Ashford and St. Peter's Hospitals NHS
NHS Trust

TRUST BOARD
27th May 2010

TITLE	**Three Year Cost Improvement Programme (CIP)– 2010 to 2013**
EXECUTIVE SUMMARY	A comprehensive 3 year CIP Programme totalling £27.3m. Robust governance arrangements are in place. A number of workshops have been held to develop the schemes, five programmes of work identified and detailed Project Initiation Documents drawn up. Quality is being measured against the CIP to ensure no detrimental affect on patient care.
BOARD ASSURANCE (Risk) / IMPLICATIONS	A robust governance framework is in place to monitor and report CIP progress, including Finance Committee review. Quality metrics are being linked to CIPs via a 'CIP Scorecard' CIP is one of the BAF risks and is monitored accordingly Delivery of CIP is essential to the financial stability of the Trust over the next 3 years.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	CIPs have been developed though a number of workshops with engagement by senior clinicians and managers from a number of Directorates.
EQUALITY AND DIVERSITY ISSUES	No issues known
LEGAL ISSUES	No issues known
The Trust Board is asked to:	Note
Submitted by:	John Headley, Director of Finance and Information
Date:	19 May 2010
Decision:	For Noting

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Three Year CIP Programme - 2010 to 2013

1) Introduction

This paper summarises the progress of the medium term CIP programme for the three years 2010-2013. It outlines the current governance arrangements and detail the work that is been underway in the Trust to move forward the 2011/12 -13 schemes. The paper will also detail the monitoring arrangements in relation to quality measurements and clinical risk.

There has been significant development of the medium terms CIPs since the submission of the IBP including:

- A developed and longer list of projects
- Cross Directorate schemes with clear ownership
- A 1% target for Directorate level schemes
- A dynamic mix of contributions from projects delivered over a period of three years
- Avoiding excessive reliance on EQUIP (LEAN) projects – 13% of the overall target and more emphasis on its contribution to other schemes.

2) Financial Background

The table below summarises the medium terms CIP plans. The total efficiency savings over this period is £33.9m, of which £27.3m has been incorporated into the LTFM and IBP. The programme has moved on from the March IBP as it developed from the workshops as described below.

£9.0m of the 2010/11 CIPs have been taken out of the budgets from April and will be monitored and reported from the Programme Management Office (PMO). The PMO is confident that the 2010/11 CIP programme is robust and will deliver its target in year.

CIPs Schemes to 2012/13 (£ m)

	2010/11 £m	2011/12 £m	2012/13 £m
Theatre efficiency	1.0	1.0	0.0
Reduced length of stay	1.0	1.0	1.4
Reduction in beds	0.8	0.0	0.0
Medical staffing	0.7	0.3	0.3
Nursing skill mix	0.7	0.2	0.2
Purchasing / Procurement Hub	0.6	0.8	0.9
CNST	0.5	0.0	0.0
Reduce agency and temporary staff	0.5	0.2	0.5
External providers	0.4	0.2	0.3
EQUIP projects	0.3	1.5	1.5
Management Costs and non-clinical posts.	0.3	1.3	0.9
Estates & Facilities	0.4	0.5	1.0
Increase day case ratio	0.1	0.1	0.1
Pathology rationalisation across Surrey	0.0	0.5	0.5
External consultancy	0.0	0.5	0.5
MRI - In house	0.0	0.6	0.0
Digital X-Ray	0.0	0.3	0.0
Shared Services	0.0	0.0	1.0
Medical records service redesign	0.0	0.1	0.1
Specific directorate level schemes	1.7	2.0	2.0
Corporate CIPs (not applied to 10/11 budgets)	2.6	0.0	0.0
Total CIPs	**11.6**	**11.1**	**11.2**
Integrated Business Plan	**9.0**	**9.1**	**9.2**

3) CIP Governance Arrangements

The governance of the CIP programme is provided in four key areas:

- CIP Programme Board is a fortnightly meeting jointly chaired by the Deputy Chief Executive and Finance Director. Any current issues or high risk schemes are addressed. The General Manager or Heads of Services are invited to the Board to discuss their action plans to mitigate any high risk schemes and actions put in place.

- Finance Committee; the Trust Board have delegated the oversight of the CIP programme to the Finance Committee which meets monthly and is Chaired by a Non-Executive Director

- Monthly Performance meetings; each Directorate attends a monthly performance meeting where a review of the current CIP's programme is an integral part of the agenda for discussion. A monitoring template has been developed to ensure that the schemes are on target to achieve and will be RAG rated for early risk and intervention.

- Programme Management Office (PMO); The ACOO and Assistant Director of Finance maintain, monitor, develop and report on the CIP schemes. Seen as a supporting function, Directorates are routinely invited or visited by the PMO to give support,

guidance and suggestions around existing or new schemes where risk has been highlighted. The Deputy Director of Workforce also reviews monthly changes in workforce against the planned workforce changes and reports back to the PMO.

4) Forward Planning

The first of two workshops was held on the 14th April 2010. The purpose behind this workshop format was to forward plan the CIP programme for 2011/12 & 2012/13 and with the intention of including senior managers and clinicians in the decision making process. A number of schemes had already been identified and RAG rated but it was clear that many of the complex schemes cut across several Directorates and needed further development with defined ownership and accountability.

Five programmes of work were been formed to shore up the schemes, these are:

1. Medical Staffing
2. Length of Stay (LoS)
3. Estates and Facilities
4. Back Office Functions and Management Costs
5. EQUIP Projects (LEAN)

It was felt that these five programmes required a greater emphasis on development and 'buy in' compared to other identified schemes such as Theatre Efficiency, Pathology, MRI In-House and Digital X-Ray where detailed plans were in place and accountable person assigned. Management and Clinical Leads were allocated to each of the five programmes and made accountable for achieving these efficiencies.

Some of the schemes that have been identified from the first workshop for further development were as follows:

<u>Medical Staffing</u>

- Productivity of Consultants
- Standardise rules around leave and study cover
- Job Planning to 8:2 ratio
- Intensive benchmarking i.e. consultant to patient ratio
- Skill mix – specialist nurses to take on more roles

<u>LoS</u>

- Improved discharge and processes using Lean resource
- Align Clinical pathways to HRGs with improved ownership and management of expected LOS based on National average HRG
- Closer working and planning with other external agencies
- Full review of Ashford Hospital i.e. rehabilitation

<u>Estates</u>

- Effective energy reduction
- Hydro therapy rationalisation
- Associated savings related to LOS
- Options for staff restaurants

<u>Back Office Functions & Management Costs</u>

- Benchmark management costs

- Age profiles – retirement v redundancy
- Fixed term contracts v permanent
- Outsourcing & shared services
- IT projects, methods and processes

EQUIP (LEAN)

- Outpatients
- Recruitment
- Over Night HIPS
- A&E Flow

The second workshop on the 5th May was an opportunity for the programmes to present back to the wider audience in relation to the schemes identified in April. Project Initiation Documents (PIDs) have been completed with clear values allocated and include metrics such as measurements, milestones, risks both clinical and non-clinical and links directly to quality and any impact on patient care if applicable.

The proposal following these workshops is that the programme groups will meet to develop their plans for implementation leading up to March 2011. The next major check point for this group will be September 2010 when the 11/12 business planning cycle will begin. The PMO will coordinate, monitor and develop these plans with the programme leads to ensure achievement of these CIPs over the next 2/3 years.

5) Quality Metrics & Measurements

To ensure that the CIP programme does not compromise on quality, a scorecard is being developed. The information department will pull together all the indicators into one dashboard, which will be completed monthly. The Medical Director will own this scorecard and will be presented to the Clinical Governance Committee as well as incorporated into the CIP monitoring and governance process. The quality metrics link directly to CIP schemes and provides assurance to the Trust Executive that patient care is not adversely affected at the expense of a reduction in costs. This scorecard will be will be further developed as information is made available through the information department.

John Headley
Director of Finance and Information
May 2010