Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

The next meeting of the
Royal National Hospital of Rheumatic Diseases NHS Foundation Trust Main Board
to be held in Public will be on
Thursday 23rd February 2012
at 1300 hrs
to be held in the
RNHRD Board Room

A G E N D A

		Action	Person	Paper
	OPENING BUSINESS			
1.	Board Training – CRPS / Late Effects,	-	Professor Candy McCabe	-
2.	Apologies for Absence	-	Chair	-
3.	Declaration of Interests	-	Chair	-
4.	Minutes of meeting held in public – 26th January 2012	For approval	Chair	4.1
5.	Action List / Matters Arising	For information	Chair	5.1
6.	i) Chair's Report ii) Chief Executive's Report iii) Medical Director's Report	For information For information For information	Chair Chief Executive Medical Director	6.1 6.2 6.3
	QUALITY GOVERNANCE			
7.	i) Patient Safety Walkabout – Peter Spencer / Outpatients ii) Quality Report	For information For information	Non Executive Director Director of Governance	7.1 7.2
	PERFORMANCE			
8.	Operational Performance & Clinical Practice Report	For information	Director of Operations & Clinical Practice	8.1
9.	Financial Performance i) Finance Report Month 10 2011/12	For information	Director of Finance	9.1
	CLOSING BUSINESS			
10.	Any Other Business	-	-	-

CLOSED SECTION

The Foundation Trust Board of Directors will be asked to consider the following resolution: '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, publicity of which would be prejudicial to the public interest' (Section 1(2) Public Bodies (Admission to Meetings) Act 1960). Items in the private part of the meeting are either commercial in confidence or relate to individual staff and patients.

Royal National Hospital for Rheumatic Diseases NHS Foundation Trust

HELD IN PUBLIC
MINUTES OF THE
TRUST BOARD OF DIRECTORS
Monday 26th January 2012
The Lecture Hall, RNHRD

Present:

Peter Franklyn	:	Chair (PF)
Kirsty Matthews	:	Chief Executive Officer (KM)
Dr Ashok Bhalla	:	Medical Director (AB)
Rachel Hepworth	:	Director of Finance (RH)
Annie Kelly	:	Director of Operations & Clinical Practice (AK)
Peter Spencer	:	Non-Executive Director (PS)
Chris Johns	:	Non-Executive Director (CJ)
Niall Bowen	:	Non-Executive Director (NTB)
Stephen Cole	:	Non-Executive Director (SC)
In attendance:		
Hayley Sewell	:	Director of Governance (HS)
Caroline Coles	:	Board secretary (CC)

ITEM	TOPIC	ACTION
	The meeting commenced at 1330 hrs and the Chair apologised for the unavoidable late start of the meeting. The Chair welcomed all to the RNHRD Trust Board of Directors meeting held in public, in particular the Trust's new Director of Finance, Rachel Hepworth.	
	The order of the minutes is per the agenda items and not the order in which the meeting was held.	
PM 01/12/1	**Apologies for Absence**	
	No apologies for absence were received.	
PM 01/12/2	**Declarations of Interests**	
	No declarations of interests were received.	
PM 01/12/3	**Minutes of Meeting held in public on 5th December 2011**	
	The minutes of 5th December 2011 meeting held in public were **approved** subject to one minor amendment on page 4 : PM 12/11/10 *Hayes* should read *Haynes*.	
PM 01/12/4	**Action List /Matters Arising**	
	The action list was **noted** with the following additions:- **PM 12/11/8 : Finance Report Month 7 2011/12 : Welsh Debt** : The new Director of Finance confirmed that she would be taking on this action and reporting back to the Finance & Activity Committee. **Action : Director of Finance** **PM 12/11/9 : Health & Safety Annual Report 2010/11 : Claims during 2010/11 :** A verbal update will be given in the closed section of the Board meeting. **PM 12/11/9 : Health & Safety Annual Report 2010/11 : Completed.**	**RH**
PM 01/12/5	**i) Chair's Report**	
	Peter Franklyn, Chair presented the report. There were no additional comments. The Board **noted** the report.	
	ii) Chief Executive's Report	
	Kirsty Matthews, Chief Executive presented the report, with additional comments as follows:-	

	▪ A telephone call has been arranged with the new Chief Executive of Wiltshire & B&NES PCT Cluster, Ed MacAlistair Smith. ▪ The Trust has failed to meet its C-*difficile* cumulative trajectory target of 2 cases to the end of Q3; as 4 cases have been reported to the end of Q3 ▪ The significant work that has taken place on the Trust's website since its launch and the continued improvements to ensure maximum potential of the site whilst supporting the Trust's 2012/13 business plans ▪ The revised reporting of a year end forecast of a deficit of £909k. The Trust is working with Monitor, the SHA and local commissioners to identify a recovery package to improve the position. The Chair asked if the names mentioned in the marketing section of the report were on public record. The Chief Executive confirmed that they were. The Board **noted** the report.	
	iii) Medical Director's Report	
	Dr Ashok Bhalla, Medical Director presented the report, highlighting:- ▪ Confirmation that Dr Tim Craft of the RUH has agreed to act, in a limited capacity, as the Trusts Responsible Officer. The Board were asked to approve this appointment. ▪ The resignation of Dr Anthony Collins and the consequential plans to cover the endoscopy service in any absence when necessary ▪ The Waiting List Initiative clinics for Rheumatology will continue until end of March 2012. ▪ The advertisement of a Locum Rheumatology Consultant to cover Dr Martin Lee's sabbatical. ▪ The excellent results from the GMC Trainee Survey The Board **noted** the report and **approved** the appointment of Dr Tim Craft to act as the Trust's Responsible Officer	
PM 01/12/6	**Board Training**	
	Janet Rowse, Chief Executive of Sirona joined the meeting to give an overview of the newly formed social enterprise company that offers the provision of adult social care and health care in the local community. The presentation covered aims, objectives and some of the challenges experienced during the transformation to a social enterprise model. The Chair thanked Janet for a most helpful and interesting presentation.	
PM 01/12/7	**i) Patient Safety Walkabout**	
	Stephen Cole, Non Executive Director presented the report that was conducted in the Rheumatology ward. Discussions had taken place with two patients and both praised the excellent work of the hospital. The Board wished to note that the walkabout provided a good system but questioned whether other methods to detect issues outside these visits were in place. Annie Kelly, Director of Operations & Clinical Practice confirmed that a regular Environmental Audit was in place to strengthen this process. A Non Executive Director raised the comments with regard to adequate staffing levels. It was clarified that this was an observation from a patient on how busy the staff were around the ward as opposed to a concern to their personal care and that there were robust systems in place with regards to reviewing staffing levels on the wards. One urgent action was noted from this month's walkabout; that an additional nurse call bell system was required in the Outpatients area. This is currently being acted upon and will be reported at the February 2012 Board meeting. Also to note that during the visit the staff were specifically asked about safeguarding with positive responses being received. **Action : Director of Operations & Clinical Practice**	**AK**

	The Board **noted** the report.	
	ii) Q3 Quality Report	
	Hayley Sewell, Director of Governance presented the report and highlighted:- ▪ In December 2011 the Trust did not meet all its national requirements due to the 4 cases of C.*difficile* against a trajectory target of 2 cases at end of Q3 and 3 for the full year. However it did meet all its other targets. ▪ In December 2011 there were no serious incidents, serious complaints or trends in complaints. ▪ The updated action plan following the CQC visit in October 2011. All actions from the compliance action from Outcome 7 have been completed and, for the improvement action for Outcome 14, the Trust has focused on key patient safety training. The Directors therefore have declared compliance in all areas at the end of Q3 2011/12. ▪ The number of complaints with regard to access to appointments, and the backlog in follow up appointments, as reported in the last quarter, had significantly reduced due to the measures put in to place to address these issues. The Board raised again the concern; that had been expressed since the 1st case, of the number of cases of C.*difficile* and requested further detail and assurance on the numbers of cases/targets, infection control and the implications to the CQUIN payment. Hayley Sewell, Director of Governance explained the historical background of how the low target had been set in the first place due to the Trust's exemplary performance and explained the proposals for the targets going forward for 2012/13 and 2013/14, which the Trust will be challenging, particularly in connection with future CQUIN payments. Annie Kelly, Director of Operations & Clinical Practice reported that further discussions would be held with the PCT regarding the payment of the CQUIN. With regard to infection control, the Trust is working closely with the PCT Infection Control Nurse and a robust Root Cause Analysis process was undertaken for each case. All strains have been typed and all are of a different strain therefore confirming no cross trust contamination. No case has been classified as severe. All patients admitted to the Trust have long term conditions and in Neuro Rehabilitation there are often patients with very complex conditions and a history of long term antibiotic use. These are particularly high risk patients. The Chair was reassured by these explanations but emphasised the need to keep challenging the system. The Board requested confirmation that there was action in place to drive up the figures with regard to Information Governance training. Annie Kelly, Director of Operations & Clinical Practice confirmed that there was. The Chair questioned whether there were any ongoing concerns with regard to staffing levels in HDU. Kirsty Matthews, Chief Executive reported that this had been reviewed very carefully and adjusted accordingly and that there were no specific patient safety implications. The Board noted the successful management of the Rheumatology backlog and the effort to achieve this. The Board **noted** the report.	
	iii) Q3 Essential Standards Declaration	
	Hayley Sewell, Director of Governance presented the report which states that the Executive Directors have completed an assessment against the essential standards of quality and safety for Q3 2011/12 and declared full compliance in all areas including those identified by the CQC inspection visit. The Board **noted** the report.	
PM 01/12/8	**i) Q3 Operational Performance & Clinical Practice Report**	
	Annie Kelly, Director of Operations & Clinical Practice presented the report and highlighted:- ▪ Within the patient safety report 5 adverse events in November 2011 had been	

	reported. This was partly as a result of new questions being added to monitor different aspects of nursing. Traditionally, when this occurs the scores are low until action plans have been completed and will take a few months to level out. All issues raised will be monitored carefully ▪ There was some deterioration in the VACS score in Neuro Rehabilitation however measures were in place to rectify the issue. ▪ The interim organisational structure in place to cover the departure of key personnel ▪ The activity in Neuro Rehabilitation remains below target and as a result some staff have been moved to help in other specialties. A Non Executive Director wished the HR league table to be reinstated within this report. Annie Kelly, Director of Operations & Clinical Practice confirmed that this will be included in February 2012 Board report. **Action : Director of Operations & Clinical Practice** A Non Executive Director asked if there was a new appraisal system being introduced. Annie Kelly, Director of Operations & Clinical Practice confirmed that this would be introduced in April 2012 and that a paper would be presented to the February 2012 Board meeting. **Action : Director of Operations & Clinical Practice** The Chair raised a concern with regard to a shortfall in Therapy Outpatient activity and wondered whether a similar pattern to last year was emerging, if so this should have been covered by robust forecasting. Kirsty Matthews, Chief Executive explained that these were two different issues; last year a problem was identified with patient waiting times and an action plan developed, this year the issue was a reduction in forecast activity due to sickness/maternity leave. The Board **noted** the report and thanking the Director of Operations added that it was very comprehensive, producing just the right type of information.	**AK** **AK**
	ii) PEAT 2011 Action Plan	
	Annie Kelly, Director of Operations and Clinical Practice presented the report outlining the progress made with the 2011 PEAT action plan. The Board were requested to nominate a Non Executive Director to join the inspection team. The Board **noted** the progress and confirmed that Chris Johns, Non Executive Director would join the PEAT 2012 inspection team.	
PM 01/12/9	**i) Finance Report Month 9 2011/12**	
	Rachel Hepworth, Director of Finance wished to convey her thanks to everyone at the Trust who have been very supportive and helpful in helping her settle in over the past few weeks. Points to note from the Month 9 Finance Report:- ▪ The Income and Expenditure account for the year to date shows a deficit of £752k compared with a budgeted surplus of £95k, with the in month performance showing a deficit of £314k in December of which £147k relates to PCT income. ▪ Overall the year end forecast has deteriorated by £459k from the month 7 forecast reported in November 2011 to a deficit of £909k. The Board expressed concerns about the areas of over expenditure in the Trust in particular around an apparent lack of internal discipline within budgetary management. The Chief Executive explained that a full investigation was currently underway to understand the overspending areas. A full report will be presented at the February 2012 Board meeting. **Action : Director of Finance** The Chief Executive stated that the forecast now took into account the known potential downsides and was realistic. However, it was based on 13 beds occupancy in Neuro	**RH**

	Rehabilitation and there was still risk in this area. Reassurance was provided that the Executive team would continue to work to improve the year end forecast. The Board **noted** the report whilst emphasising that the key message to staff is that budgets are not discretionary and firm discipline should be taken to keep within the budgets set.	
	ii) Q3 Monitor Report Submission	
	This agenda item was not raised.	
PM 01/12/10	**Integrated Governance & Quality Assurance Committee (IGQAC) Minutes of 31st October 2012**	
	Kirsty Matthews, Chair of the IGQAC presented the minutes. No further comments were added. The Board **noted** the minutes.	
PM 01/12/11	**Charitable Funds Committee Chair Report**	
	Niall Bowen, Chair of the Charitable Funds Committee presented the report. It was noted that the proposed Refresh Appeal dinner would now be a Drinks Reception. The Board **noted** the report.	
Resolution to exclude members of the public and press pursuant to the Public Bodies (Admission to Meeting) Act 1960		
The Trust Board **approved** the resolution.		

The next Trust Board meeting to be held in Public : 23rd February 2012

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

RNHRD Trust Board held in Public : 23rd February 2012 - ACTION LIST			
Item	**Action**	**Responsible**	**Action/Update**
1.	**PM 12/11/8 : Finance Report Month 7 2011/12 : Welsh Debt** : The new Director of Finance confirmed that she would be taking on this action and reporting back to the Finance & Activity Committee.	**Director of Finance**	**Completed. Included in the Finance & Activity Committee report**
2.	**PM 01/12/7 : Patient Safety Walkabout** One urgent action was noted from this month's walkabout; that an additional nurse call bell system was required in the Outpatients area.	**Director of Operations & Clinical Practice**	**Costings have been obtained and approved. Implementation of emergency buttons in progress.**
3.	**PM 01/12/8 : Q3 Operational Performance & Clinical Practice Report** The HR league table to be reinstated within the Operational report	**Director of Operations & Clinical Practice**	**This will be provided in the next quarterly report.**
4.	**PM 01/12/8 : Q3 Operational Performance & Clinical Practice Report** Proposals for a new appraisal system to be presented to the February 2012 Board meeting.	**Director of Operations & Clinical Practice**	**Contained within the Director of Operations & Clinical Practice's report**
5.	**PM 01/12/9 : Finance Report Month 8 2011/12** Report from the investigation to understand the areas where overspending is taking place.	**Director of Finance**	**Investigations in to areas of overspend continue, information provided in month 10 Finance Report to be supported by a verbal update.**

Future Actions			
Item	**Action**	**Responsible**	**Deadline**
1.	**PM 12/11/7 : Operational Performance & Clinical Practice Report : Hospital Signage** The Board requested that this item be prioritised and should not wait for the delivery of the Refresh Appeal.	**Director of Operations & Clinical Practice**	**March 2012**

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title:	**Chair's Board Briefing**
Author:	Peter Franklyn, Chair
Meeting	Trust Board, 23rd February 2012
Sponsor:	n/a
Appendices:	n/a
Action Required:	For Information

Meetings:

23 January	Malcolm Hanney – Outgoing Chair B&NES PCT
27 January	Friends of the RNHRD – Committee update
27 January	Debbie Cook (Director NASS) – Induction on appointment as NASS Partnership Governor RNHRD Council of Governors
27 January	Simon Knighton – Chair Sirona; meeting and RNHRD Hospital tour
27 January	Internal Auditors – Governance audit
7 February	External Auditors – Trust financial position and update on other developments at the Trust
17 February	Brian Stables – Chair RUH meeting at RNHRD

Quality/ Patient Experience Agenda:

6 February	Patient Safety Walkround

Appraisals

Annual Appraisals for all Non-Executive Directors have been completed as has the Appraisal of the Chair by the Senior Independent Non-Executive Director (SINED). Full documentation will be forwarded to the Nominations Committee during the week commencing 20 February in preparation for their meeting on 27 February. Following the Nominations Committee meeting a short report and recommendations will be made to the Council of Governors in their closed session on 30 March thereby meeting the Governors' particular obligations on appraisals in accordance with the Monitor Code of Governance.

Peter Franklyn
Chair RNHRD NHS Foundation Trust

17 February 2012

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title	**Chief Executive Officer's Report**
Author	**Kirsty Matthews, Chief Executive Officer**
Meeting	**Trust Board Meeting – 23rd February 2012**
Appendices	**n/a**
Review	**N/A**
Action Required	**For information**

1. LOCAL UPDATE

Brain Injury Rehabilitation Trust (BIRT)
BIRT are opening a purpose built 20 bedded inpatient unit for complex patients in Salisbury. Completion is due 2013.

2. NATIONAL UPDATE

Amendments to Health and Social Care Bill published 1 February, 2012
The Government has tabled a series of amendments to the Health and Social Care Bill in advance of its Report Stage in the House of Lords, which begins w/c 6th February 2012. Health Minister Earl Howe has tabled a number of amendments. The amendments include:

- **Secretary of State accountability**: Putting beyond doubt the Secretary of State's responsibility and accountability with respect to a comprehensive health service. These amendments follow constructive cross-party discussion about this issue.
- **Greater patient involvement**: Patients will have a greater say in their health, with the NHS Commissioning Board and clinical commissioning groups having stronger duties to promote patient involvement in their own care.
- **Education and training**: The NHS Commissioning Board and clinical commissioning groups will have new responsibilities to support education and training, strengthening the links between workforce planning and education and training.
- **Health inequalities**: A new duty on the Secretary of State, NHS Commissioning Board and clinical commissioning groups to report annually on their progress in tackling health inequalities.
- **Strengthening integration**: Making clear that the health regulator Monitor will have the power to require healthcare providers to promote integration of NHS services.

National Commissioning Board
The National Commissioning Board on 3rd February 2012 confirmed the appointment of five National Directors.

Helping People Live Healthier Lives : The Future for Public Health
On 23 January 2012, the Government made further announcements on its ambitions for a new public health system. For the first time, public health will be measured against a framework, which sets out 66 health measures so councils and the Government are able to see real improvements being made and take any action needed.

In 2012/13 around £5.2bn will be spent on public health services.

From April 2013, councils get a ring-fenced budget and can choose how they spend it according to the needs of their population. A new health premium will reward areas that make progress.

David Flory confirmed as first Chief Executive of the NTDA
David Flory is confirmed as the first Chief Executive of the NHS Trust Development Authority (NTDA). Currently, Deputy NHS Chief Executive and Director General for Finance, Performance and Operations, Department of Health, David Flory will continue as Deputy NHS Chief Executive until March 2013. From April 2013, the NTDA will provide governance and oversight of NHS trusts, supporting them to NHS foundation trust status.

3. MONITOR

Consultations
Four Licensing Conditions engagement consultations (links in blue below) :

- Developing further Continuity of Services licence conditions: stakeholder engagement document (tranche 2)

  In this document, Monitor set out their proposed Continuity of Services licence conditions (tranche 2) and ask for views on how they should be developed.

- Developing further Pricing licence conditions: stakeholder engagement document (tranche 2)

  In this document, Monitor set out their proposed pricing licence condition (condition 5, constructive engagement for local tariff modifications) and ask for views on how it should be developed.

- Developing the Competition Oversight and Integrated Care licence conditions: stakeholder engagement document (tranche 2)

  In this document, Monitor set out their proposed Competition Oversight and Integrated Care licence conditions and ask for views on how they should be developed.

- Licence criteria: stakeholder engagement document (tranche 2)
  In this document, Monitor set out their licence criteria and ask for views on them.

All consultations close on 5th March 2012.

4. RNHRD EXECUTIVE MANAGEMENT GROUP

Due to the number of apologies the February 2012 EMG meeting was cancelled.

5. MARKETING UPDATE

Recent marketing activities have include:

- Marketing planning for new service under the Adult Fatigue Management umbrella. Anticipated launch March 2012.
- Marketing planning for the launch of the new DEXA scanner is underway with an informal launch event planned for 24th February 2012
- The Marketing & Communications Manager has carried out a review of the veterans service development project which will be used to inform business planning & marketing priorities for 12/13. A veterans steering group meeting was held on the 10.02.12 to relook at the project and renew focus with regard to this initiative.
- The Marketing & Communications Manager is working with the General Manger Clinical Support Services and the Neuro Project Board to review and standardise documentation for key external stakeholders

6. MEDIA COVERAGE

Media activity throughout January and February 2012 has included:

- **Award for caterers**. The high standard of the catering team at the Royal National Hospital for Rheumatic Diseases has been acknowledged with a food hygiene award. Bath Chronicle.
- **Three more PACS collaborations formed.** Three more trust collaborations have been formed to tender for picture archiving and communications systems ahead of the end of national PACS contracts next year. Royal United Hospital Bath NHS Trust and Royal National Hospital for Rheumatic Diseases NHS Foundation Trust have lodged one joint-tender. Ehealth Insider

- **Rheumatic Diseases specialist forecasts deficit**. Lower than expected income from PCTs has led to the Royal National Hospital for Rheumatic Diseases Foundation Trust forecasting a deficit. HSJ online.
- **Three C.*difficile* cases cost £55000 under CQUIN system.** Three cases of C.*difficile* have cost the Royal National Hospital for Rheumatic Diseases Foundation Trust £55,000 in CQUIN payments. HSJ online.
- **Duchess backs the Min.** The Duchess of Cornwall has extended her patronage of the Royal National Hospital for Rheumatic Diseases for another five years. Bath Chronicle.
- **Bath kayaking consultant to paddle around coast of Britain.** Dr Martin Lee of the **Royal National Hospital for Rheumatic Diseases** will be paddling 2600 miles in 100 days – the equivalent of a marathon a day. Bath Chronicle.

Kirsty Matthews
Chief Executive
16/02/12

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title	**Medical Director's Report**
Author	**Dr Ashok Bhalla, Medical Director**
Meeting	**Trust Board Meeting – 23rd February 2012**
Sponsor	**n/a**
Appendices	**None**
Review	**n/a**
Action Required	**For information**

1. Revalidation

Dr Bhalla has been asked to take part in the Medical Revalidation – Appraisal Task and Finish Group meeting being held at the Royal United Hospital on 16th April 2012. Dr Tim Craft, Medical Director at the RUH, has kindly agreed and the Board has given approval that he will act as the Revalidation Officer for the RNHRD.

Once revalidation is fully implemented, it may be necessary for individuals to receive further associated training to remain compliant. The Board is asked to note that training funds will need to be identified, in addition to the available annual study leave budget.

2. Avoidable Admissions in Rheumatology

Dr Korendowych, the Medical Director and Dr James Hampton, BANES PCT Rheumatology Lead, met and discussed the issue of avoidable admissions in rheumatology. An audit for admissions has been set up with new admission criteria. Dr Hampton was happy with the criteria and the audit results will be discussed with him in March.

3. BANES PCT Musculoskeletal/Orthopaedic (MSK) Stakeholder Meeting

The Medical Director attended the BANES PCT Musculo-skeletal/Orthopaedics Stakeholder Meeting on 19th January 2012, together with Hayley Sewell, Director of Governance.

BANES PCT advised that the purpose of the meeting was;

- Work with health community
- Understand current position and challenges opportunities and priorities
- Review and develop pathways
- Scope for innovation

BANES PCT identified pathways reviews for:

- Hip and knee orthopaedic referrals based on NICE Guidance
- Rheumatology
- Pain
- MSK priorities ?spine/shoulder
- Thresholds for referral and treatment
- Achieving best use of range of service including community and priority care

Following the meeting, Dr Korendowych met with the GP representative from BANES to agree rheumatology admission criteria to ensure the trust is involved in any local pathways regarding rheumatology.

A follow up BANES PCT MSK Meeting is planned for 22 March 2012. The Director of Governance will be attending together with Dr Korendowych, Consultant Rheumatologist and Amanda Pacey, General Manager.

Provisional agenda items:

- Update on hip and knee pathway
- Priorities for pathway development (outcome of cost benefit analysis)
- Impact of demographic changes
- Rheumatology – admissions and referral criteria
- Community Fracture Clinic

4. Day Case Unit

The Medical Director is pleased to report that the Day Case Unit opened on 6th February 2012 for a two month trial period. Criteria for admission and doctor input had been agreed and an audit will inform where changes may be required. It is hoped that this would avoid unnecessary admissions to the RNHRD

5. Outpatient Activity

Additional clinics will continue for the months of February and March. At the end of March referrals should be managed with the routine clinics and additional clinics may not be required. However, the Medical Director would like to note that this will be dependent on securing a locum consultant rheumatologist appointment, but the decision may need to be revised if there is a significant gap between Dr Martin Lee's departure and the availability of the locum consultant.

6. Dr Martin Lee, Locum Consultant Rheumatologist

Dr Martin Lee, who joined the Trust in December 2011 as a locum consultant, has been successful in obtaining a consultant post in Newcastle. His last working day will be 30th March 2012. We wish Dr Lee success in his new post. The post for a replacement locum has been advertised with a closing date of 24th February 2012. Interviews are scheduled for 2nd March, but at the time of writing this report, no applications have been received.

Dr Ashok Bhalla
Medical Director

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

A Patient Safety Walkround is a visit to a ward or department by a member of the Trust Board. The walkround gives staff the opportunity to discuss safety issues and areas of concern. Patients and relatives are also interviewed when appropriate. Following the walkround, a report and action plan are developed allowing improvements to occur.

PATIENT SAFETY WALKROUND REPORT	
Area: Out-patients Department	**Lead area representative: Out-patient Manager, RNHRD** **Walk-round carried out by: Non-Executive Director, RNHRD**
Date: 18/01/12	**Format of walkround: Tour of the Out-Patients Department, discussion with patients and staff**
Report completed by:	**Non-Executive Director, General Manager of Clinical Support Services, Out-patient Manager**
Distribution:	**Non-Executive Director, General Manager of Clinical Support Services, Out-patient Manager and Trust Board**

NB Please do not include any patient identifiable information on this form e.g. full name
List 3 most important action points only
No maintenance actions unless significant

PATIENT /RELATIVE/CARER STORY

Discussions took place with patients:

PATIENT 1 was in Out-patients for a yearly check up. Her appointment was running an hour late; she had not received an explanation as to why it was late or why the clinic was running late. Despite still waiting for her appointment she stated the service was very caring.

PATIENT 2 has been coming to the RNHRD for 4 years and stated if she needed to access an emergency appointment she had encountered no problems obtaining one. Her appointment was also running late and she had no information given to her. She did say that if she was aware of the waiting time she may have been able to go and get some refreshment.

Colour code: **Action required** **No action required**

#	ISSUE IDENTIFIED / DISCUSSED	ACTION REQUIRED	ACTION OWNER	PLANNED COMPLETION DATE	ACTION COMPLETE?
1.	During a recent episode when an out-patient became unwell it was identified that no nurse-call activation points are situated in the waiting foyer area and by rooms.	Provision of system to Summon help from other Out-patient staff. Facilities to obtain a price from nurse-call provider.	Facilities Manager	8 February 2012	Costings have been obtained and approved. Implementation of emergency buttons in progress
2.	A build-up of out-patients waiting to be booked in causes congestion around lift and makes it difficult for out-patient to get into clinic rooms, with risk of falls.	Relocation of out-patient booking desk.	Out-patients Manager	To be addresses as part of 'refresh' campaign	
3.	Patients waiting for appointments have no way of knowing by how much clinics are running late.	Boards or staff to inform patients what is happening regarding the time they are likely to see the doctor.	Out-patients Manager	Staff to inform patients – immediate Boards - to be addresses as part of 'refresh' campaign	
	SAFEGUARDING QUESTIONS TO ASK STAFF	**RESPONSE**			
1.	Have you attended Safeguarding Adults training and or Safeguarding Children training?	**Two staff were questioned and both had attended adult and children Safeguarding training within the last year.**			
2.	Do you understand your responsibilities with regards to safeguarding patients and members of the public from abuse?	**The two same members of staff stated that they understood their responsibilities.**			

Safeguarding level 1 adults and children training is provided to all staff on Induction to the Trust. This provides general awareness of safeguarding issues to all levels of staff.

Safeguarding level 2 training provides more detailed information to staff with face-to-face contact with adults or children and staff are required to attend once every 3 years.

Colour code: **Action required** **No action required**

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Paper Number
Title **January 2012 Quality Report**
Author of Document **Hayley Sewell, Director of Governance**
Meeting **Board of Directors February 2012**
Action Required **For noting**
Assurance **CQC Outcome 16 - Assessing and monitoring the quality of service provision.**

National Targets - For noting by the board

- Although there were no cases of C Diff in January 2012, the trust has not met all the applicable national requirements and minimum standards for acute trusts detailed in Monitor's Compliance Framework 2011/12 as it had exceeded the C Diff trajectory for 2011/12 by the end of Q3.
- In January 2012 there were no serious incidents, serious complaints or trends in complaints.
- The CQC completed an unannounced inspection visit on 25.10.11 and their report concluded that the trust was not meeting Outcome 07 - Safeguarding people who use services from abuse due to a lack of staff training and understanding in this area. I have advised the CQC and Monitor that all actions have now been completed and the CQC will contact the trust in due course with their response.

Table 1. Targets and indicators, thresholds and monitoring periods for 2011/12

Targets and indicators, thresholds, and monitoring periods for 2011-12	Threshold	Weighting	Monitoring Period for Monitor	Jan 2012	Year to date	R/A/G to date
Safety						
Clostridium difficile year on year reduction (to fit the trajectory for the year as agreed with PCT; 3 cases in 3 separate patients – profiled as one case in Q2, Q3 and Q4)	0	1.0	Quarterly	0	4	
MRSA – meeting the MRSA objective	0	1.0	Quarterly	0	0	
Patient Experience						
Referral to treatment waiting times – non-admitted i.e. out patients (95th percentile)	18.3 weeks	1.0	Quarterly	14.61	16.26	
Referral to treatment waiting times – admitted i.e. inpatients (95th percentile)	23 weeks	1.0	Quarterly	13.05	13.71	
Certification against compliance with requirements regarding access to healthcare for people with a learning disability	N/A	0.5	Quarterly	Comp-liant	Compliant	

2. National Out Patient Survey 2011 Results

To improve the quality of services that the NHS delivers, it is important to understand what patients think about their care and treatment. One way of doing this is by asking patients who have recently used the hospital to tell us about their experiences.

The outpatient survey report provides the results of the fourth survey of adult outpatients in NHS trusts in England. The results from Royal National Hospital for Rheumatic Diseases NHS Foundation Trust are based on 578 respondents.

The results will be displayed on the CQC website in summary format from 14.2.12 at http://www.cqc.org.uk/surveys/outpatient. The comparison with the expected range for each group of questions, listed in the section heading column in the table below, is presented as a simple statement (better, about the same or worse than other trusts).

Table 2. CQC Summary Presentation of 2011 Out Patient Survey Results

Section heading	Score out of 10 for RNHRD NHS FT	How this score compares with other trusts
Before the appointment	7.63	about the same
Waiting in the hospital	4.62	about the same
Hospital environment and facilities	8.69	about the same
Tests and treatments	7.99	about the same
Seeing a doctor	9.07	about the same
Seeing another professional	8.92	about the same
Overall about the appointment	8.45	about the same
Leaving the outpatients department	7.61	better
Overall impression	8.98	about the same

The results of the 2011 survey showed that the RNHRD had the **highest score achieved for all trusts** for the following 2 individual questions:

- Were you given enough privacy when discussing your condition or treatment?
- Did you receive copies of letters sent between hospital doctors and your family doctor (GP)?

The RNHRD had **1** individual question scored in the lowest 20% for the outpatient survey:

- Were you told how long you would have to wait?

The RNHRD had **6** individual questions scored in the top 20% for the outpatient survey;

- How long after the stated appointment time did the appointment start

This demonstrates that the RNHRD performs better for appointments starting on time but for those appointments that did not start on time i.e. patients waiting longer than 15 minutes, the trust scored worse regarding telling patients how long they would have to wait.

- Did the staff treating and examining you introduce themselves?
- Did doctors and/or staff talk in front of you as if you weren't there?
- Were you given enough privacy when discussing your condition or treatment?
- Did you receive copies of letters sent between hospital doctors and your family doctor (GP)?
- Overall, did you feel you were treated with respect and dignity while you were at the Outpatients Department?

The trust will be implementing an action plan to improve performance in areas highlighted by the survey results.

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title:	**Operational Performance & Clinical Practice Report**
Author:	**Annie Kelly, Director of Clinical Practice & Operations**
Meeting	**Trust Board Meeting – 23rd February 2012**
Appendices:	**Appendix 1 :Patient Safety Key Indicators , December 2011** **Appendix 2 : Vital Aspects of Nursing and Physiotherapy Care, December 2011** **Appendix 3 : A Case for Change, RNHRD Appraisal System** **Appendix 4: Appraisal Rates for January 2012**
Action Required:	**For information, Approval of Changes to Appraisal System**

Introduction

This report provides the Board with an update on performance against key indicators in the following domains: patient safety, clinical practice, workforce and activity.
Key risks at month 10 are:

- Bed Occupancy remains below target of 17.5 OBD in Neuro, average was 13.9 OBD for January this position includes in hospital pain management patients. February activity is expected to be higher but projected bed occupancy for March 2012 is a concern due to numbers of expected discharges
- YTD under performance on Endoscopy, however January activity was good at 119 cases, February is expected to be 103 cases
- Pain management activity remains behind plan due to continued difficulties in approval of funding by PCTs

Patient Safety

Appendix 1 provides detail of performance against the key patient safety indicators for the first 10 months of the year, there were 3 adverse events in January 2012, 1 transfer of a patient to acute care within 72 hours of admission and 2 catheter infections out of 5 patients with catheters. This new measure of “catheter infections” was added last month to provide us with a stretch target within patient safety domains, this will allow us to monitor catheter infections in detail and develop action plans for improvement. There have been no cases of *C. difficile* during January. The annual PEAT inspection is planned for 21st February 2012.

Clinical Practice

The VACS report is contained in Appendix 2, scores have improved in Neuro rehabilitation compared to last month. Staffing levels are under regular review by the Head of Nursing and the Matron being based on the ward to provide a focus for leadership and support staff until a new band 7 ward manager post is filled is working well.

Work Force

Appraisal

Appendix 3 contains a paper which details proposals to review the current appraisal system and implement a new appraisal process by September 2012. The Board is asked to comment on the proposal and approve the proposed changes.

Appraisal rates remain above target in January at 86.61% see Appendix 4 for details by department. The improved figures reflect the effort put into appraisal by managers, whilst there are still a few teams where appraisal is below the target of 80% the numbers are small and these areas will be targeted for improvement.

Sickness/Absence Management

Considerable effort is being put into sickness/absence management as year to date we are above our target of 4%, this is across all specialities. In January the rate was 4.3%.

Staff Consultations

Consultation on 3 contractual changes, (rolling CRB checks, new Information Governance requirements and increasing notice periods to 3 months for band 7's and above) has closed and new contracts will be implemented from 1st April 2012. No new consultations started this month.

Neuro-Rehabilitation

Activity during January remained below target and provided average bed occupancy (OBD) of 13.9, this position included in hospital pain patients, against a revised plan of 17.5 occupied on average per day. The emerging picture for February looks higher than January; but will include some short stay patients from the RUH. Due to high levels of expected discharge bed occupancy for March is a significant concern. Table 2 below provides detail on the current month. A new role of Patient Admission Manager has been created and a senior Therapist has been seconded into this role from 19th February 2012. The post holder will be a central point of contact for all Commissioners and will proactively seek patients for admissions and manage all admission and discharge on the Unit. During February the RUH has requested access to 3 Neuro beds for transfer of appropriate patients when they are in red escalation. These will be short term admissions from the Stroke and Neurology wards at the RUH and will be paid at a lower tariff per patient per day. At the time of writing this report 3 short stay stroke RUH transfers have been accepted. Next month's report will report these patients separately to provide clarity on Neuro rehabilitation bed occupancy.

As at 6th February 2012 **Table 2**

Performance against 17.5 beds

	Month to date		Forecast to end of Month
Days meeting Target or above	0	Days meeting Target or above	0
Occupied Beds Total	191	Occupied Beds Total	403
Target	241	Target	537
Performance	-50	Performance	-134
Awaiting assessment/admission	9	Awaiting assessment/admission	9
New Admissions	5	New Admissions	5
% occupancy	79.4%		75.1%

Performance against 13.0 beds

	Month to date		Forecast to end of Month
Days meeting Target or above	13	Days meeting Target or above	24
Occupied Beds Total	191	Occupied Beds Total	403
Target	169	Target	377
Performance	22	Performance	26
Awaiting assessment/admission	9	Awaiting assessment/admission	9
New Admissions	5	New Admissions	5
% occupancy	113.0%		106.9%

Rheumatology

Rheumatology referrals from GPs remain steady, trends will be monitored and Appendix 11 of the finance report provides detailed information over the last 3 years. Inpatient activity is above plan in month and YTD, but due to tariff variation is below on income. Anti TNF is above plan (33) with day cases being slightly below by 45 cases YTD. The new day care service for treatment of patients in flare started on the 6th February 2012. In the first week 2 patients have been treated; activity and appropriateness of cases will be closely monitored.

Therapy Outpatients plan has been monitored on a weekly basis by the general manager to ensure the back log in appointments can be cleared by the year end and the income position is secured.

Table 3: Therapy Update as at 13 February 2012

	16th Jan	30th Jan	6th Feb	13th Feb	Improvement from 16th Jan	plan	Variance from 13th Feb Position
Feb (Booked)	202	620	799	1010	808	1100	-90
Mar (booked)	19	83	149	320	301	1100	-780
Total	221	703	948	1330	727	2200	-870

YTD activity is 6987 against an end-year plan of 9067; leaves 2080 episodes of care to deliver by 31st March. There are currently 1330 bookings in the system, requiring 750 further episodes to bring activity to plan at the end of the year (this takes into account DNAs).

There needs to be an average of 55 bookings per day; current average bookings in the system from 13th and to 29th Feb is 51, which is an improvement on last week reported at 42. There is a risk that staff annual leave in February and March will affect performance and staff are able to carry leave forward to the new financial year on this occasion if they wish.

Endoscopy remains a significant risk with 119 procedures being undertaken in January. Activity is 899 against an YTD plan of 1,146 cases. February cases should be around 103.

Outpatient waiting list initiative clinics continue to run well, and are now booking patients for March.

- January actual activity is 308 above plan for follow-up and 50 above plan for news
- February is forecasted to be above plan for follow-ups (+402) and new attendances (+58).
- YTD forecast activity at the end of January shows new activity to be 7% below plan (-321 YTD) and follow-ups 13.0% (+1969 YTD) above plan

End of year forecast for news is 265 below plan and follow-ups 2443 above plan .Looking ahead to the new financial year there are large numbers of patients to be seen within April and May that may require additional capacity. The Locum Consultant post has been advertised but may not be in post as soon as required so alternatives are being explored to ensure that we do not create a further backlog or delay patient care.

Pain and Chronic Fatigue Services

Pain Management services continue to experience difficulties in converting referrals into patients on programmes due to PCT decisions on funding of treatment being delayed or refused. In January they ran an in hospital 4 week programme as planned which has improved the January forecast by £158K. The February income position will be lower as a result of this change to reporting.

CFS adult has received a high number of referrals this month (34) and is over performing on new, follow up appointments and on therapy packages YTD. The mix of contract and non contract patients continues to affect income in this specialty and year end forecasts have been carefully worked through which show that despite activity by March being above plan the income shortfall will be around £ 12K. The team are being asked to undertake additional activity to reduce this further. Recruitment to new posts required to support the start of the Macmillan development has started to ensure staff are in post for the beginning of April 2012. Due to maternity leave within Psychology there will be a cost pressure from June 2012 which has to be met to continue to provide the service.

CFS Paediatric programmes continue to over perform against plan and by end of year expect to exceed their income target by £98K. Activity is above plan in all areas except for domiciliary visits, next years plan will reflect the reducing need for domiciliary visits. The Clinical Lead has been concerned about increasing waiting times for new appointments, analysis has shown that there has been a very slight increase in referrals, but not significant enough to affect waiting times. However, there has been an increase in follow-up activity, which has increased the N: R ratio year on year. The increase in follow-up activity may well be affecting the amount of capacity available for new patients therefore increasing average waiting times. Referrals do fluctuate from one month to the next and the 30 received in January does not show a increasing trend just normal variation. Table 3 below shows the average referrals and waiting times over the last 3 years.

Table 4: Average Referrals and Waiting Times for CSF Paeds 2009- 2012

	Average					
	Referrals	**waiting times**	**New**	**Follow-up**	**Domiciliary**	**N:R**
2009/10	20	3-4 wks	16	75	9	4.7
2010/11	22	6-7 wks	17	80	6	4.8
2011/12	23	7-8 wks	19	107	8	5.4

Within CRPS an overseas (USA) patient has been treated in January with the possibility of further overseas patients in the pipeline. This is a direct result of Professor Candy McCabe lecturing in the USA where such services do not exist; feedback from the patient was excellent

Recommendations
The Board is asked to;

1. Note this report and the key risks identified and to support the actions being taken to meet activity plans and mitigate risk.
2. Comment on and approve the Case for change, RNHRD Appraisal System

Appendix 1 Patient Safety key indicators

Adverse Harm Events

Event	Info. Source	No. of days since last incidence	Total for Year 2010/11	Oct 2011	Nov 2011	Dec 2011	Jan 2012	April 11-Jan 2012 inc. totals
Total no. events	Adverse events tool	**0**	4	1	0	5	3	**13**
MRSA bloodstream infections	Audit	**1794**	0	0	0	0	0	**0**
C Diff infection	Audit	**42**	1	0	0	2	0	**4**
Catheter/ infection	Audit	**0**	New measure			3	2	**5**
Pressure Ulcers Grade 2-4 RNHRD acquired	Audit	**274**	0	0	0	0	0	**1**
Patient Falls with adverse event	DATIX reports	**374**	1	0	0	0	0	**0**
Medication errors with adverse events	DATIX reports	**1026**	0	0	0	0	0	**0**
Blood transfusion adverse event	DATIX reports	**986**	0	0	0	0	0	**0**
Transfer to acute care within 72 hours admission	WebTrak	**184**	2	0	0	0	1	**2**
DVT or PE following admission	DATIX reports	**92**	0	1	0	0	0	**2**
Unexpected deaths	WebTrak	**335**	New measure	0	0	0	0	**0**

NB Catheter infection is 2 infections out of 5 patients with catheters.

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title: **A case for development and change – RNHRD Appraisal System**

Author: **Marianne Spaans, Head of Human Resources**

Sponsoring Director: Annie Kelly, Director of Clinical Practice & Operations

Meeting: **Board Meeting 23 February 2012**

Appendices:

Appendix 1: **Employee Engagement CIPD Research**

Appendix 2: **Branded presentation of Organisation Objectives**

Action Required: **For Information and Approval**

Introduction

This paper presents a proposal to review the Trust's current appraisal system and implement a new appraisal process by the end of September 2012. Due to the level of organisational change locally and nationally in the NHS it is envisaged that this project requires a six month period of implementation but in subsequent years that all staff appraisals will be completed in the first quarter of each financial year.

Drivers for Change

1. The current appraisal system is not linked directly with the Trust's Business and Financial goals. Recent Chartered Institute of Personnel Development research indicates that employee engagement is a significant factor in the achievement of an organisation's goals. Appendix 1.
2. The appraisal timetable is a rolling annual timetable which does not reference the financial year. Under the current system rates of appraisal have been below 80%, a performance framework is required to ensure that recent improvements are maintained. Managers and staff need to buy into the benefits of regular and timely appraisal.
3. The appraisal system at the RNHRD was developed and implemented before the RNHRD had become a Foundation Trust over 7 years ago. The KSF competency framework used was developed across the NHS. Whilst it forms a good generic set of skills and competencies for NHS employees, it does not include practical competencies directly related to the assessment of performance within a specific job role. The existing competency framework has not been rigorously applied as an integral part of the appraisal process in more recent years.

4. In addition, the framework does not include the competencies/values we would like all employees to demonstrate related to the successful performance of a Foundation Trust.

Objectives

1. To review and revise the Trust's Appraisal System to ensure that the appraisal process highlights Trust objectives, helping us all to understand how our work and efforts add value and contribute towards the Trust's goals.

2. To move the appraisal period from a graduated annual calendar to one which commences at the beginning of each financial year – to ensure that individuals and teams are focused on activities and goals which support the RNHRD's objectives for the year ahead. Providing clarity for all employees and maintain a high level of completed appraisals

3. To review and revise the existing competency framework to include organisational, professional and personal competencies which support the organisation's goals and outline levels of knowledge, skills, performance and positive behaviours which are required and valued within the Trust.

Proposed Timetable

Phase 1 - March – end August 2012

Finalise and launch new appraisal process and paperwork integrating the cascade of the organisation's strategic objectives and values

- Directors meet to agree objectives and measurable goals
- Communication event – Chief Executive and Directors
- Cascade concepts to Managers and employees through EMG and LINKS
- Directors and managers to finalise reporting lines and team objectives from Trust strategic objectives following organisational review
- Appraisal training for line managers

Phase 2 – September 2012 – March 2013

Cascade of Trust and Team objectives via interim appraisals

- Each manager undertakes a short interim appraisal with each team member during September
- Trust and Team objectives are cascaded via these interim appraisals and individual objectives set
- Concise and time efficient meetings with minimal paperwork
- Appraisal rating "green" by October. No appraisals October to end March
- Competency passports developed for Nursing and Therapy roles

Phase 3 – April 2013 – end June 2013

Launch of full "appraisal season" and Nursing and Therapy Competency passports

- Directors appraise senior managers April 2013
- All other employees appraised in a cascade by end June 2013
- Appraisal rate remains “green” between July 2013 and end March 2014
- Nursing and Therapy Competency passports form part of appraisal process
- Other competency passports are developed

Phase 4 – April 2014 – end June 2014

Completion of project

- Directors appraise senior managers April 2013
- All other staff appraised in a cascade by end June 2013
- All roles have competency passports for use as part of appraisal process.

Scope and Deliverables:

1. Vibrant and visual presentation display of the Trust’s strategic aims throughout the Trust. Appendix 2
2. Revised Appraisal Policy and documents which embed the Trust’s objectives into the appraisal process.
3. Introduction of new appraisal timetable – commencing mid-year in September 2012.
4. A phased development and implementation of detailed role-specific competency profiles for all roles in the organisation – to be incorporated into the Appraisal process with an early focus on Nursing and Therapy job families.
5. A framework of core behavioural competencies which apply to all roles, to fit with the requirements of the new organisational structure and enhance the flexibility of the workforce to meet the organisation’s needs.

Financial Implications:

Costs:

The Learning and Development Team will dedicate - 0.2 FTE of the L&D Manager (Band 7) and 0.2 FTE of an L&D Co-ordinator (Band 4) to the Project.

Phase 1 - March – end August 2012

- Launch event – Chief Executive and Directors.
- Director / manager time to agree departmental, service and team objectives – it is assumed this is not additional work, but will happen as part of normal business.
- Appraisal training time for line manager.

Phase 2 – September 2012 – March 2013

- Implementation of competency passports for Nursing and Therapy Roles: Clinical input required: Nursing/Health Care Assistant time –- 15 days. Therapy services - 25 days across 4 role types.
- Implementation of role competency profiles into appraisal process for nursing and therapy job families.

Phase 3 – April 2013 – end June 2013

- Commencement of new Appraisal timetable. – 360 appraisals in Q1 – 120 days' effort (360 x 2.5 hrs – assumes 1 hr per manager and per employee plus 30 mins admin).
- Implementation of role competency profiles for all other roles – estimate 25 days manager time.
- Passports to be included into appraisal process as developed.

NB: With the new "appraisal season" it should be noted that there will be an impact on productivity levels in quarter 1 and this should be factored in to business plans.

Benefits:

- Every employee in the organisation will be aware of and working to achieve the organisation's goals.
- Every employee appraisal will focus on effective performance towards achievement of the goals.
- Employee recruitment and performance management will be enhanced by the use of the competency profiles for each role.
- The appraisal process will support the organisation's financial year.
- Costs of appraisals taking place in Q1 will be offset by the benefits of a focussed workforce working to clear objectives and savings in appraisal time being spread throughout the year.
- Employees will be clear about the competencies and behaviours required of them in their roles; individual and organisational performance will be enhanced as a result.

Risks and Constraints

Risk	Mitigation
The organisational objectives used for this Project have been used from a strategy document that is already more than a year old.	The process of rolling out the objectives will allow opportunities for feedback from the Board and Directors to ensure that objectives are still current and valid.
The financial year coincides with the start of a period of significant organisational change.	This has been factored into the establishment of a phased approach to allow successful integration of the revised appraisal system.
Managerial and clinical contribution and validation for the cascade of objectives will be required during the early stages of the project. This will impact their workload or could be a risk to the project with lack of engagement.	A phased plan has been established with estimates prepared for the levels and types of involvement required to support planning and ensure engagement. Visibility of the requirement to all stakeholders will allow support for engagement and availability of the required personnel. Organisational restructure has ensured managerial roles have an equal number of direct reports.
The impact of the project on the organisation's normal business activities will create peaks of activity not directly related to the business processes at Q3 2012 and Q1 2013. This could have an adverse impact on activity.	The phases of the project have been defined with high level estimates. This will be made visible and available for all parties to include and evaluate.
It is possible that a new appraisal system following a period of major change could result in a lack of engagement and increase of fear and demoralisation within the organisation.	The communications plan will include a phased approach for the project, which includes a cascade via the leadership team. The demonstration of the organisational required competencies by the leadership team will be used to inspire and motivate their employees. Strong support from the top of the organisation, as well as clear recognition and reward, will help to mitigate any negative impact.
The L & D national framework is undergoing a period of significant and profound change. The need to engage strategically in regional forums and initiatives may impact resource availability on a consistent level to the project.	The project plan will be reviewed regularly within the L&D and HR team and managed carefully in the context of a rapidly changing internal and external environment.
The organisation is small and specialist – the project could place its employees in an isolated position without reference to the regional and national trends for workforce management and development.	The Project has been defined in the context of recent CIPD research and in the context of a national initiative to adopt a 'skills passport' which can be used by an employee moving regionally or nationally within the workforce. Full use has been made of the national resource managing this project, Skills for Health, for the RNHRD. Benchmarking has been included within the Project processes.
The recent achievement of more 80% appraisal figures for the organisation could be adversely	The current monthly effort on the appraisal process will continue until the implementation of the new system. The appraisal process will be constantly

impacted as the new project progresses.	reviewed to manage progress and ensure acceptable levels of completion are achieved.

Communication Plan

The Communications team will be consulted for advice and support with the communications related to this Project.

The vibrant and visual presentation of the organisation's objectives in a user friendly format will form part of the communications plan as this will be visible throughout the organisation as a constant reminder to all of the integration of our objectives with performance on a daily basis. It may be appropriate for this to be 'launched' as a new initiative on completion of the organisational change process.

The process of cascading the Trust's objectives will involve and engage the leadership team in owning and integrating the objectives clearly into their own team and individual goals for the year. This process would be cascaded throughout the organisation line management.

Regular bulletins and updates will be issued, using the Chief Executive Bulletin, Links and Ed Lines to include and engage all employees as the project progresses.

During phase 2 the involvement of individuals at all levels in the definition and validation of the role competencies will ensure understanding, support and engagement as these are rolled out.

Quality Plan

1. The Project has been defined in the context of regional and local initiatives.
2. Competency definitions will be completed with reference to National Occupational Standards, e.g., those available on the Skills for Health Database.
3. The involvement of clinical leads in the evaluation of competencies for each role will ensure that they reference the specialism and expertise of each professional occupational validating body.
4. The project has been defined with reference to Project Definition and Management standards, estimates and milestones include the use of resource across the organisation and the communications plan will include the requirements for engagement in competency definition.
5. The project will be regularly reviewed by the Head of HR and Director of Clinical Practice & Operations monthly.

Project controls

1. Approval of project by Board.
2. Development of detailed project plan for review and agreement with HR manager and Director of Clinical Practice & Operations, and Executive Management Team.
3. Regular review with Head of HR and Dir of Clinical Practice &Operations –monthly – against key Project Milestones.
4. Review and impact assessment of any changes to project Plan – monthly.
5. Quarterly reporting on progress to Board against key project milestones.

Recommendations

The Board is asked to comment on and approve the proposal to revise the current appraisal system within the timescales identified above.

Outcome measures

Measure	Assessment	Date
All employees demonstrate clear awareness of the Organisation's goals	Walk arounds Surveys	September 2012
Each Department, team and individual has a clear view of their specific and measurable objectives relating to the organisational goals % of appraisals completed by end of September 2012	Walk rounds Ad hoc questions Documented within appraisal documentation	Sept 2012 – Mar 2013
Organisational Goals are embedded into the prioritised activities of the organisation	Organisational targets demonstrate visible improvement	September 2013
Performance Targets are achieved relating to: Activity Patient Experience Financial outturn Clinical Governance Service Development Are achieved	Indicates improvement in line with measures embedded into objectives	March 2013/2014
Culture and behaviours demonstrate change Patient Surveys Employee Surveys	Review trends	

Appendix 1

Background

CIPD Research published in March 2011 indicates that it is now widely accepted by both practitioners and academics that employee engagement is not merely a fad (Schaufeli and Bakker 2010).

Evidence demonstrates that high levels of employee engagement have a significant and positive impact at both organisational and individual levels.

A global study (2006-2008) by Towers Watson clearly demonstrates the links between employee engagement and performance. Observing 50 global organisations over a one year period, this study found that organisations with high employee engagement benefitted from a 19% increase in operating income whereas organisations with low levels of engagement saw a 32% drop.

Successful achievement of rigorous clinical and financial strategic objectives essential to the future of the RNHRD will depend on full engagement of the organisation's workforce with its strategic goals. Traditionally these have not been specifically cascaded to each employee within the organisation. A review and revision of the organisation's appraisal process is proposed to ensure employees at all levels are fully aware of and engaged with its specific strategic goals, and set their team and individual objectives accordingly. In addition, the review proposes to include, amend and enhance competency frameworks used within the appraisal system to help each employee perform to an optimum level within their roles.

References:

Skills for Health Website and Meeting with Manager of SW Skills for Health Office

'Management competencies for enhancing employee engagement - CIPD– research insight – March 2011

Competence and Competency frameworks – CIPD factsheet – May 2011

Performance Appraisal – CIPT factsheet – May 2011

NHS Southwest Website – Workforce Planning Development

Appendix 4

Appraisal Figures

Division	Department	Team	Total	In date	%
Trust Totals ESR			366	317	86.61
404 Executive Division			**8**	**8**	**100.00**
	404 Exec Department		8	8	100.00
		404 Exec Board Team	4	4	100.00
		404 Exec Clerical Team	1	1	100.00
		404 Marketing & Communications Team	3	3	100.00
404 Finance Division			**69**	**66**	**95.65**
	404 Finance Dept		69	67	97.10
		404 Estates Portering Team	11	11	100.00
		404 Estates Team	3	3	100.00
		404 Finance Team	6	6	100.00
		404 Grant Funded Research Team	2	2	100
		404 Hospitality Catering Team	9	8	88.89
		404 Hospitality Housekeeping Team	27	27	100.00
		404 Research & Development Team	11	10	90.91
404 Governance Division			**4**	**4**	**100.00**
	404 Governance Dept		4	4	100.00
		404 Governance Team	4	4	100.00
404 Medical Division			**21**	**18**	**85.71**
	404 Medical Department		21	18	85.71
		404 BNRS Medical Team	3	3	100.00
		404 Dando Fellowship Team	1	1	100.00
		404 Diagnostic Medical Team	1	1	100.00
		404 Ken Muirden Medical Team	1	1	100.00
		404 LOPAS 2 Medical Team	1	1	100.00
		404 Rheumatology Medical Team	14	11	78.57
404 Operation & Clinical Practice Division			**264**	**233**	**88.26**
	404 BNRS Department		**81**	**73**	**90.12**
		404 BNRS Administration & Patient Pathway Team	5	5	100.00
		404 BNRS Nursing Team	48	41	85.42
		404 BNRS Therapy Team	28	27	96.43
	404 Clinical Support Department		**65**	**53**	**81.54**
		404 Clinical Measurement Team	10	8	80.00
		404 Clinical Support Team	1	1	100.00
		404 Falls & Fracture Service Team	1	1	100.00
		404 Information Mgt & Tech Team	6	6	100.00
		404 Medical Records & Outpatients Admin Team	20	20	100.00
		404 Medical Secretary Team	12	5	41.67
		404 OutPatients Nursing Team	10	7	70.00
		404 X-Ray Team	5	5	100.00
	404 Human Resources Directorate		**9**	**9**	**100.00**
		404 Human Resources Team	9	9	100.00
	404 Operations & Clinical Practice Dept		**3**	**3**	**100.00**

404 Operations & Clinical Practice Team	3	3	100.00
404 Pain & CFS/ME Department	**42**	**40**	**95.24**
404 BCPS Administration & Service Management Team	4	4	100.00
404 BCPS Clinical Team	14	13	100.00
404 BRIRS Team	2	2	100.00
404 CFS/ME (Adult) Team	8	8	100.00
404 CFS/ME (Paediatric)Team	7	6	85.71
404 CRPS Team	7	7	100.00
404 Rheumatology Department	**64**	**55**	**85.94**
404 Rheumatology Biologics Team	4	3	75.00
404 Rheumatology CTD Team	1	1	100.00
404 Rheumatology Diagnostics Team	4	4	100.00
404 Rheumatology Management Team	2	2	100.00
404 Rheumatology Nursing Team	29	21	72.41
404 Rheumatology Therapy Team	24	24	100.00

Data accurate at 14.02.12

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title : **2011/12 Finance Report for 10 months ending 31st January 2012**

Author of Document : **Rachel Hepworth, Director of Finance**

Meeting : **Trust Board Meeting, 23rd February 2012**

Action Required : **For noting**

Summary of Document : **To update the Trust Board on the financial position of the Trust up to 31st January 2012.**

SUMMARY NOTE

This paper details the financial position of the Trust for the 10 months ending 31st January 2012. The key points to note are:-

(i) The Income and Expenditure account for the year to date shows a deficit of £770k compared with a budgeted surplus of £89k. Within this figure EBITDA is £793k behind plan. The key points to note are:

- The in month performance shows a deficit of £19k in January, compared to a forecast deficit of £75k assumed in the Month 9 forecast. The main differences between actual and forecast for January 2012 are shown in the table below. In particular, there was an over-recovery of PCT income compared to forecast. This is mostly accounted for as work in progress, relating to patients in pain management who are due to discharge in early February hence the forecast assumed income in February, but the majority of their treatment took place in January. This is offset by an under-recovery in other income arising from forecast funding for 1-1 specialling that is being disputed by the commissioner.

	M10 Forecast £000	**M10 Actual £000**	**Difference £000**
Income			
PCT's	1,019	1,123	104
Rheumatology	660	606	(54)
Pain Management	25	24	(1)
Neuro Rehab	246	282	36
CFS - Adult	36	33	(3)
CFS - Paediatric	31	32	1
Clinical Measurement	16	17	1
Patient Transport	4	4	0
Work in Progress (WIP)	(15)	124	139
Private patient	10	19	9
Education, training and research	115	104	(11)
Other income	105	54	(51)
Sub Total	1,249	1,300	51
PBR excluded drugs	400	443	43
Total income	**1,649**	**1,743**	**94**

	M10 Forecast £000	M10 Actual £000	Difference £000
Expenditure			
Pay expenditure	960	949	11
Payroll	925	922	3
Bank	11	13	(2)
Agency	18	11	7
Secondments from other org's	7	4	3
Non-pay expenditure	304	309	(5)
Reserves	8	0	8
Sub Total	1,273	1,258	14
PBR excluded drugs	400	443	(43)
Total expenditure	**1,673**	**1,702**	**(29)**
EBITDA	(23)	41	65
Depreciation	(37)	(44)	(7)
Interest receivable	0	0	0
Dividend repayments on PDC	(15)	(17)	(2)
Rounding		(1)	1
Total surplus / (deficit)	**(75)**	**(19)**	**57**

- Expenditure is broadly in line with forecast.
- The year-end forecast remains a deficit of £909k.

(ii) The Balance Sheet for 31st January 2012 shows net current liabilities of £1,212k compared with the figure of £1,207k at 31st December 2011. Current projections indicate this will increase to £1,405k by 31st March 2012.

(iii) The cash balance at 31st January 2012 is £528k (including £729k early payment from local PCT's), a reduction of £434k compared to 31st December 2011. The cash position is under close review and it is anticipated that the Trust will have sufficient cash to meet its obligations in February 2012. It is forecast, however, that the Trust will be in an overdraft position of approximately £426k in March following the rewinding of the £729k early PCT payment. Action is being undertaken to secure an adequate the cash position to the end of the year and into 2012/13.

(iv) The Trust is advised that the working capital facility has been withdrawn by the bank, in light of the Trust's recently deteriorating position. The Trust is awaiting formal correspondence from Nat West on this matter which will also outline the bank's requirements in order to review and reinstate the facility.

(v) The debtor's position now stands at £952k (£744k in month 9) with creditors at £1,945k (£2,181k in month 9). The movement in NHS debtors includes the Quarter 3 invoice for over-performance on the South West Specialist Commissioning Group contract (described as

Bristol PCT on Appendix 18), raised on 26th January 2012. This invoice was paid in February 2012.

(vi) KPI – the Monitor Financial Risk Rating (FRR) stands at 1.

The Trust Board is asked to note the report.

The following appendices are included as indicated:

Appendix		M10 inclusion
1	Income & Expenditure Account	Y
2	Analysis of Pay Expenditure	Y
3	Analysis of Non-Pay Expenditure	Y
4	Analysis of Referrals (Rheumatology)	Y
5	Balance Sheet	Y
6	Financial Risks Register	n/a
7	Aged Debtors Report	Y
8	Aged Creditors Report	Y

1. Income & Expenditure Account

The Trust's income and expenditure account is summarised in Appendix1.

The Income and Expenditure position to the 31st January 2012 shows a **deficit of £770k against a budgeted £89k surplus.**

1.1 PCT Income

PCT income is **£710k below** plan.

1.1.1 Rheumatology

Overall the speciality is below plan although this recovered by £18k in Month 10. Referrals for January 2012 were 358 (see Appendix4) compared to 288 in December 2011.

1.1.2 Pain Management

Pain Management activity and income is broadly in line with forecast, although behind on budget. The service is expected to deliver activity in line with last month's forecast, based on courses currently scheduled in February and March 2012.

1.1.3 Neuro Rehabilitation

Overall the service continues to underperform compared to activity and income plans. The average number of beds occupied in the month was 15, compared to original plan of 17, Month 9 forecast of 13, and December 2011 occupancy of 13. The forecast to the year-end assumes occupancy of 13 beds.

1.1.4 Chronic Fatigue

Both the adult and paediatric CFS services are ahead of plan on activity. Income for CFS Adults, however, is under-recovering as a consequence of case mix.

1.1.5 Clinical Measurement

Clinical Measurement is broadly on plan and to forecast.

1.1.6 Private Patient Income

Income from private patients for the period is £19k against a plan of £30k.

1.1.7 Education, Training and Research Income

Education, Training and Research income is above plan by £80k.

1.1.8 Other Income

Other Income is currently above plan by £16k.

1.2 Expenditure

1.2.1 Pay Expenditure

Pay expenditure is shown in detail in Appendix 2. Overall there is an under-spend of £3k for January 2012.

The year end forecast is at plan of £11,515K compared to £11,548k at Month 9. The decrease relates to a reduction in 1-1 specialling within Neuro and continuing controls over recruitment.

There are four specific areas which give cause for concern. These are listed below with comments.

Department	Comments
Neuro rehabilitation	The team is £100k overspent as at period 9, an improvement of £5k on the month 9 position. Sickness is leading to increased usage of bank nursing. Further risks remain with bank costs expected to increase due to a number of high dependency patients being treated who require 1-1 nursing. The increase in behaviourally challenging patients has impacted on staff sickness levels.
IT	The year end forecast shows an overspend of £25k. This is due to the recruitment of an agency coder to the year end covering long-term sickness and unplanned spend on data quality to ensure the accuracy of the Trust's activity information.
Domestic	The year end forecast now shows an overspend of £29k and remains in part to the reinstatement of staff following internal HR processes. Long term sickness and maternity leave also remains a factor.
CRPS	Over established by .02WTE band 8a since May 2011 which has resulted in a £16k overspend as at December 2011 and is forecast to be overspent at the year end by £24k. The individual concerned is doing extra therapy outpatient activity and will start a 6 month research contract from April 2012. An HR process is agreed to resolve the over-establishment from October 2012.

1.2.2 Non-Pay Expenditure

Non-pay expenditure is shown in detail in Appendix 3. Overall the position is £68k over spent against plan and is predicted to be £113k overspent at the year end. The forecast is unchanged from Month 9. The position on drugs has improved by £48k but this has been offset by unbudgeted spend on a consultant working on business development, unbudgeted costs for insurance and repairs to Bath Heights, and late billing of the serology contract by BIRD.

There are four areas which give cause for concern.

Department	Comments
Neuro Rehabilitation	There continues to be an overspend on consumables in Neuro Rehabilitation. This increased usage is related to the increase in high dependency patients and new infection control procedures. The new Matron has been asked to investigate this.
Facilities	Both the £39k overspend YTD and a forecast overspend of £50k at year end are due to unplanned minor works and maintenance essential to the Trust for which no budget was allocated for the year. This relates to unavoidable health and safety issues which have needed to be addressed primarily as a result of the HSE inspection report issued to the Trust in May 2011.
IT	IT is £18k overspent as at period 10 and this position is forecast to be £23k overspent at year end. This has arisen due to delays in recruiting a permanent Head of IM&T leading to increased spend on interim external support. The GM for Clinical Support Services has now reviewed the applications support and interim management, and is putting an action plan in place.
M&D	M&D is £10k overspent in January 2012 predominantly due to expenditure on drugs that are bundled into the inpatient or outpatient tariff i.e. not high cost PbR excluded drugs. Indications are that this spend is for osteoporosis drugs for which we are receiving approximately 6 new patients per month and we do not hold excessive stocks of these. This is being investigated by the Medical Director and Director of Finance. The year end forecast is now at £40k overspend compared to £88k overspend reported in December 2012.

1.2.3 Contingency Reserves

Contingency reserves stand at £25k providing a small amount of cover for future in year commitments and unavoidable cost pressures over the remainder of the year.

2. Balance Sheet and Cash Position.

The balance sheet is provided at Appendix 5.

2.1 Cash

The cash position at the end of January was £528k. This includes cash in advance from PCT's of £729k which will reverse by the year end. The net position is therefore an overdraft of £201k.

The cash position is under close review and it is anticipated that the Trust will have sufficient cash to meet its obligations in February 2012. It is forecast, however, that the Trust will be in an overdraft position of approximately £426k in March following the rewinding of the £729k early PCT payment. Action is being undertaken to secure an adequate the cash position to the end of the year and into 2012/13.

The impact of the 2012/13 budgets, commissioning intentions and service transformation has yet to be modelled through the cash flow forecast. This will be an urgent piece of work through the remainder of February 2012 in parallel with the budget-setting process.

The Trust has been advised that the working capital facility has been withdrawn by the bank, in light of the Trust's recently deteriorating position. The Trust is awaiting formal correspondence from Nat West on this matter which will also outline the bank's requirements in order to review and reinstate the facility.

2.2 Debtors

The level of debtors shown in Appendix 7 is £952k. This is a decrease against the December figure of £208k.

2.3 Creditors

The level of creditors is £1,945k (Appendix 8) and £1,382k excluding pay and accrued expenditure.

3. Capital

Capital expenditure report is forecast to be on plan at the year end. There is risk regarding the likely cost of the roof repairs and further detail is expected to be available in the second half of February, following further assessment of the condition of the roof supports.

4. Monitor Financial Risk Rating

The Monitor financial risk rating (FRR) is shown on Appendix 20 and remains at a rating of 1.

5. Quality, Improvement, Productivity & Prevention (QIPP)

Analysis of the current position and year end forecast against the planned QIPP saving target of £746k shows an over recovery of £46k with a current year end forecast of £56k above plan. The implication of this is that the forecast year-end deficit would be £802k worse had these actions not been taken.

6. Year End Forecast

The forecast reported at Month 9 showed a deficit of £909k compared with the planned surplus of £124k. The forecast remains unchanged at this stage.

Appendix 6 identifies other potential risks and gains that may affect the forecast, giving a worst case scenario of a £1,178k deficit and best case £882k deficit.

Appendix 1

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Narrative 1

INCOME & EXPENDITURE ACCOUNT
FOR THE PERIOD ENDING 31 Jan 2012

Favourable Variance + \ Adverse Variance (-)

	Month 10 Actual £'000	Month 10 Budget £'000	Month 10 Variance £'000	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Month 12 Forecast £'000	Annual Budget £'000	Forecast Variance £'000	Month 12 Forecast as at M09 £'000
INCOME										
PCTs	1,123	1,067	57	10,668	11,378	(710)	12,760	13,716	(956)	12,760
Private patient	19	30	(11)	141	163	(22)	142	200	(58)	142
Education, training & research	104	121	(16)	1,301	1,221	80	1,542	1,446	96	1,542
Other income	54	60	(6)	445	429	16	598	534	64	621
sub total	**1,300**	**1,277**	**23**	**12,554**	**13,190**	**(637)**	**15,042**	**15,896**	**(854)**	**15,066**
PBR excluded drugs	443	403	40	4,243	3,834	408	5,000	4,520	480	5,000
Total income	**1,743**	**1,680**	**63**	**16,797**	**17,025**	**(228)**	**20,042**	**20,416**	**(374)**	**20,066**
EXPENDITURE										
Pay expenditure	949	952	3	9,622	9,609	(12)	11,515	11,515	0	11,548
Non-pay expenditure	309	292	(17)	3,115	3,047	(68)	3,719	3,607	(113)	3,719
Reserves	0	(13)	(13)	0	(76)	(76)	25	25	(0)	25
sub total	**1,258**	**1,231**	**(27)**	**12,737**	**12,580**	**(157)**	**15,259**	**15,147**	**(112)**	**15,291**
PBR excluded drugs	443	403	(40)	4,242	3,834	(408)	5,000	4,520	(480)	5,000
Total expenditure	**1,702**	**1,634**	**(68)**	**16,979**	**16,415**	**(565)**	**20,259**	**19,667**	**(592)**	**20,291**
EBITDA	**42**	**46**	**(4)**	**(183)**	**610**	**(793)**	**(217)**	**749**	**(966)**	**(225)**
Depreciation	(44)	(37)	(7)	(426)	(367)	(59)	(499)	(440)	(59)	(492)
Interest receivable	0	0	0	3	2	1	3	2	1	3
Dividend payments on PDC	(17)	(16)	(1)	(165)	(156)	(9)	(196)	(187)	(9)	(195)
Total surplus/(deficit)	**(19)**	**(6)**	**(13)**	**(770)**	**89**	**(860)**	**(909)**	**124**	**(1,033)**	**(909)**
Monitor Budget figures		**14**			**146**			**124**		

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Appendix 2

ANALYSIS OF PAY EXPENDITURE
FOR THE PERIOD ENDING 31 Jan 2012

	Month 10 Actual £'000	Month 10 Budget £'000	Month 10 Variance £'000	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Month 12 Forecast £'000	Annual budget £'000	Forecast Variance £'000	Month 12 Forecast as at M09 £'000
Neuro Rehab	224	229	5	2,338	2,239	(100)	2,770	2,697	(73)	2,787
Rheumatology	279	274	(5)	2,747	2,749	3	3,305	3,298	(6)	3,291
Rheumatology medical staffing	128	120	(8)	1,199	1,201	2	1,452	1,441	(10)	1,432
Therapy outpatients	53	52	(1)	547	518	(30)	660	621	(39)	650
Rheumatology inpatients	73	76	3	728	763	35	871	915	44	883
Rheumatology Anti-TNF	9	8	(1)	88	85	(3)	107	102	(5)	104
Diagnostics	16	18	2	184	183	(1)	215	219	4	222
Pain Management	60	74	14	674	741	67	797	889	92	799
CFS	30	33	3	320	328	8	385	394	9	391
CRPS	14	11	(2)	132	113	(18)	160	136	(24)	160
Patient Secretarial Service	21	22	1	215	221	6	259	265	7	256
Medical Records	27	23	(4)	290	295	5	344	341	(3)	349
IT	29	21	(8)	214	207	(7)	273	248	(25)	274
Portering	21	23	2	212	231	20	254	278	24	252
Catering	15	15	(0)	153	147	(7)	187	176	(11)	188
Domestic	30	29	(1)	313	286	(27)	372	343	(29)	370
Facilities	9	9	1	86	93	8	104	112	8	104
HR	18	20	3	178	201	23	214	241	27	219
Governance	11	11	0	108	109	1	133	131	(2)	128
Finance	21	23	2	201	231	31	244	278	34	241
Research funded pay	41	43	3	450	433	(17)	539	520	(19)	541
Other	102	91	(11)	991	984	(6)	1,174	1,168	(6)	1,196
Total expenditure	**949**	**952**	**3**	**9,622**	**9,609**	**(13)**	**11,515**	**11,515**	**0**	**11,548**

Appendix 3

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

ANALYSIS OF NON-PAY EXPENDITURE
FOR THE PERIOD ENDING 31 Jan 2012

	Month 10 Actual £'000	Month 10 Budget £'000	Month 10 Variance £'000	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Month 12 Forecast £'000	Annual budget £'000	Forecast Variance £'000	Month 12 Forecast as at M09 £'000
Rheumatology	12	13	1	101	126	25	131	151	20	131
Neuro Rehab	18	14	(3)	178	152	(26)	211	181	(30)	211
Pain Management	4	3	(1)	23	30	7	30	36	6	30
M&D Department	22	39	17	502	492	(10)	601	560	(40)	648
Medical Contracts	47	49	2	477	487	10	591	584	(6)	579
Facilities	50	44	(6)	482	443	(39)	582	532	(50)	582
Finance	18	22	3	189	216	27	228	259	32	227
Orthotics	7	6	(0)	67	63	(4)	75	75	0	76
Diagnostics	9	7	(2)	79	74	(5)	91	89	(2)	91
HR/Membership	5	4	(1)	30	39	9	39	47	7	40
Patient Transport	5	7	2	60	67	7	73	80	7	73
Executive	11	5	(6)	80	65	(15)	90	75	(15)	75
IT	15	16	2	183	164	(18)	221	197	(23)	220
R&D	32	21	(11)	220	208	(12)	256	250	(6)	256
Other	54	42	(12)	444	421	(22)	501	490	(11)	479
Non Pay	**309**	**292**	**(17)**	**3,115**	**3,047**	**(68)**	**3,719**	**3,607**	**(113)**	**3,719**

Appendix 4

ANALYSIS OF REFERRALS - Rheumatology

	ALL ACTIVITY SOURCES ie. PCT's, TRUSTS etc.								
	GP Referrals	Other Referrals	TOTAL REFERRALS	1st Outpatient	Conversion Rate Referral to OP	Inpatient	Conversion Rate OP to IP	Daycases	Conversion Rate OP to Daycase
2008/09	3,045	998	**4,043**	3,746	**93%**	715	**19%**	1,248	**33%**
2009/10	3,368	936	**4,304**	4,822	**112%**	733	**15%**	1,236	**26%**
2010/11	3,217	704	**3,921**	4,898	**125%**	627	**13%**	1,227	**25%**
Apr-11	334	110	**444**	254	**57%**	54	**21%**	109	**43%**
May-11	307	57	**364**	282	**77%**	42	**15%**	116	**41%**
Jun-11	336	58	**394**	443	**112%**	73	**16%**	114	**26%**
Jul-11	295	43	**338**	319	**94%**	67	**21%**	123	**39%**
Aug-11	328	53	**381**	368	**97%**	53	**14%**	115	**31%**
Sep-11	333	56	**389**	331	**85%**	71	**21%**	116	**35%**
Oct-11	319	58	**377**	320	**85%**	67	**21%**	125	**39%**
Nov-11	290	54	**344**	315	**92%**	59	**19%**	104	**33%**
Dec-11	228	60	**288**	322	**112%**	64	**20%**	122	**38%**
Jan-12	299	59	**358**	322	**90%**	51	**16%**	131	**41%**
Feb-12			-						
Mar-12									
2011/12	3,069	608	**3,677**	3,276	**89%**	601	**18%**	1,175	**36%**
Jan-11	**303**	**60**	**363**	**349**	**96%**	**56**	**16%**	**111**	**32%**
MAT	**3,980**	**816**	**4,796**	**4,469**	**93%**	**774**	**17%**	**1,513**	**34%**

	WILTSHIRE PCT ONLY								
	GP Referrals	Other Referrals	TOTAL REFERRALS	1st Outpatient	Conversion Rate Referral to OP	Inpatient	Conversion Rate OP to IP	Daycases	Conversion Rate OP to Daycase
2009/10	1,172	314	**1,486**	1,400	**94%**	142	**10%**	200	**14%**
2010/11	1,020	211	**1,231**	1,306	**106%**	94	**7%**	182	**14%**
Apr-11	111	42	**153**	77	**50%**	14	**18%**	19	**25%**
May-11	102	27	**129**	103	**80%**	5	**5%**	35	**34%**
Jun-11	111	18	**129**	140	**109%**	17	**12%**	31	**22%**
Jul-11	112	9	**121**	118	**98%**	19	**16%**	34	**29%**
Aug-11	96	21	**117**	130	**111%**	12	**9%**	28	**22%**
Sep-11	121	21	**142**	113	**80%**	21	**19%**	34	**30%**
Oct-11	115	15	**130**	109	**84%**	13	**12%**	39	**36%**
Nov-11	103	26	**129**	117	**91%**	16	**14%**	31	**26%**
Dec-11	90	24	**114**	121	**106%**	17	**14%**	34	**28%**
Jan-12	87	21	**108**	120	**111%**	11	**9%**	31	**26%**
Feb-12			-						
Mar-12									
2011/12	1,048	224	**1,272**	1,148	**90%**	145	**13%**	316	**28%**
Jan-11	**98**	**18**	**116**	**101**	**87%**	**5**	**5%**	**16**	**16%**
MAT	**1,336**	**295**	**1,631**	**1,488**	**91%**	**162**	**11%**	**364**	**24%**

Source: IM&T Monthly Activity Reports

Appendix 5

BALANCE SHEET AS AT	31 January 2012				
	31st Mar 2011	31 Jan 2012	Movement	31 Dec 2011	31 Mar 2011 Forecast
Fixed Assets	£'000	£'000	£'000	£'000	£'000
Intangible	104	96	(3)	99	95
Tangible	7,090	7,043	(9)	7,052	7,101
Total Fixed Assets	**7,194**	**7,139**	**(12)**	**7,151**	**7,196**
Current Assets					
Stock	57	57	2	55	57
NHS Trade Debtors	1,237	515	145	370	373
Provision for Irrecoverable Debt	(268)	(171)	0	(171)	(171)
Other Prepayments and Accrued Income	119	736	(42)	778	739
Other Debtors	469	437	63	374	437
Cash at Bank *	684	528	(434)	962	(426)
Total Current Assets	**2,298**	**2,102**	**(266)**	**2,368**	**1,008**
Total Assets	**9,492**	**9,241**	**(278)**	**9,519**	**8,204**
Current Liabilities					
NHS Trade Creditors	(722)	(323)	165	(488)	(15)
Non-NHS Trade Creditors - Revenue	(1,048)	(1,215)	29	(1,244)	(1,371)
Non-NHS Trade Creditors - Capital	(29)	0	0	0	(47)
PDC Dividend Creditor	(1)	(66)	(16)	(50)	(0)
Other Creditors	(422)	(407)	42	(449)	(407)
Payments Received on Account	0	(731)	0	(731)	(2)
Accruals and Deferred Income	(565)	(572)	41	(613)	(571)
Total Current Liabilities	**(2,787)**	**(3,314)**	**261**	**(3,575)**	**(2,413)**
Non Current Liabilities					
Obligations under Finance Leases	(1)	0	0	0	0
Provisions	(14)	(10)	0	(10)	(10)
Deferred Income	(38)	(38)	0	(38)	(38)
Total Non Current Liabilities	**(53)**	**(48)**	**0**	**(48)**	**(48)**
TOTAL ASSETS EMPLOYED	**6,652**	**5,879**	**(17)**	**5,896**	**5,743**
TAXPAYERS' EQUITY					
PDC	6,015	6,015	0	6,015	6,015
Retained I & E Surplus	(143)	(143)	0	(143)	(143)
YTD I & E Surplus	0	(770)	(15)	(756)	(909)
Revaluation Reserve	780	780	0	780	780
Donated Asset Reserve		0	0	0	0
TOTAL TAXPAYERS' EQUITY	**6,652**	**5,882**	**(15)**	**5,896**	**5,743**

* prepayments were received in advance in the first quarter from local PCTs £729k

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Appendix 6

Financial Risk Register and Year End Forecast 2011/12
Variance shown against target surplus of £124k

	YEAR END Best Case variance £'000	YEAR END Current Forecast variance £'000	YEAR END Worst Case variance £'000
Current forecast surplus / (deficit)	(909)	(909)	(909)
PCT Income			
CQUIN penalty (£55k included in forecast)	55	0	(126)
Neuro Rehab activity (forecast and best case assumes 13 beds Feb and March; worst case 13 beds Feb and 7 beds in March)	0	0	(102)
WIP movement (forecast assumes no WIP at Month 12)	8	0	0
	63	**0**	**(228)**
Private patient	0	0	0
Education, training & research	0	0	0
Other income	0	0	0
TOTAL INCOME ADJUSTMENTS	**63**	**0**	**(228)**
Pay expenditure			
Non-pay expenditure (Consultancy support)	(28)	(28)	(33)
TOTAL EXPENDITURE ADJUSTMENTS	**(28)**	**(28)**	**(33)**
TOTAL ADJUSTMENTS TO EBITDA	**35**	**(28)**	**(261)**
Depreciation	(7)	(7)	(7)
Interest receivable	0	0	0
Dividend payments on PDC	(1)	(1)	(1)
TOTAL SURPLUS/(DEFICIT)	**(882)**	**(945)**	**(1,178)**
Position shown as at Month 9		**(909)**	
Position shown as at Month 8	**(335)**	**(600)**	**(671)**
Position shown as at Month 7	**(192)**	**(451)**	**(609)**
Position shown as at Month 6	**21**	**(172)**	**(342)**
Position shown as at Month 5	**78**	**(201)**	**(453)**
Position shown as at Month 4	**8**	**(250)**	**(528)**

Notes: Excludes high cost drugs
Neuro Rehab - Best Case based on 13 beds to year-end / Worst Case based on 7 beds in March 2012

Appendix 7

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Top Ten Debtors as at 31-01-12

	Customer	0 - 30	31 - 60	61 - 90	91 - 180	181 - 360	361+	Total Debtors
1	BRISTOL PCT	213.5	3.2	0.4	0.0	0.0	0.0	217.0
2	WELSH ORGANISATIONS	19.6	3.6	13.6	25.0	59.9	75.6	197.3
3	WILTSHIRE PCT	60.1	0.0	0.6	49.8	0.0	0.0	110.6
4	WORCESTERSHIRE PCT	48.8	21.4	0.0	0.0	0.0	0.0	70.2
5	ISLE OF WIGHT NHS PCT	43.0	0.7	22.0	0.0	0.0	0.0	65.7
6	STATES OF GUERNSEY HEALTH AND SOCIAL SERVICES	22.0	20.6	0.0	0.0	0.0	0.0	42.6
7	BATH AND NORTH EAST SOMERSET PCT	36.5	0.0	0.0	0.0	0.0	0.0	36.5
8	SOMERSET PCT	32.5	0.0	0.0	0.0	0.0	0.0	32.5
9	ROYAL UNITED HOSPITAL BATH NHS TRUST	23.3	0.0	0.8	0.0	0.0	0.0	24.1
10	HEART OF BIRMINGHAM TEACHING PCT	20.5	0.0	0.0	0.0	0.0	0.0	20.5
		519.9	49.5	37.4	74.8	59.9	75.6	817.1
	Others							
	NHS	-143.2	44.3	11.0	8.0	15.6	8.2	-56.2
	NON NHS	170.1	3.8	9.3	15.6	2.8	-10.5	191.1
	TOTAL at 31-01-12	**546.8**	**97.6**	**57.6**	**98.4**	**78.3**	**73.3**	**952.0**
	% at 31-01-12	57%	10%	6%	10%	8%	8%	100%
	TOTAL at 31-12-11	**399.5**	**71.7**	**133.2**	**9.1**	**57.8**	**72.7**	**744.0**
	% at 31-12-11	54%	10%	18%	1%	8%	10%	100%
	TOTAL at 30-11-11	**623.4**	**-10.9**	**-24.8**	**54.6**	**99.5**	**41.0**	**782.9**
	% at 30-11-11	80%	-1%	-3%	7%	13%	5%	100%
	TOTAL at 31-10-11	**824.0**	**-57.7**	**9.4**	**100.3**	**132.7**	**46.2**	**1055.0**
	% at 31-10-11	78%	-5%	1%	10%	13%	4%	100%
	TOTAL at 30-09-11	**280.2**	**115.0**	**107.3**	**81.9**	**132.1**	**31.5**	**748.0**
	% at 30-09-11	37%	15%	14%	11%	18%	4%	100%
	TOTAL at 31-08-11	**384.2**	**185.7**	**1.3**	**145.3**	**100.2**	**17.8**	**834.5**
	% at 31-08-11	46%	22%	0%	17%	12%	2%	100%
	TOTAL at 31-07-11	**516.4**	**16.1**	**145.9**	**90.3**	**135.4**	**-6.6**	**897.5**
	% at 31-07-11	58%	2%	16%	10%	15%	-1%	100%
	TOTAL at 30-06-11	**570.4**	**308.4**	**-15.0**	**88.6**	**161.0**	**-11.4**	**1102.0**
	% at 30-06-11	52%	28%	-1%	8%	15%	-1%	100%
	TOTAL at 31-05-11	**439.0**	**26.8**	**68.7**	**55.7**	**134.9**	**75.8**	**801.0**
	% at 31-05-11	55%	3%	9%	7%	17%	9%	100%
	TOTAL at 30-04-11	**800.6**	**56.7472**	**2.79537**	**95.6199**	**126.403**	**160.659**	**1242.8**
	% at 30-04-11	64%	5%	0%	8%	10%	13%	100%
	TOTAL at 31-03-11	**994.0**	**20.9**	**39.7**	**118.7**	**130.3**	**295.7**	**1599.2**
	% at 31-03-11	62%	1%	2%	7%	8%	18%	100%

Appendix 8

Top 10 Creditors as at 31-01-2012

	Supplier	0 - 30	31 - 60	61 - 90	91 - 180	181 - 360	361+	Total Creditors
1	HEALTHCARE AT HOME LTD	329.0	304.6	2.8	0.0	0.0	0.0	636.3
2	ROYAL UNITED HOSPITAL BATH NHS TRUST	140.8	5.5	48.7	0.0	0.0	0.0	195.0
3	HEALTH COMMISSIONFOR WALES	0.0	0.0	0.0	0.0	0.0	41.7	41.7
4	BATH INSTITUTE FOR RHEUMATIC DISEASESTRADING	22.6	15.0	0.0	0.0	0.0	0.0	37.6
5	UNIVERSITYHOSPITALS BRISTOL NHS FOUNDATION	0.0	28.3	0.0	0.0	0.0	0.0	28.3
6	FACTORSPREAD LTD	8.2	18.9	0.0	0.0	0.0	0.0	27.0
7	GREAT WESTERN AMBULANCE SERVICE NHS TRUST	21.3	3.8	0.0	0.0	0.0	0.0	25.1
8	MANNINGS FACILITIES MANAGEMENT LTD	7.5	14.5	0.0	0.0	0.0	0.0	22.0
9	NHS SUPPLYCHAIN	10.6	11.2	0.0	0.0	0.0	0.0	21.9
10	BATH&NORTH EAST SOMERSE	19.6	0.0	0.0	0.0	0.0	0.5	20.1
		559.7	401.8	51.4	0.0	0.0	42.1	1055.1
	OTHERS	68.4	176.4	23.1	23.5	20.0	15.2	326.6
	PAY EXPENDITURE	350.0	0.0	0.0	0.0	0.0	0.0	350.0
	ACCRUED EXPENDITURE	213.3	0.0	0.0	0.0	0.0	0.0	213.3
	TOTAL at 31/01/2012	**1191.4**	**578.2**	**74.6**	**23.5**	**20.0**	**57.4**	**1945.0**
	% at 31-01-12	61%	30%	4%	1%	1%	3%	100%
	TOTAL at 31/12/2011	**1170.5**	**815.1**	**78.3**	**54.1**	**5.6**	**57.4**	**2181.0**
	% at 31-12-11	54%	37%	4%	2%	0%	3%	100%
	TOTAL at 30/11/2011	**1720.3**	**73.8**	**210.2**	**20.0**	**2.8**	**57.0**	**2084.0**
	% at 30-11-11	83%	4%	10%	1%	0%	3%	100%
	TOTAL at 31/10/2011	1040.1	875.1	74.1	48.1	3.1	56.9	2097.6
	% at 31-10-11	50%	42%	4%	2%	0%	3%	100%
	TOTAL at 30/09/2011	**1597.3**	**140.1**	**86.8**	**57.6**	**3.6**	**56.7**	**1942.0**
	% at 30-09-11	82%	7%	4%	3%	0%	3%	100.0%
	TOTAL at 31/08/2011	**967.5**	**485.2**	**101.7**	**57.7**	**41.4**	**59.7**	**1713.2**
	% at 31-08-11	56%	28%	6%	3%	2%	3%	100%
	TOTAL at 31/07/2011	**1194.9**	**579.7**	**23.1**	**28.7**	**34.1**	**67.4**	**1927.9**
	% at 31-07-11	62%	30%	1%	1%	2%	3%	100%
	TOTAL at 30/06/2011	**1652.4**	**159.8**	**55.4**	**87.7**	**36.6**	**52.3**	**2044.2**
	% at 30-06-11	81%	8%	3%	4%	2%	3%	100%
	TOTAL at 31/05/2011	**1130.5**	**327.1**	**47.0**	**66.5**	**35.0**	**53.8**	**1659.9**
	% at 31-05-11	68%	20%	3%	4%	2%	3%	100%
	TOTAL at 28/04/2011	**1829.3**	**51.4**	**46.2**	**76.7**	**25.4**	**53.7**	**2082.6**
	% at 28-04-11	88%	2%	2%	4%	1%	3%	100%
	TOTAL at 31/03/2011	**1269.0**	**471.8**	**96.5**	**219.8**	**33.2**	**82.0**	**2172.3**
	% at 31-03-11	58%	22%	4%	10%	2%	4%	100%