their experience of information about their transgender status being shared without their knowledge or consent in correspondence between clinicians, administrators and GPs across the Health System.

Communication issues focussed on the lack of accessible information to patients, as well as the interdepartmental, or organisational communication which can lead to delays in tests and treatment.

Pathway and referral issues came from patients with co-occurring conditions which meant that their treatment needs did not fit well within the existing single

condition pathways and caused them unnecessary stress and confusion during their hospital stay or ongoing treatment.

Other news:

Information Sharing:

Because we do not mandate people to leave contact details when they choose to leave feedback through our website, we are unable to offer advice, or signpost these patients to PALS as we do when we have consent and direct contact. This information is a good source of evidence to support improvements or highlight good practice, and we are pleased to have agreed with the PALS and Patient Experience and Engagement Leads, a clear pathway to share this anonymous feedback with the Hospital.

My Rights to Healthcare:

We are currently distributing a 'My Rights to Healthcare' card among vulnerable residents who have experienced difficulty in accessing Primary Care services. We have recently conducted a 'Mystery Shopping' exercise to gauge GP Practice awareness of their obligation to register patients regardless of their immigration status or ability to provide identification. We are collating our findings and will be releasing this report soon. We envisage that, by increasing access to Primary Care, there will be a reduction on patient presentations to A&E and emergency admissions.

Phyllis:

Healthwatch Milton Keynes have secured funding through the STP to bring a performance of Women & Theatre's production *Phyllis* to the Chrysalis Theatre on the 14th of March. *Phyllis* presents the story of one family navigating the complex system of older people's care as they try to work out the best way to look after their ageing mother.

This is a thought-provoking theatre production that encourages health, social services and the wider community to share responsibility for stepping up to the challenge and providing sustainable, dignified care in the last part of our citizens' lives.

Whilst the story of *Phyllis* is based on the journey of an older woman and her family, the conversations are ones you will recognise from your own journey's through the health and social care system.

For more information, or to book your place, please contact us:

bookings@healthwatchmiltonkeynes.co.uk

Meeting title	Council of Governors	Date: 20 February 2019
Report title:	Performance Report indicators for 2018/19 (Month 9)	Agenda item: 6.1
Lead director Report author Sponsor(s)	Name: John Blakesley Name: Hitesh Patel	Title: Deputy Chief Executive Title: Associate Director of Performance and Information
Fol status:	Disclosable	

Report summary	Lists the proposed key performance metrics for the Trust for the financial year 2018/19			
Purpose <i>(tick one box only)</i>	Information <input checked="" type="checkbox"/>	Approval <input type="checkbox"/>	To note <input type="checkbox"/>	Decision <input type="checkbox"/>
Recommendation				

Strategic objectives links	All Trust objectives
Board Assurance Framework links	None
CQC outcome/regulation links	
Resource implications	None
Legal implications including equality and diversity assessment	None

Report history	None
Next steps	None
Appendices	None

Trust Performance Summary: M9 (December 2018)

1.0 Summary


This report summarises performance in December 2018 across key performance indicators and provides an update on actions to sustain or improve upon Trust and system-wide performance.

This commentary is intended only to highlight areas of performance that have changed or are in some way noteworthy.

2.0 Sustainability and Transformation Fund (STF)

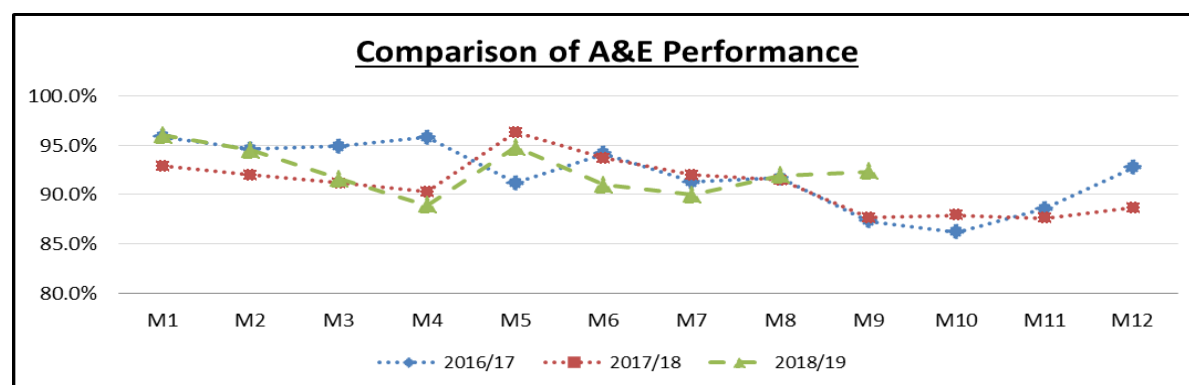
Performance Improvement Trajectories

December 2018 performance against the Service Development and Improvement Plans (SDIP):

ID	Indicator	DQ Assurance	Target 18-19	Month/YTD Target	Actual YTD	Actual Month	Month Perf.	Month Change
4.1	ED 4 hour target (includes UCS)		92.5%	87.3%	92.3%	92.3%	✓	▲
4.2	RTT Incomplete Pathways <18 weeks		90.1%	89.5%		88.9%	✗	▲
4.9	62 day standard (Quarterly) 		82.4%	82.4%		88.6%	✓	▲

The ED performance improved in December 2018, rising from 91.9% in November to 92.3%. This was below the national standard of 95% but ahead of the 87.3% NHS Improvement trajectory. It was also better than the NHS England national A&E performance in December 2018, which was 86.4%.

The graph below shows that the ED performance during this month (M9) compares favourably with the performance for the same period during the previous years (2016/17 and 2018/19).



The referral to treatment (RTT) national NHS operational standard for incomplete pathways was not achieved by the Trust in December 2018. A performance of 88.9% at the end of December 2018 was reported, which was an improvement of 0.6% on November 2018. The NHS England combined performance for the RTT standard at the end of November 2018 was 87.3%. The December 2018 national RTT performance will be published in early February 2019.

The most recent validated position for Cancer waiting times was Q2 2018/19. The Trust surpassed the 85% Cancer 62 day target, achieving a performance of 88.6% in that period, which was also above the NHS Improvement trajectory (82.4%). The latest revised quarterly national statistics on Cancer waiting times were released on 10th January 2019 by NHS England. Nationally, the operational standard for 62 day waits was breached in Q2 2018/19 with a performance of 78.6%. The last time the standard was achieved nationally was at the end of Q4 2013-14.

3.0 Urgent and Emergency Care

Performance across urgent and emergency care services continued to operate under pressure in November 2018, as represented across the following range of KPIs:

ID	Indicator	DQ Assurance	Target 18-19	Month/YTD Target	Actual YTD	Actual Month	Month Perf.	Month Change
2.4	Cancelled Ops - On Day		1.0%	1.0%	0.7%	0.8%	✓	▼
3.2	Ward Discharges by Midday		30%	30%	18.6%	17.2%	✗	▼
3.4	30 day readmissions		6.4%	6.4%	8.4%	8.0%	✗	▲
4.1	ED 4 hour target (includes UCS)		92.5%	87.3%	92.3%	92.3%	✓	▲

Cancelled Operations on the Day

In December 2018, the volume of operations that were cancelled on the day for non-clinical reasons increased to 16. This represented 0.8% of all planned operations during the month, which was within the 1% tolerance. Of those cancelled on the day, seven were due to bed availability. Staff availability was the next most frequently cited reason for last minute cancellations, accounting for five of the total. Out of the remaining four, two were attributed to consultant availability, while 'equipment issue' (1) and 'patient requiring scan' (1) accounted for the others.

Readmissions

The emergency readmission rate continued above the threshold with a rate of 8% during December 2018. At a divisional level, the rate for Medicine remained high at 12.5%. The rate in Surgery decreased to 4.5% and for Women & Children it was relatively consistent with November 2018.

Delayed Transfers of Care (DTC)

The number of DTC patients (21) at midnight on the last Thursday of December 2018 was one less compared to November 2018 and continued to be within the threshold for the eighth consecutive month. The cumulative number of days delayed for all patients throughout the month was reduced to 541 in December 2018 from 554 in November 2018, indicating that the challenges around managing DTC patients continue to be managed effectively.

Ambulance Handovers

In December 2018, the percentage of ambulance handovers that took longer than 30 minutes rose sharply to 9.7% from 7.2% in November 2018 and was above the Upper Control Limit (9.2%). The number of handovers reported to have taken longer than 60 minutes nearly doubled to 27 during December 2018, compared to 14 in November 2018.

4.0 Elective Pathways

ID	Indicator	DQ Assurance	Target 18-19	Month/YTD Target	Actual YTD	Actual Month	Month Perf.	Month Change
3.1	Overnight bed occupancy rate		93%	93%	92.6%	94.7%	✗	▲
3.5	Follow Up Ratio		1.50	1.50	1.57	1.63	✗	▼
4.2	RTT Incomplete Pathways <18 weeks		90.1%	89.5%		88.9%	✗	▲
4.6	Diagnostic Waits <6 weeks		99%	99%		97.8%	✗	▼
5.6	Outpatient DNA Rate		5%	5%	7.4%	8.1%	✗	▼

Overnight Bed Occupancy

The Trust bed occupancy continued above the 93% internal threshold at 94.7% in December 2018. This was however a decrease compared to November 2018 (95.6%). The NHS England bed occupancy statistics for Q2 2018/19 reported an average occupancy rate for all beds open overnight of 87.3%. Overnight bed occupancy at such high levels can increase the risk of infections and affect the timely admission of emergency and urgent care patients as well as those booked for surgery.

Follow up Ratio

Planning outpatient capacity to cope with new referrals is impacted by the demand for follow ups. In December 2018, the follow up ratio increased to 1.63 follow up attendances for every new attendance seen.

RTT Incomplete Pathways

As mentioned previously, the Trust 18 week RTT performance continued below the 92% national standard and the Trust's NHS Improvement target (89.5%). At the end of December 2018, the overall waiting list size had decreased to 13,765 when compared to November 2018 (13,881). The number of patients waiting more than 18 weeks at the end of December had also decreased to 1,530 from 1,618 in November 2018, resulting in an improved RTT performance.

At the end of December 2018, the number of 52 week waiters increased to ten, which was the same as the trajectory.

Diagnostic Waits <6 weeks

MKUH had another challenging month in terms of diagnostic waits, with the performance (97.8%) falling below the 99% national standard in December 2018. At a Trust level, the number of breaches increased significantly from 47 in November 2018 to 109 in December 2018. Endoscopy services had the highest volume of patients waiting more than 6 weeks (53) followed by Cardiology tests (34), Cystoscopy (17) and Urodynamics (5). The Trust previously fell short of the target in June 2018.

Figures released by NHS England state that nationally, 2.4% of the total number of patients were waiting six weeks or longer at the end of November 2018.

Outpatient DNA Rate

The outpatient DNA rate has been above 7% since May 2018. In December 2018, the Trust reported a rate of 8.1% which is much higher than the 5% target and an increase when compared to November 2018 (7.4%). DNAs represent clinic capacity that cannot be otherwise utilised. All services should continue to ensure that they adhere to the Trust Access Policy to minimise DNA rates.

5.0 Patient Safety

Infection Control

There were no MRSAs or E-coli reported by MKUH in December 2018. There was one case of MSSA (Ward 1) and one case of CDI (Ward 14), both in Medicine, reported by the Trust December 2018.

Never Event

There was one Never Event reported in December 2018 in Women & Children, which was said to be a case of 'Retained swab' on Labour Ward following an instrumental delivery.

NICE breaches

The number of NICE breaches increased in December 2018 to 96 compared to November 2018 (94).

Overdue Datix Incidents

In December 2018, there was an increase in the number of overdue Datix incidents (201) when compared to November 2018 (168).

ENDS

OBJECTIVE 1 - PATIENT SAFETY										
ID	Indicator	DQ Assurance	Target 18-19	Month/YT D Target	Actual YTD	Actual Month	Month Perf.	Month Change	YTD Position	Rolling 12 months data
1.1	Mortality - (HSMR)		100	100		93.7	✓	▼		
1.2	Mortality - (SHMI) - Quarterly		1	1	0.95	0.97	✓	▼	✓	
1.3	Never Events		0	0	3	1	✗	▼	✗	
1.4	Clostridium Difficile		20	<15	12	1	✓	▼	✓	
1.5	MRSA bacteraemia (avoidable)		0	0	1	0	✓	▬	✗	
1.6	Pressure Ulcers Grade 2, 3 or 4 (per 1,000 bed days)		0.6	0.6	0.60	0.73	✗	▼	✓	
1.7	Falls with harm (per 1,000 bed days)		0.15	0.15	0.13	0.22	✗	▼	✓	
1.8	WHO Surgical Safety Checklist		100%	100%	100%	100%	✓	▬	✓	
1.9	Midwife : Birth Ratio		28	28	Not Available					
1.10	Incident Rate (per 1,000 bed days)		40	40	35.68	33.43	✗	▼	✗	
1.11	Duty of Candour Breaches (Quarterly)		0	0	0	0	✓	▬	✓	
1.12	E-Coli				19	0		▲		
1.13	MSSA				14	1		▲		
1.14	VTE Assessment	Tbc	95%	95%	79.9%	79.9%	✗	▼	✗	
OBJECTIVE 2 - PATIENT EXPERIENCE										

ID	Indicator	DQ Assurance	Target 18-19	Month/YT D Target	Actual YTD	Actual Month	Month Perf.	Month Change	YTD Position	Rolling 12 months data
2.1	FFT Recommend Rate (Patients)		94%	94%	Not Available					
2.2	RED Complaints Received		8	6	0	0	✓	▬	✓	
2.3	Complaints response in agreed time		90%	90%	83.3%	89.7%	✗	▲	✗	
2.4	Cancelled Ops - On Day		1.0%	1.0%	0.7%	0.8%	✓	▼	✓	
2.5	Over 75s Ward Moves at Night		2,554	1916	1,743	212	✓	▼	✓	
2.6	Mixed Sex Breaches		0	0	0	0	✓	▬	✓	

OBJECTIVE 3 - CLINICAL EFFECTIVENESS										
ID	Indicator	DQ Assurance	Target 18-19	Month/YT D Target	Actual YTD	Actual Month	Month Perf.	Month Change	YTD Position	Rolling 12 months data
3.1	Overnight bed occupancy rate		93%	93%	92.6%	94.7%	✗	▲	✓	
3.2	Ward Discharges by Midday		30%	30%	18.6%	17.2%	✗	▼	✗	
3.3	Weekend Discharges		70%	70%	69.1%	65.8%	✗	▼	✗	
3.4	30 day readmissions		6.4%	6.4%	8.4%	8.0%	✗	▲	✗	
3.5	Follow Up Ratio		1.50	1.50	1.57	1.63	✗	▼	✗	
3.6.1	Number of Stranded Patients (LOS>=7 Days)		227	227		210	✓	▼		
3.6.2	Number of Super Stranded Patients (LOS>=21 Days)		91	91		77	✓	▼		
3.7	Delayed Transfers of Care		25	25		21	✓	▲		
3.8	Discharges from PDU (%)		16%	16%	10.7%	9.0%	✗	▼	✗	
3.9	Ambulance Handovers >30 mins (%)		5%	5%	7.0%	9.7%	✗	▼	✗	

OBJECTIVE 4 - KEY TARGETS										
ID	Indicator	DQ Assurance	Target 18-19	Month/YT D Target	Actual YTD	Actual Month	Month Perf.	Month Change	YTD Position	Rolling 12 months data
4.1	ED 4 hour target (includes UCS)		92.5%	87.3%	92.3%		✓	▲	✓	
4.2	RTT Incomplete Pathways <18 weeks		90.1%	89.5%		88.9%	✗	▲		
4.3	RTT Patients Waiting Over 18 Weeks		1,287	1,346		1,530	✗	▲		
4.4	RTT Total Open Pathways		12,999	12,815		13,765	✗	▲		
4.5	RTT Patients waiting over 52 weeks			10		10	✓	▼		
4.6	Diagnostic Waits <6 weeks		99%	99%		97.8%	✗	▼		
4.7	All 2 week wait all cancers (Quarterly) ✎		93%	93%		97.0%	✓	▼		
4.8	31 days Diagnosis to Treatment (Quarterly) ✎		96%	96%		98.7%	✓	▼		
4.9	62 day standard (Quarterly) ✎		82.4%	82.4%		88.6%	✓	▲		

OBJECTIVE 5 - SUSTAINABILITY										
ID	Indicator	DQ Assurance	Target 18-19	Month/YT D Target	Actual YTD	Actual Month	Month Perf.	Month Change	YTD Position	Rolling 12 months data
5.1	GP Referrals Received		60,189	44,899	46,202	4,204	✗	▼	✓	
5.2	A&E Attendances		91,286	68,777	66,286	7,148	✗	▲	✗	
5.3	Elective Spells (PBR)		25,530	19,197	19,513	2,094	✓	▼	✓	
5.4	Non-Elective Spells (PBR)		35,286	26,585	25,854	3,192	✓	▲	✗	
5.5	OP Attendances / Procs (Total)		367,859	276,450	283,101	26,287	✗	▼	✓	
5.6	Outpatient DNA Rate		5%	5%	7.4%	8.1%	✗	▼	✗	
5.7	Number of babies delivered				2763	306		▲		
5.8	Number of antenatal bookings				2887	296		▼		

OBJECTIVE 7 - FINANCIAL PERFORMANCE										
ID	Indicator	DQ Assurance	Target 18-19	Month/YT D Target	Actual YTD	Actual Month	Month Perf.	Month Change	YTD Position	Rolling 12 months data
7.1	Income £'000		240,602	177,955	181,166	20,710	✓	▼	✓	
7.2	Pay £'000		(161,048)	(121,505)	(123,423)	(13,914)	✗	▼	✗	
7.3	Non-pay £'000		(71,891)	(54,919)	(58,362)	(6,421)	✗	▼	✗	
7.4	Non-operating costs £'000		(12,893)	(9,670)	(9,224)	(657)	✓	▲	✓	
7.5	I&E Total £'000		(5,230)	(8,139)	(9,842)	(282)	✗	▼	✗	
7.6	Cash Balance £'000		2,500	2,460		7,510	✓	▲		
7.7	Savings Delivered £'000		10,130	6,171	6,591	918	✓	▲	✓	
7.8	Capital Expenditure £'000		29,673	19,755	5,963	609	✓	▲	✓	

OBJECTIVE 8 - WORKFORCE PERFORMANCE										
ID	Indicator	DQ Assurance	Target 18-19	Month/YT D Target	Actual YTD	Actual Month	Month Perf.	Month Change	YTD Position	Rolling 12 months data
8.1	Staff Vacancies % of establishment		12%	12%		11.6%	✓	▼		
8.2	Agency Expenditure %		8%	8%	5.8%	5.8%	✓	▬	✓	
8.3	Staff sickness - % of days lost		4%	4%		4.0%	✓	▬		
8.4	Appraisals		90%	90%		82.0%	✗	▼		
8.5	Statutory Mandatory training		90%	90%		90.0%	✓	▲		
8.6	Substantive Staff Turnover		12%	12%		11.4%	✓	▲		
8.7	FFT Response Rate Staff (Quarterly)		15%	15%	14.0%	14.0%	✗	▼	✗	

OBJECTIVES - OTHER										
ID	Indicator	DQ Assurance	Target 18-19	Month/YT D Target	Actual YTD	Actual Month	Month Perf.	Month Change	YTD Position	Rolling 12 months data
O.1	Total Number of NICE Breaches		8	8		96	✗	▼		
O.2	Rebooked cancelled OPs - 28 day rule		95%	95%	71.6%	75.0%	✗	▲	✗	
O.4	Overdue Datix Incidents >1 month		0	0		201	✗	▼		
O.5	Serious Incidents		45	<34	47	6	✗	▬	✗	
O.8	Completed Job Plans (Consultants)		90%	90%		85%	✗	▼		

Key: Monthly/Quarterly Change

▲	Improvement in monthly / quarterly performance
▬	Monthly performance remains constant
▼	Deterioration in monthly / quarterly performance
▬	NHS Improvement target (as represented in the ID columns)
✎	Reported one month/quarter in arrears

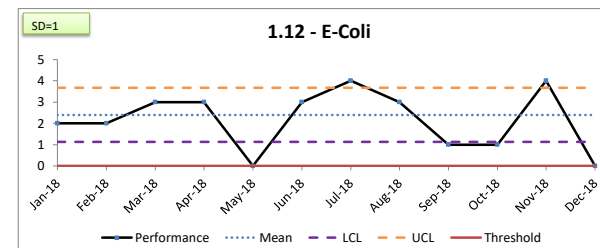
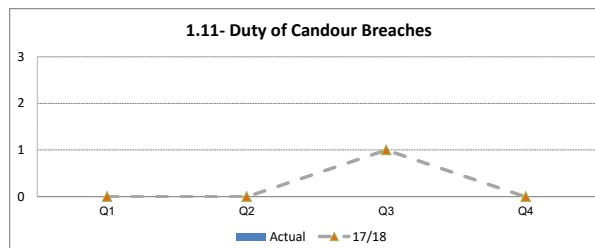
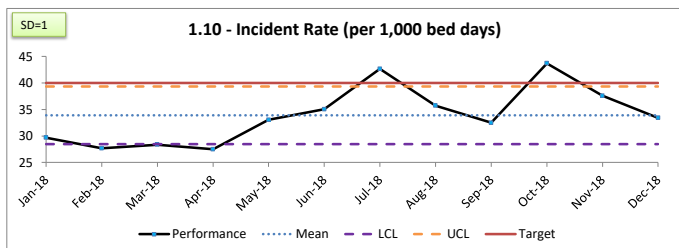
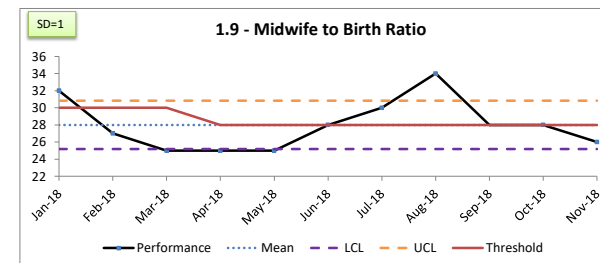
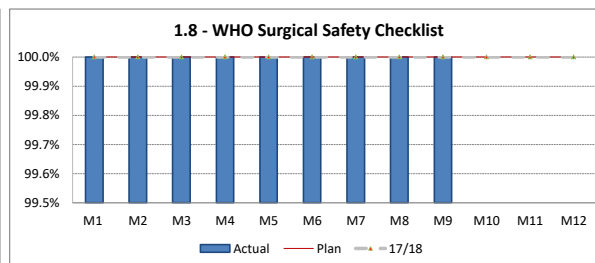
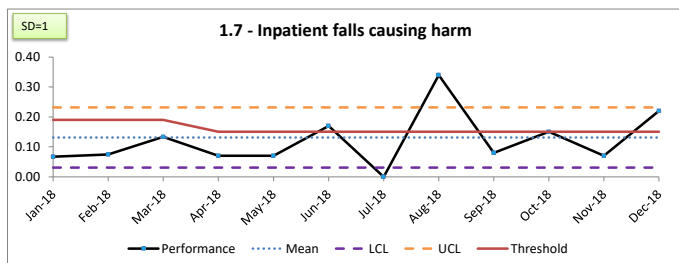
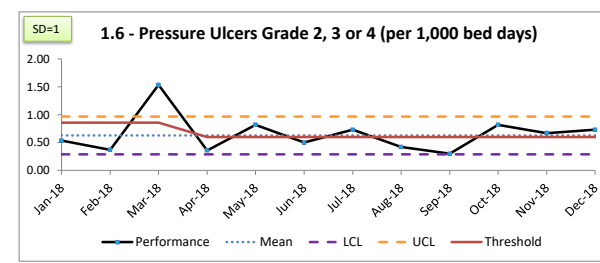
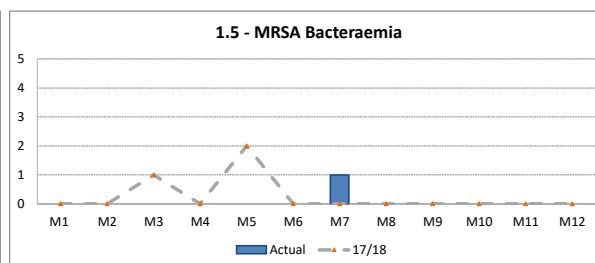
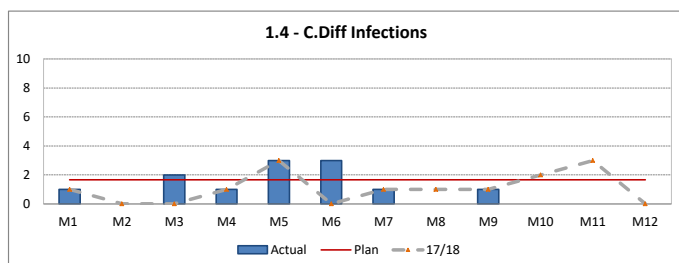
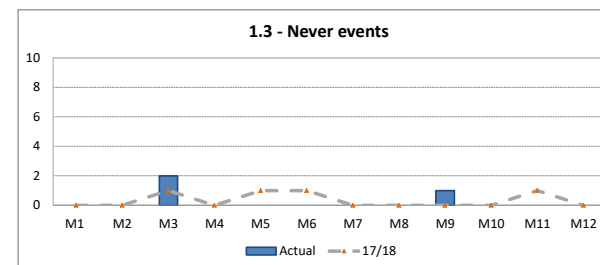
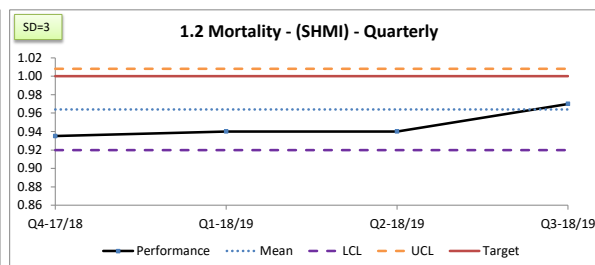
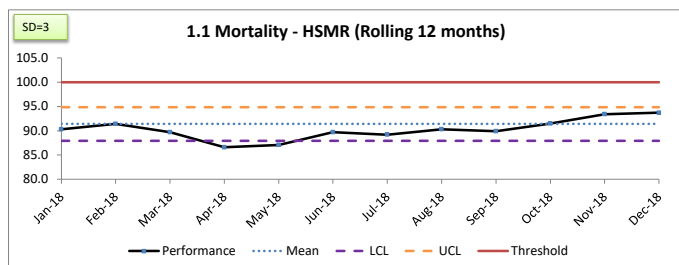
YTD Position

✓	Achieving YTD Target
▬	Within Agreed Tolerance*
✗	Not achieving YTD Target
✗	Annual Target breached

Data Quality Assurance Definitions

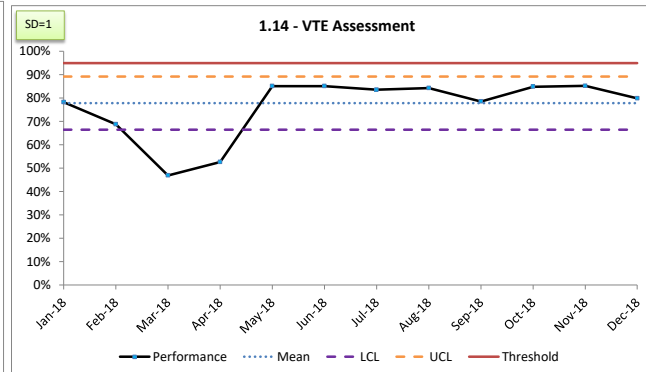
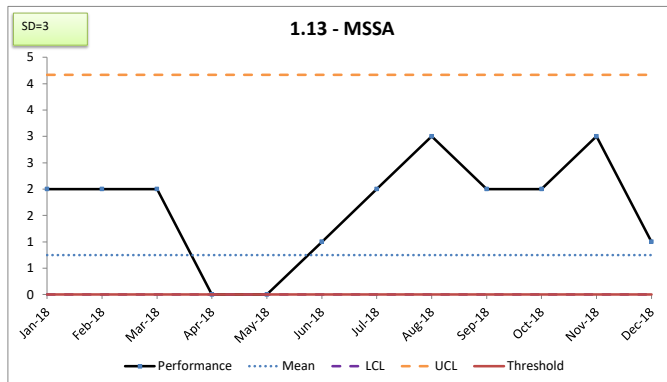
Rating	Data Quality Assurance
Green	Satisfactory and independently audited (indicator represents an accurate reflection of performance)
Amber	Acceptable levels of assurance but minor areas for improvement identified and potentially independently audited * /No Independent Assurance
Red	Unsatisfactory and potentially significant areas of improvement with/without independent audit

* Independently Audited – refers to an independent audit undertaken by either the Internal Auditor, External Auditors or the Data Quality Audit team.



If the LCL is negative (less than zero) it is set to zero.
If the UCL is greater than 100% it is set to 100%.

- Performance activity on a rolling 12 months/quarterly
- Average on a rolling 12 months/quarterly
- Lower Control Limit (LCL)
- Upper Control Limit
- Targets/Thresholds/NHSI Trajectories

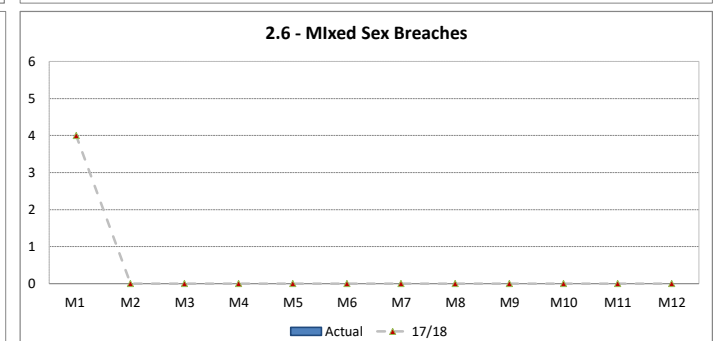
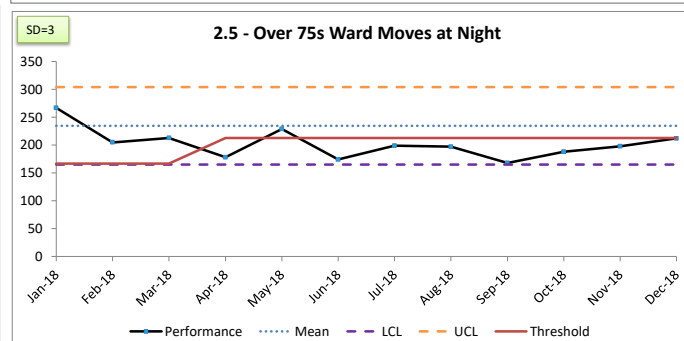
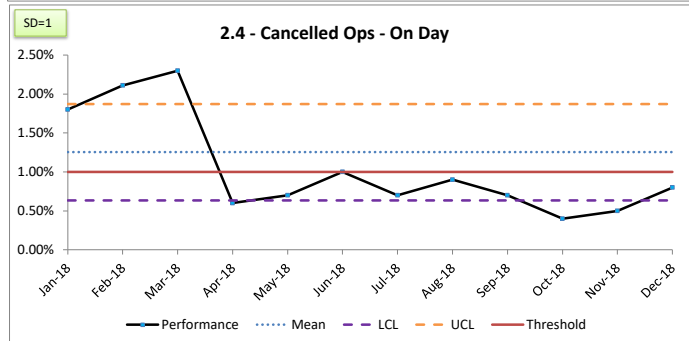
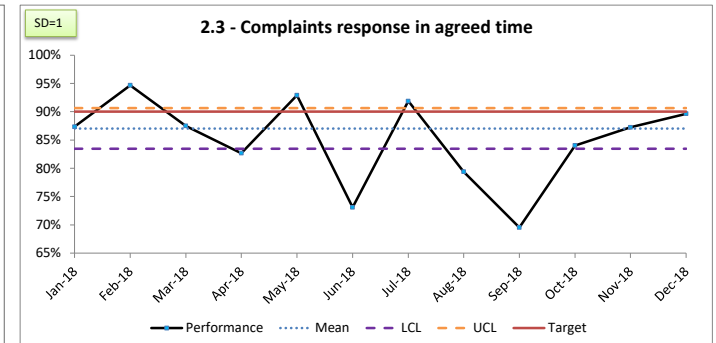
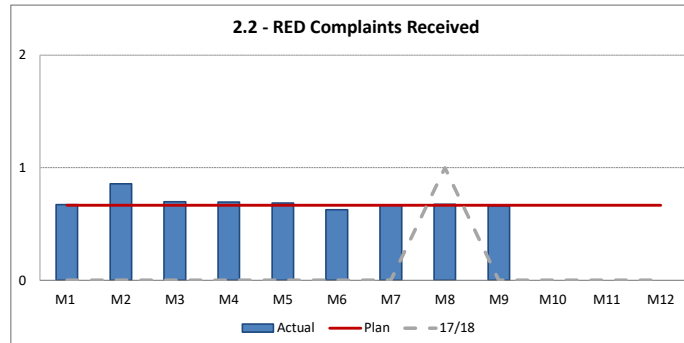
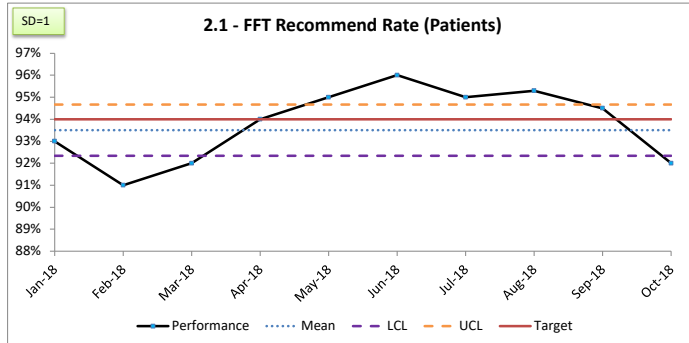


If the LCL is negative (less than zero) it is set to zero.
If the UCL is greater than 100% it is set to 100%.

- Performance activity on a rolling 12 months/quarterly
- Average on a rolling 12 months/quarterly
- - - Lower Control Limit (LCL)
- - - Upper Control Limit
- Targets/Thresholds/NHSI Trajectories

Board Performance Report - 2018/19

OBJECTIVE 2 - PATIENT EXPERIENCE



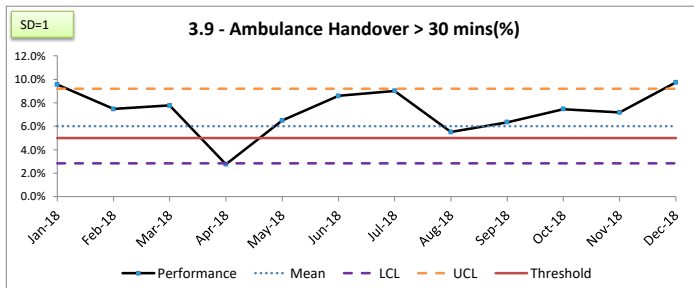
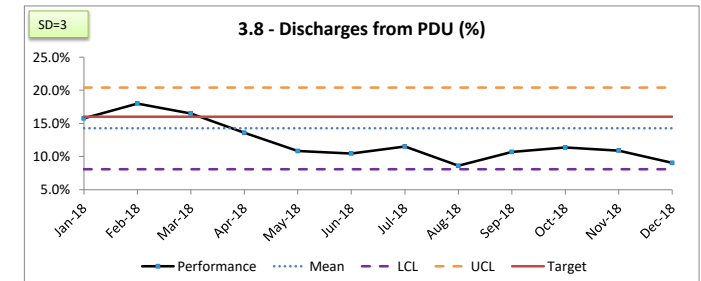
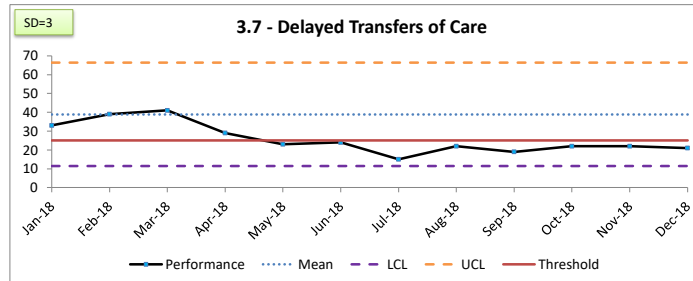
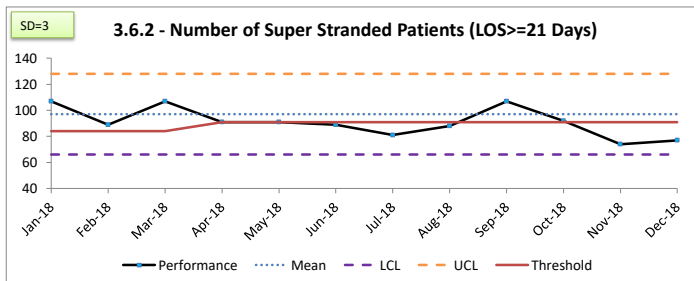
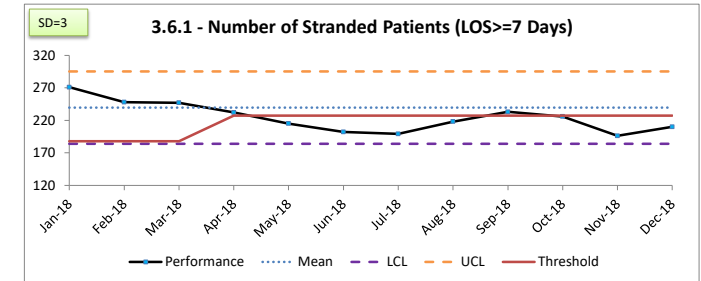
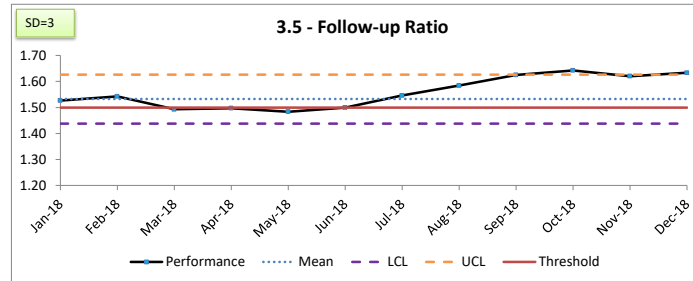
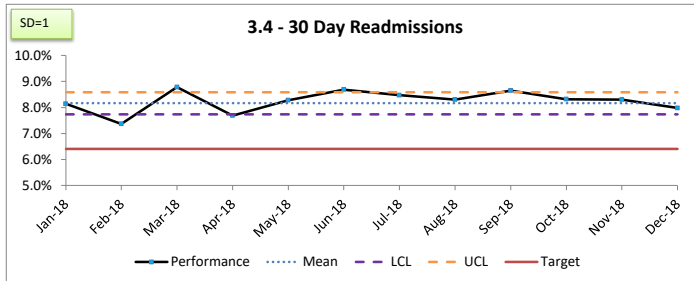
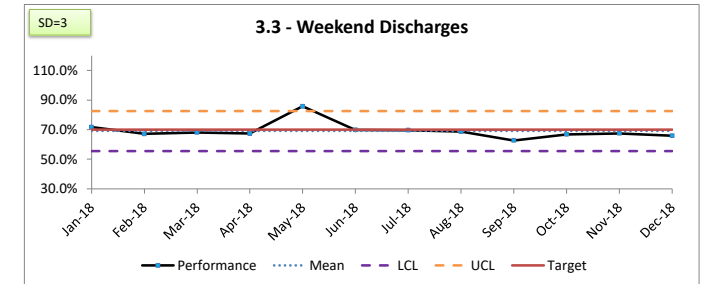
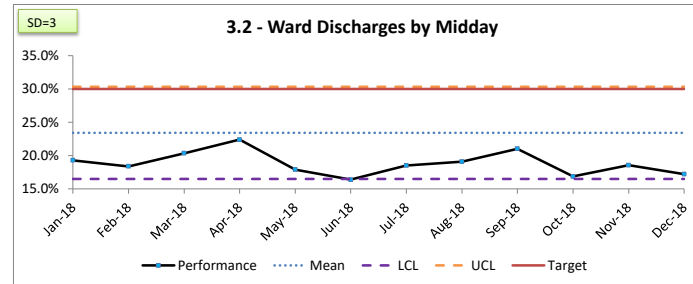
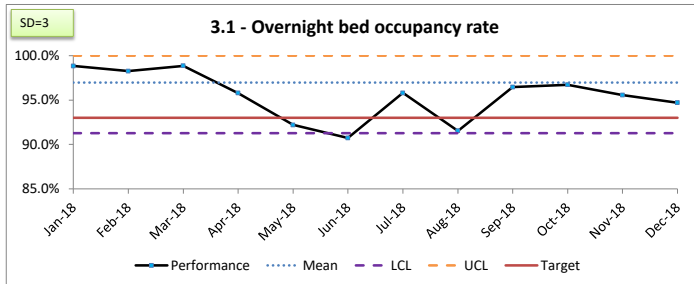
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Board Performance Report - 2018/19

OBJECTIVE 3 - CLINICAL EFFECTIVENESS

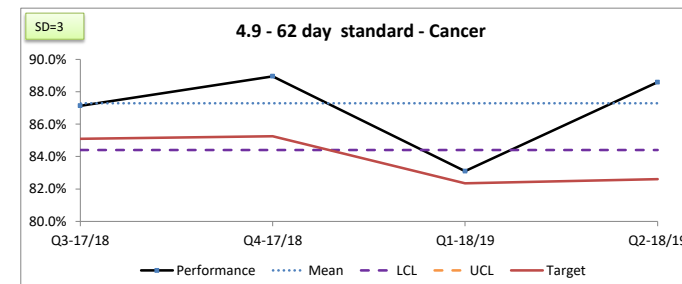
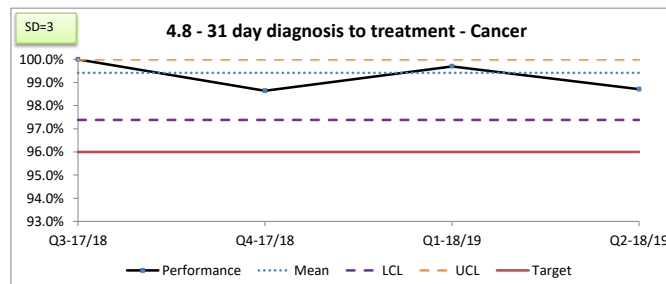
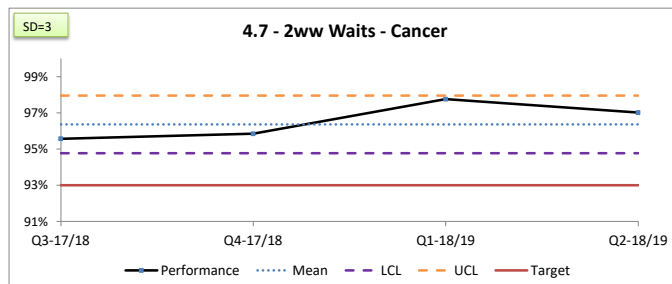
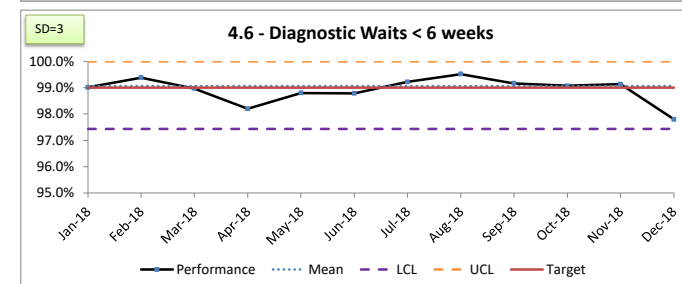
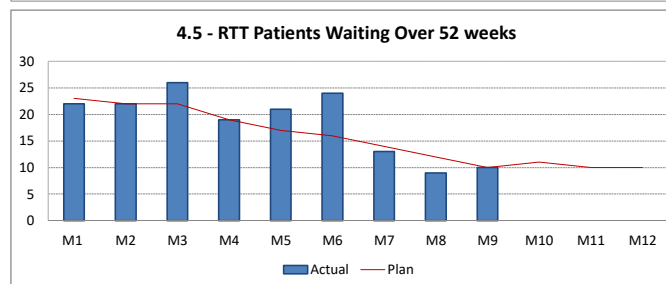
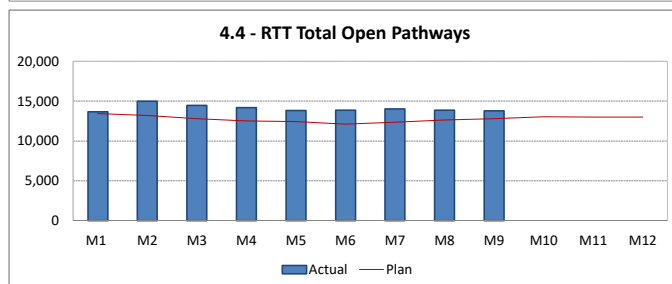
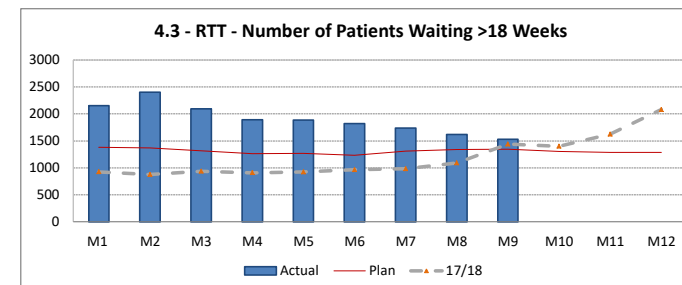
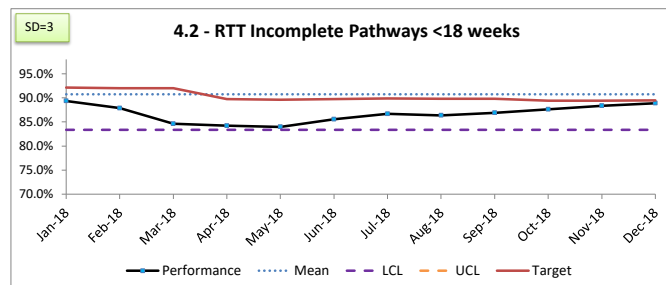
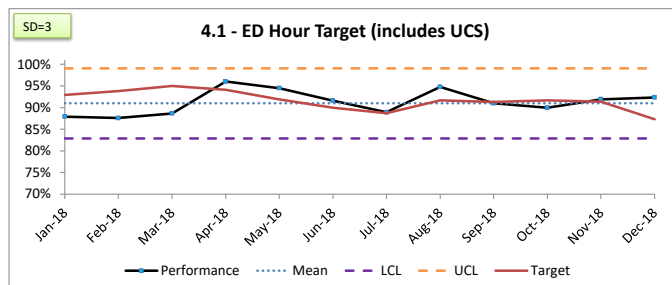


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Board Performance Report - 2018/19

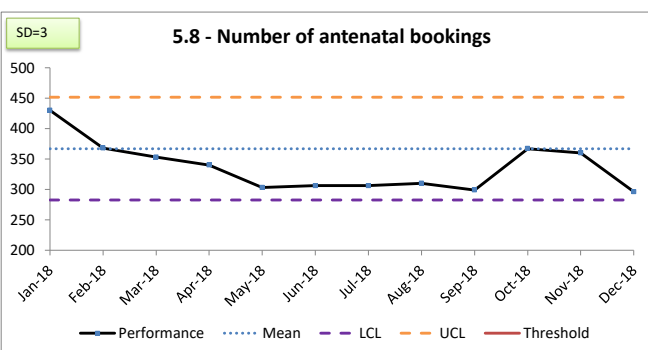
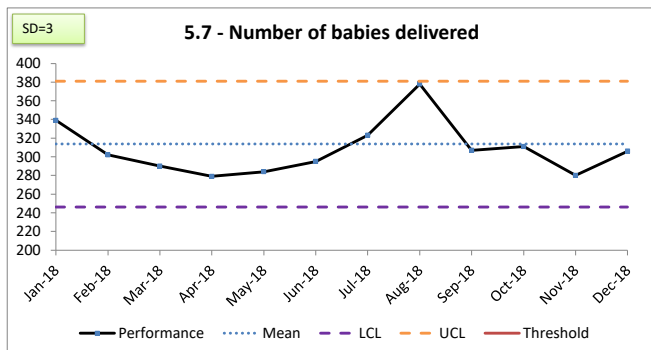
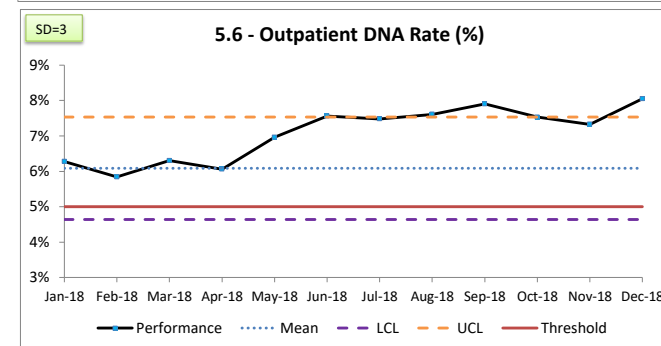
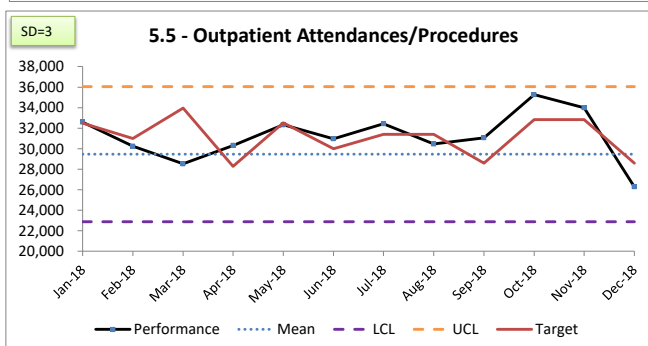
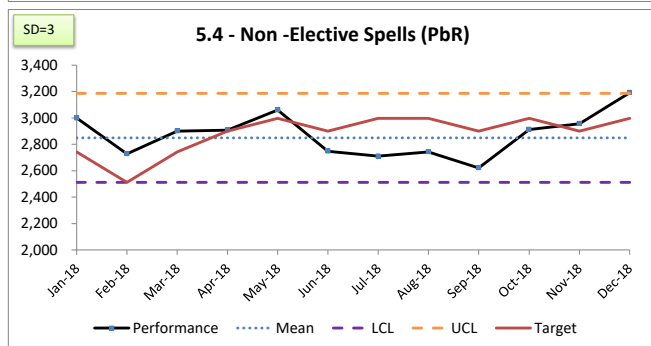
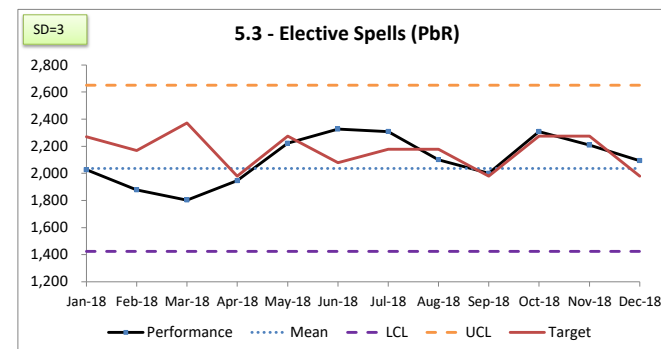
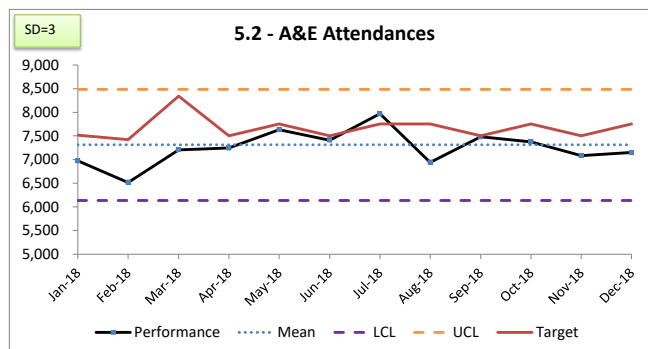
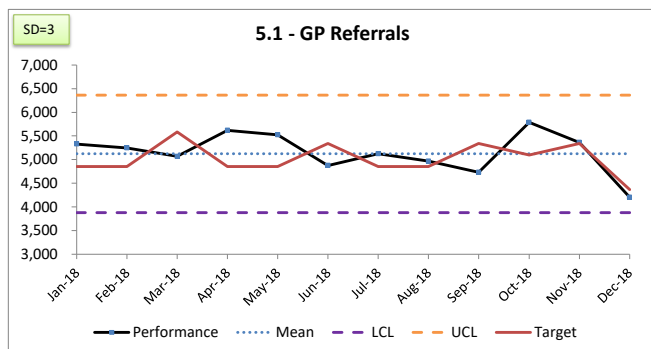
OBJECTIVE 4 - KEY TARGETS



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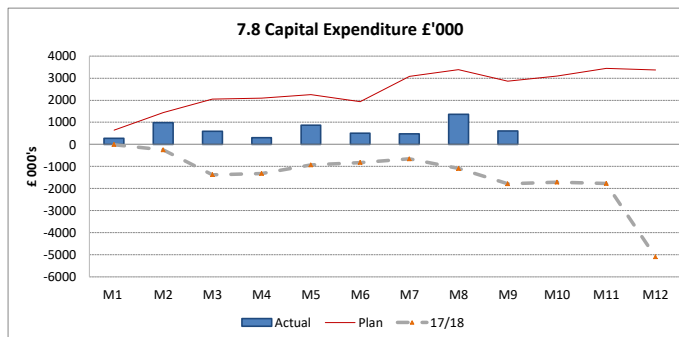
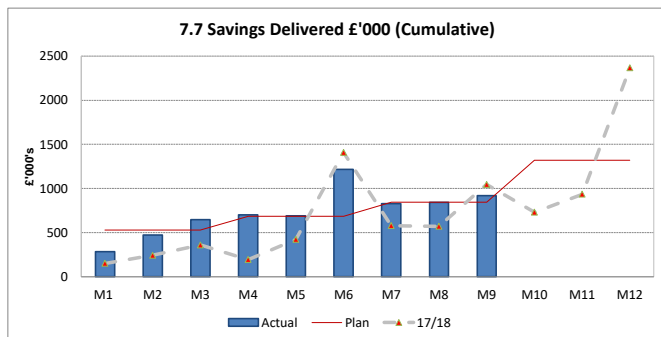
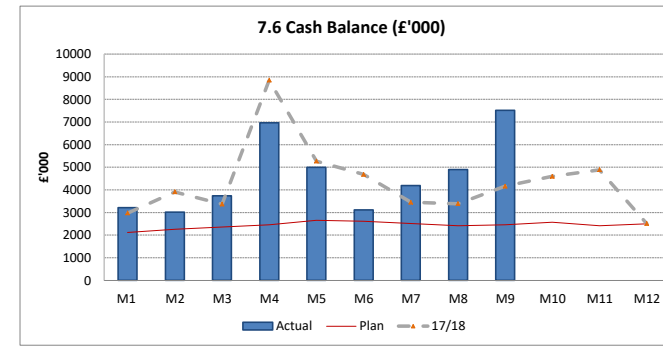
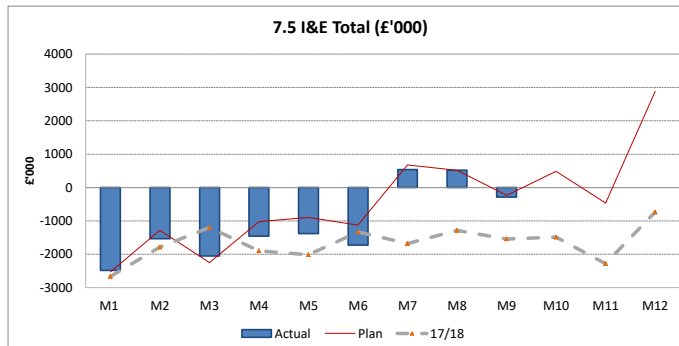
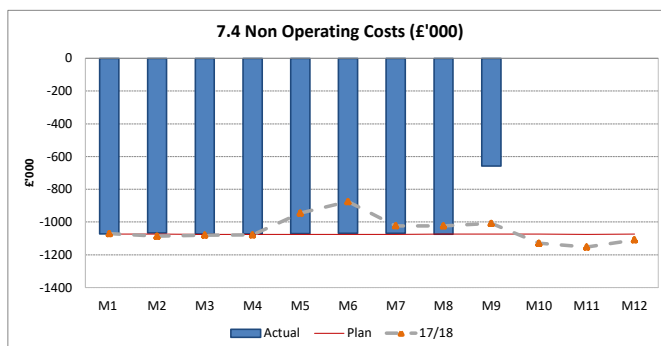
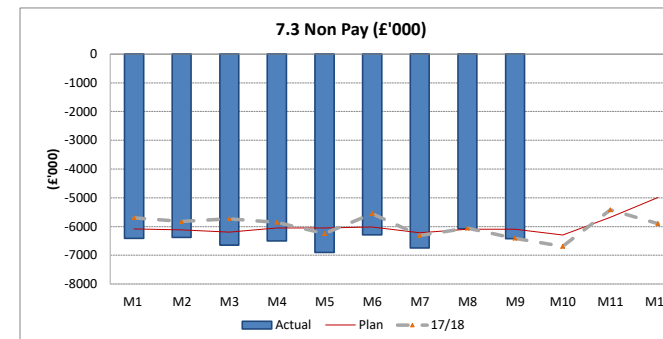
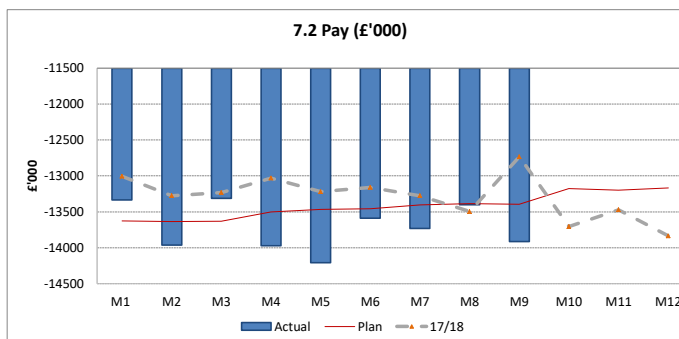
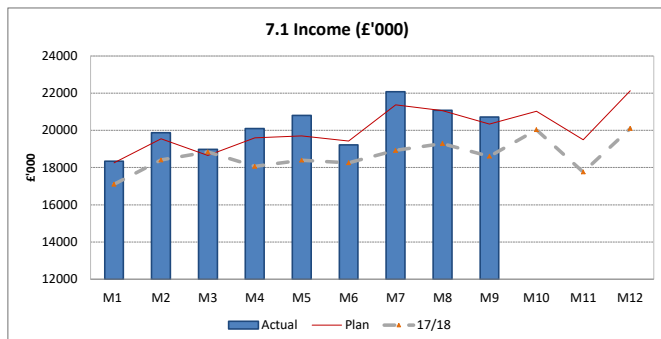
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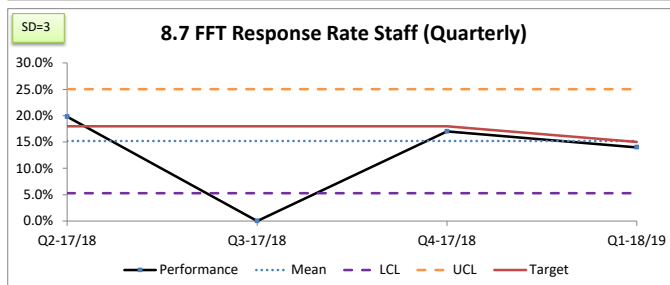
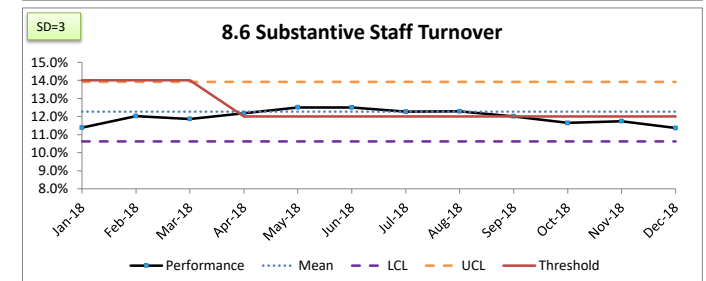
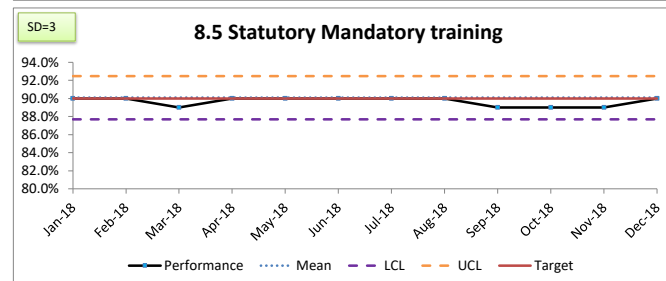
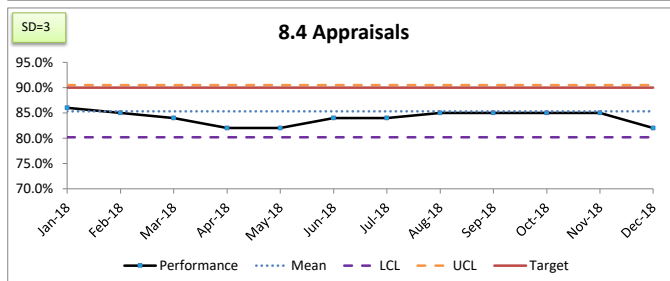
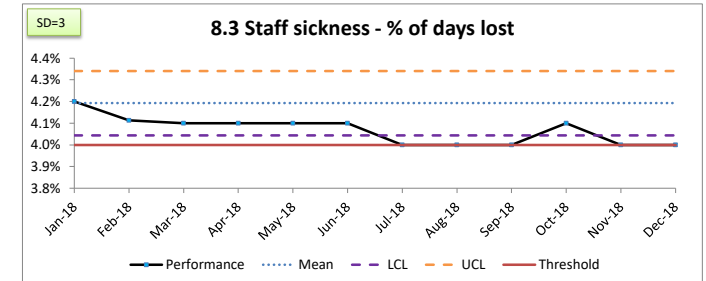
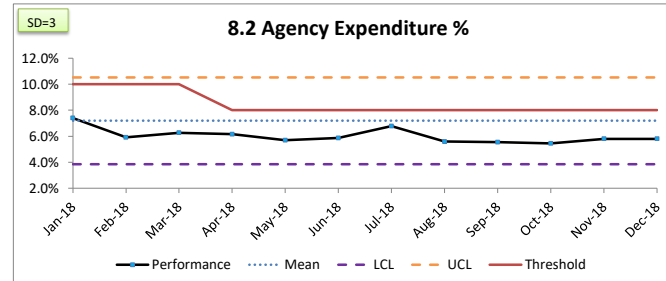
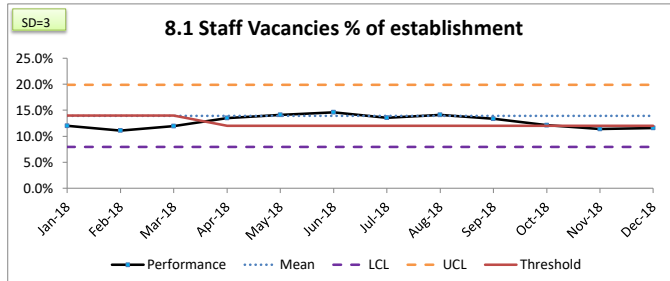
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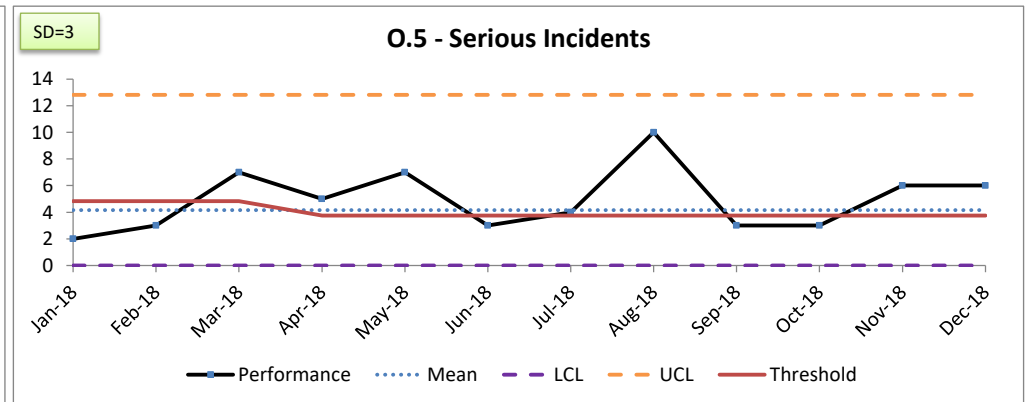
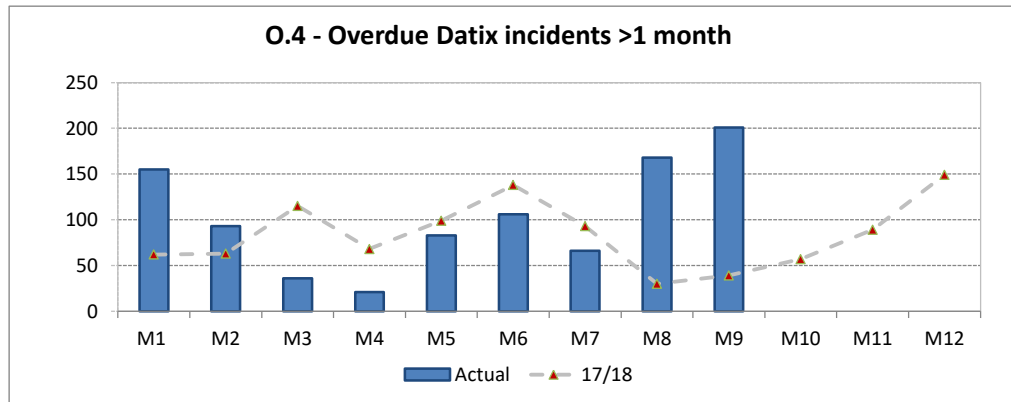
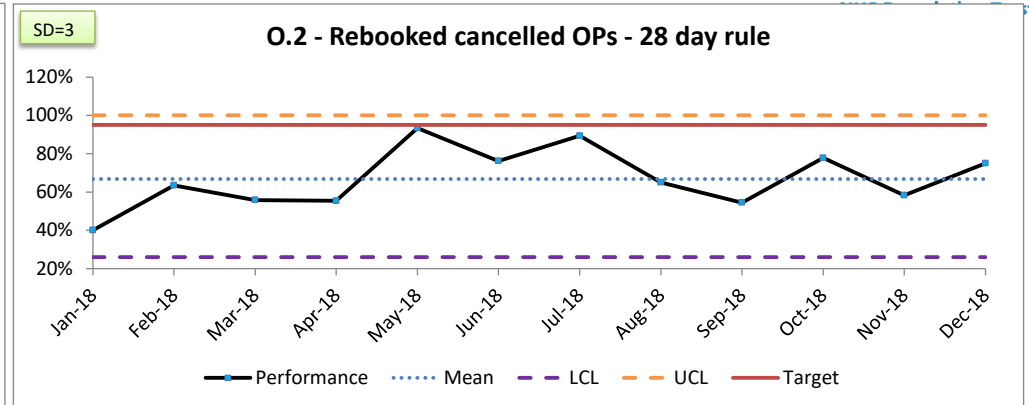
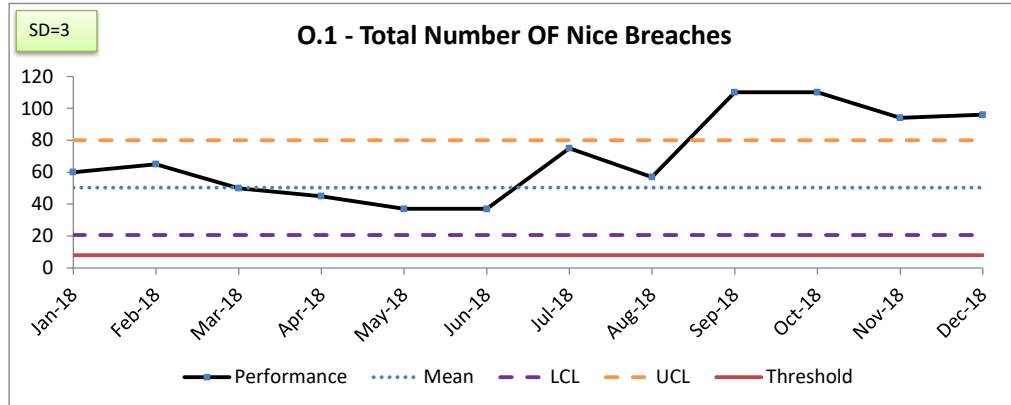




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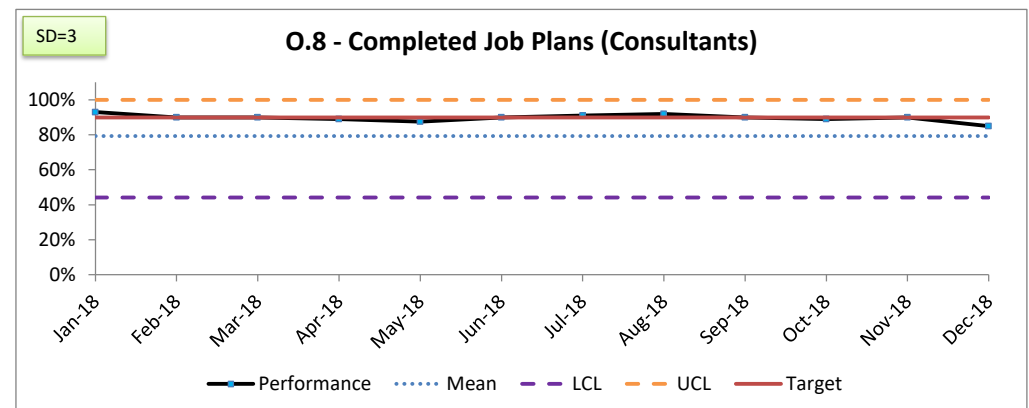
Board Performance Report - 2018/19 OBJECTIVES - OTHER



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Meeting title	Council of Governors	Date: 20 February 2019
Report title:	Finance Paper Month 9 2018-19	Agenda item: 6.2
Lead director Report authors	Mike Keech Daphne Thomas Christopher Panes	Director of Finance Deputy Director of Finance Head of Management Accounts
Fol status:	Private document	

Report summary	An update on the financial position of the Trust at Month 9 (December 2018)			
Purpose <i>(tick one box only)</i>	Information <input type="checkbox"/>	Approval <input type="checkbox"/>	To note <input checked="" type="checkbox"/>	Decision <input type="checkbox"/>
Recommendation	Council of Governors to note the contents of the paper.			

Strategic objectives links	5. Developing a Sustainable Future 7. Become Well-Governed and Financially Viable 8. Improve Workforce Effectiveness
Board Assurance Framework links	
CQC outcome/regulation links	Outcome 26: Financial position
Identified risks and risk management actions	
Resource implications	See paper for details
Legal implications including equality and diversity assessment	This paper has been assessed to ensure it meets the general equality duty as laid down by the Equality Act 2010

Report history	None
Next steps	None
Appendices	1 to 3

FINANCE REPORT FOR THE MONTH TO 31st DECEMBER 2018

PUBLIC COUNCIL OF GOVERNORS' MEETING

PURPOSE

1. The purpose of the paper is to:
 - Present an update on the Trust's latest financial position covering income and expenditure; cash, capital and liquidity; NHSI financial risk rating; and cost savings; and
 - Provide assurance to the Trust Board that actions are in place to address any areas where the Trust's financial performance is adversely behind plan at this stage of the financial year.

EXECUTIVE SUMMARY

2. *Income and expenditure* – The Trust's deficit for December 2018 was £0.3m which is £0.05m negative to budget in the month and £1.65m negative year to date although £0.5m better than the Trust's control total (excluding PSF) on a year to date basis.
3. *Cash and capital position* – the cash balance as at the end of December 2018 was £7.5m, which was £5.0m above plan due to the timing of capital expenditure and receipts. The Trust has spent £5.9m on capital up to Month 9 of which £1.5m relates to eCARE, Cancer Centre £1.5m, Multi-Storey Car Park £0.3m, North site infrastructure £0.3m, UEC and GDE £0.2m and £2.1m on patient safety and clinically urgent capital expenditure.
4. *NHSI rating – the Use of Resources rating (UOR) score is '3', which* is in line with Plan, with '4' being the lowest scoring.
5. *Cost savings* – overall savings of £0.9m were delivered in month against an identified plan of £0.7m and the target of £0.8m bringing the total year to date savings achieved to £7.35m at the end of the Q3. Overall for the year £9.5m of schemes have been identified, of which £8.9m have been validated and approved against the £10.1m target.

INCOME AND EXPENDITURE

6. The headline financial position can be summarised as follows:

All Figures in £'000	Month			YTD			Full Year		
	Plan	Actual	Var	Plan	Actual	Var	Plan	Forecast	Var
Clinical Revenue	16,379	16,283	(97)	151,263	154,217	2,954	200,842	207,338	6,496
Other Revenue	1,542	2,114	573	14,349	17,566	3,216	19,107	23,119	4,012
Total Income	17,921	18,397	476	165,613	171,783	6,170	219,949	230,457	10,508
Pay	(13,405)	(13,914)	(510)	(121,600)	(123,827)	(2,227)	(161,178)	(165,759)	(4,581)
Non Pay	(6,089)	(6,421)	(331)	(54,825)	(58,687)	(3,862)	(71,762)	(78,284)	(6,522)
Total Operational Expend	(19,494)	(20,335)	(841)	(176,425)	(182,514)	(6,089)	(232,941)	(244,043)	(11,102)
EBITDA	(1,573)	(1,938)	(365)	(10,812)	(10,732)	81	(12,991)	(13,586)	(594)
Financing & Non-Op. Costs	(1,016)	(595)	421	(9,141)	(8,696)	445	(12,191)	(11,597)	594
Control Total Deficit (excl. PSF)	(2,589)	(2,533)	56	(19,953)	(19,428)	525	(25,182)	(25,183)	(0)
Adjustments excl. from control total:									
PSF- Performance	308	308	0	2,002	2,002	0	3,079	3,079	0
PSF- Financial	615	615	0	3,996	3,996	0	6,147	6,147	0
PSF- ICS Financial	104	0	(104)	675	0	(675)	1,037	0	(1,037)
PSF- Incentive	390	390	0	1,170	1,170	0	1,800	1,800	0
Control Total Deficit (incl. PSF)	(1,172)	(1,220)	(48)	(12,110)	(12,260)	(150)	(13,118)	(14,156)	(1,038)
Donated income	1,000	1,000	0	4,500	3,000	(1,500)	8,592	5,000	(3,592)
Donated asset depreciation	(58)	(62)	(4)	(522)	(526)	(4)	(697)	(701)	(4)
Reported deficit/surplus	(230)	(282)	(52)	(8,132)	(9,786)	(1,654)	(5,223)	(9,857)	(4,634)

7. The table above includes a refresh of the Trust's forecast outturn for the year. The revised forecast follows a review at divisional level of the underlying income and costs, with adjustments for known cost pressures or additional income expected or planned for the final quarter. The revised forecast shows the Trust meeting its stretch target of a £900k improvement on its original control total, with increases in income only partly offset by additional pay and non-pay costs.
8. The **deficit excluding Provider Sustainability Funding (PSF)** in month 9 is £2,533k which is £56k favourable to plan in month. Year to date, the deficit excluding PSF is £19,428k which is £525k better than plan year to date and therefore the Trust is on track to secure the financial element of PSF in Q3. The Trust has met the A&E performance requirements for Q3 and thus the £927k of PSF associated with this element has been secured. The STP continues to be behind plan at M9 and as a result the Trust has reported a negative variance of £104k (£675k YTD) in respect of the STP element of PSF, however this has been mitigated by the recognition of £523k of transformation fund income in month.
9. The Trust reported a deficit in month 9 is £282k which is £52k adverse to the budget surplus of £230k. The adverse variance of £1,654k YTD is driven by lost PSF linked to the STP's performance of £675k and an adverse £1,500k timing difference on donated income offset by a positive variance of £523k transformation funding which was unbudgeted.

10. **Income (excluding PSF and donations)** is £476k favourable to plan in December and £6,170k favourable YTD and can be further analysed in Appendix 1.
11. **Operational costs** in December are adverse to plan by £729k and £5,249k YTD.
12. **Pay costs** are £510k adverse to budget in Month 9. The variance is a result of high substantive and bank expenditure in month partly due to the higher than budgeted pay award which is largely offset by central funding (total of £187k in the month) as well as lower than budgeted agency costs.
13. **Non pay costs** were £331k adverse to plan in month and £3,862k YTD. The in-month variances relate to drugs, outsourcing and clinical supplies costs required to deliver the higher than planned activity levels.
14. Non-operational costs were lower than Plan in the month which reflects a year to date adjustment to bring our depreciation and PDC year to date position in line with the latest forecast. The lower PDC and deprecation take account of the lower and later capital spend compared to budget.

COST SAVINGS

15. In Month 9, £918k was delivered against an identified plan of £653k and a target of £848k.
16. Overall for the year £9.7m of schemes have been identified, of which £8.9m have been validated and approved against the £10.1m target.

CASH AND CAPITAL

17. The cash balance at the end of December 2018 was £7.5m, which was £5.0m above plan due to the timing of capital spend and the draw-down of capital funding. The Trust drew down £2m in month from Milton Keynes Council to support the Cancer Centre and £0.6m PDC for the winter pressures capital support from NHSI.
18. The Trust required a draw down in in December of £2.2m
19. The **statement of financial position** is set out in Appendix 3. The main movements and variance to plan can be summarised as follows:
 - Non-Current Assets are below plan by £13.8m; this is mainly driven by the timing of capital projects.
 - Current assets are above plan by £7.8m, this is due to cash £5m, receivables £2.7m and inventories £0.1m above plan.
 - Current liabilities are above plan by £1.9m. This is being driven by Trade and Other Creditors £0.8m and deferred income £0.1m and borrowings £0.1m above plan, offset by provisions £0.1m below plan. The borrowings are above plan due to the movement in principal repaid from non-current borrowings and the change in accounting standard (IFRS9) whereby accrued interest is included in the current borrowings value.
 - Non-Current Liabilities are below plan by £5.6m. This is being driven by the timing of revenue loan funding from NHSI being different to planned.

20. The Trust has spent £5.9m on capital up to month 9 of which £1.5m relates to ECare, Cancer Centre £1.5m, Multi-Storey Car Park £0.3m, North site infrastructure £0.3m, UEC and GDE £0.2m and £2.1m on patient safety and clinically urgent capital expenditure.

RISK REGISTER

26. The following items represent the finance risks on the Board Assurance Framework and a brief update of their current position:

a) Continued Department of Health and Social Care (DHSC) cash funding is insufficient to meet the planned requirements of the organisation.

Funding to cover the planned financial deficit in 2018/19 is subject to approval by DHSC on a monthly basis and remains a risk in the new financial year. The Trust also requires additional capital funding in order to progress essential schemes.

b) The Trust is unable to achieve the required levels of financial efficiency within the Transformation Programme.

The Trust has a challenging target of £10.1m to deliver for the 2018-19 financial year. The full target in 2017-18 was not met and the Trust position was secured by non-recurrent items. The Trust is working to close the gap to the full target value.

c) The Trust is unable to keep to affordable levels of agency (and locum) staffing.

The Trust has an annual agency ceiling of £11.4m in 2018-19 which is in line with the level included in the financial plan. The Trust has managed to maintain its trajectory of agency expenditure over the winter period however there is still significant pressure on the Trust to maintain this level.

d) The Trust is unable to access £10.3m of Provider Sustainability Funding.

In order to receive the full amount of Provider Sustainability Funding (PSF, previously sustainability and transformation funding) in 2018-19, the Trust needs to achieve its financial control total (linked to 70% of funding), and meet performance standards in respect of urgent and emergency care (linked to 30% of funding). The targets are measured on a quarterly basis. The Trust failed to meet the performance standard requirements for quarter Q4 in 2017/18. A part of a first wave integrated care system £1.1m of the Trust's PSF is contingent on the STP as whole meeting its system control total – this represents a significant risk to the Trust given the current STP financial position.

e) Main commissioner is unable to pay for the volume of activity undertaken by the Trust.

If the Trust over performs against the contract this places financial pressure on the Trust's commissioners who are more likely to challenge other areas in the contract such as the application of penalties. For 2018/19 a significant level of contract challenges has been raised by commissioners in particular with the new (more stringent) process for authorisation of Procedures of Limited Clinical Value (PoLCV) and this represents a risk to recoverability of income.

RECOMMENDATIONS

21. The Council of Governors is asked to note the financial position of the Trust as at 31st December 2018 and the proposed actions and risks therein.

Milton Keynes Hospital NHS Foundation Trust
Statement of Comprehensive Income
For the period ending 31st December 2018

	December 2018			9 months to December 2018			Full year
	Plan	Actual	Variance	Plan	Actual	Variance	Plan
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
Outpatients	3,373	3,091	(282)	31,650	32,401	751	42,079
Elective admissions	2,142	1,988	(154)	21,350	21,675	325	28,189
Emergency admissions	5,534	5,961	426	48,541	48,670	130	64,335
Emergency adm's marginal rate (MRET)	(279)	(443)	(164)	(2,477)	(3,129)	(652)	(3,287)
Readmissions Penalty	(221)	(276)	(55)	(1,956)	(2,067)	(111)	(2,594)
A&E	1,130	1,024	(106)	10,022	9,309	(712)	13,302
Maternity	1,879	1,596	(283)	17,208	15,325	(1,883)	22,856
Critical Care & Neonatal	525	415	(110)	4,657	4,615	(42)	6,181
Excess bed days	0	0	0	0	0	0	0
Imaging	388	420	32	3,593	3,811	218	4,752
Direct access Pathology	354	345	(10)	3,436	3,455	19	4,569
Non Tariff Drugs (high cost/individual drugs)	1,407	1,332	(75)	12,506	13,767	1,262	16,607
Other	147	830	683	2,735	6,385	3,650	3,854
Clinical Income	16,379	16,283	(97)	151,263	154,217	2,954	200,842
Non-Patient Income	3,959	4,427	469	26,692	27,734	1,041	39,763
TOTAL INCOME	20,338	20,710	372	177,956	181,951	3,995	240,605
EXPENDITURE							
Total Pay	(13,405)	(13,914)	(510)	(121,600)	(123,827)	(2,227)	(161,178)
Non Pay	(4,682)	(5,088)	(406)	(42,319)	(44,920)	(2,600)	(56,955)
Non Tariff Drugs (high cost/individual drugs)	(1,407)	(1,332)	75	(12,506)	(13,767)	(1,262)	(16,607)
Non Pay	(6,089)	(6,421)	(331)	(54,825)	(58,687)	(3,862)	(73,562)
TOTAL EXPENDITURE	(19,494)	(20,335)	(841)	(176,425)	(182,514)	(6,089)	(234,741)
EBITDA*	844	375	(469)	1,531	(564)	(2,094)	5,865
Depreciation and non-operating costs	(942)	(526)	417	(8,479)	(8,038)	441	(11,309)
OPERATING SURPLUS/(DEFICIT) BEFORE DIVIDENDS	(98)	(151)	(52)	(6,948)	(8,603)	(1,654)	(5,443)
Public Dividends Payable	(132)	(132)	0	(1,184)	(1,184)	0	(1,579)
OPERATING DEFICIT AFTER DIVIDENDS	(230)	(282)	(52)	(8,132)	(9,787)	(1,654)	(7,023)
Adjustments to reach control total							
Donated Income	(1,000)	-1000	0	(4,500)	-3000	1,500	(8,592)
Donated Assets Depreciation	58	62	4	522	526	4	697
Control Total Rounding	0	0	0	0	0	0	0
PSF	(1,417)	(1,313)	104	(7,842)	(7,168)	674	(10,263)
CONTROL TOTAL DEFECIT	(2,589)	(2,534)	55	(19,952)	(19,429)	524	(25,181)

* EBITDA = Earnings before Interest, Taxation, Depreciation and Amortisation

Milton Keynes Hospital NHS Foundation Trust
Statement of Cash Flow
As at 31th December 2018

	Mth 9 £000	Mth 8 £000	In Month Movement £000
Cash flows from operating activities			
Operating (deficit) from continuing operations	(7,227)	(7,016)	(211)
Operating surplus/(deficit) of discontinued operations			
Operating (deficit)	(7,227)	(7,016)	(211)
Non-cash income and expense:			
Depreciation and amortisation	6,663	6,077	762
(Increase)/Decrease in Trade and Other Receivables	26	624	(3,053)
(Increase)/Decrease in Inventories	(8)	(4)	(1)
Increase/(Decrease) in Trade and Other Payables	1,292	636	(467)
Increase/(Decrease) in Other Liabilities	96	400	176
Increase/(Decrease) in Provisions	(34)	(34)	(16)
NHS Charitable Funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	(3,000)	(2,000)	(1,000)
Other movements in operating cash flows	(2)	1	3
NET CASH GENERATED FROM OPERATIONS	(2,194)	(1,316)	(3,807)
Cash flows from investing activities			
Interest received	37	32	5
Purchase of intangible assets	(1,249)	(766)	(131)
Purchase of Property, Plant and Equipment, Intangibles	(5,441)	(5,133)	(1,064)
Net cash generated (used in) investing activities	(6,653)	(5,867)	(1,190)
Cash flows from financing activities			
Public dividend capital received	625	0	0
Loans received from Department of Health	13,172	10,560	3,660
Loans repaid to Department of Health	(636)	(636)	(160)
Capital element of finance lease rental payments	(111)	(96)	(12)
Interest paid	(1,181)	(1,263)	(158)
Interest element of finance lease	(230)	(205)	(26)
PDC Dividend paid	(789)	(789)	0
Receipt of cash donations to purchase capital assets	3,000	2,000	1,000
Cash flows from (used in) other financing activities		0	0
Net cash generated from/(used in) financing activities	13,850	9,571	4,304
Increase/(decrease) in cash and cash equivalents	5,003	2,388	701
Opening Cash and Cash equivalents	2,507	2,507	0
Closing Cash and Cash equivalents	7,510	4,895	701

Milton Keynes Hospital NHS Foundation Trust
Statement of Financial Position as at 31th December 2018

	Audited Mar-18	Dec-18 YTD Plan	Dec-18 YTD Actual	In Mth Mvmt	YTD Mvmt	% Variance
Assets Non-Current						
Tangible Assets	171.9	182.1	170.4	(11.7)	(1.5)	(0.9%)
Intangible Assets	10.0	12.7	10.4	(2.3)	0.4	4.0%
Other Assets	0.4	0.4	0.6	0.2	0.2	38.8%
Total Non Current Assets	182.3	195.2	181.4	(13.8)	(0.9)	(0.5%)
Assets Current						
Inventory	3.3	3.2	3.3	0.1	(0.0)	(1.2%)
NHS Receivables	19.1	15.9	14.6	(1.3)	(4.5)	(23.7%)
Other Receivables	4.1	4.4	8.5	4.1	4.4	106.8%
Cash	2.5	2.5	7.5	5.0	5.0	199.6%
Total Current Assets	29.0	26.0	33.8	7.8	4.8	16.6%
Liabilities Current						
Interest -bearing borrowings	(32.3)	(31.6)	(32.6)	(1.0)	(0.3)	0.9%
Deferred Income	(1.6)	(1.6)	(1.7)	(0.1)	(0.1)	8.3%
Provisions	(1.4)	(1.4)	(1.3)	0.1	0.1	-3.8%
Trade & other Creditors (incl NHS)	(28.4)	(28.1)	(28.9)	(0.8)	(0.5)	1.7%
Total Current Liabilities	(63.7)	(62.7)	(64.6)	(1.9)	(0.9)	1.3%
Net current assets	(34.7)	(36.7)	(30.8)	5.9	3.9	(11.4%)
Liabilities Non-Current						
Long-term Interest bearing borrowings	(83.6)	(101.3)	(95.7)	5.6	(12.1)	14.5%
Provisions for liabilities and charges	(1.1)	(1.1)	(1.1)	(0.0)	(0.0)	3.8%
Total non-current liabilities	(84.7)	(102.4)	(96.9)	5.6	(12.2)	14.4%
Total Assets Employed	62.9	56.1	53.7	(2.0)	(9.2)	(14.6%)
Taxpayers Equity						
Public Dividend Capital (PDC)	99.2	100.4	99.8	(0.6)	0.6	0.6%
Revaluation Reserve	78.7	78.7	78.7	0.0	0.0	0.0%
I&E Reserve	(115.0)	(123.0)	(124.7)	(1.7)	(9.7)	8.4%
Total Taxpayers Equity	62.9	56.1	53.7	(2.3)	(9.1)	(14.5%)