

TRUST BOARD MEETING

Formal meeting, which is open to members of the public (to observe). Please note that questions from members of the public should be asked at the end of the meeting, and relate to one of the agenda items

10am – c.12.30pm WEDNESDAY 20TH DECEMBER 2017

**PENTECOST/SOUTH ROOM, THE ACADEMIC CENTRE,
MAIDSTONE HOSPITAL**

A G E N D A – P A R T 1

Ref.	Item	Lead presenter	Attachment
12-1	To receive apologies for absence	Chair of the Trust Board	Verbal
12-2	To declare interests relevant to agenda items	Chair of the Trust Board	Verbal
12-3	Minutes of the Part 1 meeting of 29 th November 2017	Chair of the Trust Board	1
12-4	To note progress with previous actions	Chair of the Trust Board	2
12-5	Safety moment	Chief Nurse	Verbal
12-6	Chairman's report	Chair of the Trust Board	3
12-7	Chief Executive's report	Acting Chief Executive	4
12-8	Integrated Performance Report for November 2017 <ul style="list-style-type: none"> Effectiveness / Responsiveness Safe / Effectiveness / Caring Safe / Effectiveness (incl. mortality) Safe (infection control) Well-Led (finance) Well-Led (workforce) 	Acting Chief Executive Chief Operating Officer Chief Nurse Medical Director Dir. of Infect. Prev. & Control Director of Finance Director of Workforce	5
12-9	Update on the Workforce Transformation Programme	Medical Director	6
Quality items			
12-10	Update on the Care Quality Commission (CQC) inspection	Chief Nurse	7
12-11	Planned and actual ward staffing for November 2017	Chief Nurse	8
12-12	Quarterly mortality data	Medical Director	9
Reports from Trust Board sub-committees (and the Trust Management Executive)			
12-13	Patient Experience Committee, 01/12/17	Committee Chair	10
12-14	Trust Management Executive (TME), 13/12/17	Committee Chair	11
12-15	Quality Committee, 18/12/17	Committee Chair	Verbal
12-16	Finance and Performance Committee, 18/12/17 (incl. request for additional working capital support)	Committee Chair	12 & 13 (to follow)
12-17	To consider any other business		
12-18	To receive any questions from members of the public		
12-19	To approve the motion (to enable the Trust Board to convene its 'Part 2' meeting) that in pursuance of Section 1 (2) of the Public Bodies (Admission to Meetings) Act 1960, representatives of the press and public be excluded from the remainder of the meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest	Chair of the Trust Board	Verbal
Date of next meetings: <ul style="list-style-type: none"> 25th January 2018, 10am, Education Centre, Tunbridge Wells Hospital 1st March 2018, 10am, The Academic Centre, Maidstone Hospital 29th March 2018, 10am, The Academic Centre, Maidstone Hospital 26th April 2018, 10am, The Academic Centre, Maidstone Hospital 24th May 2018, 10am, The Academic Centre, Maidstone Hospital 28th June 2018, 10am, The Academic Centre, Maidstone Hospital 26th July 2018, 10am, Education Centre, Tunbridge Wells Hospital 27th September 2018, 10am, The Academic Centre, Maidstone Hospital 25th October 2018, 10am, The Academic Centre, Maidstone Hospital 29th November 2018, 10am, Education Centre, Tunbridge Wells Hospital 20th December 2018, 10am, The Academic Centre, Maidstone Hospital 			

David Highton,
Chair of the Trust Board

**MINUTES OF THE TRUST BOARD MEETING ('PART 1') HELD ON
WEDNESDAY 29TH NOVEMBER 2017, 10A.M, AT TUNBRIDGE WELLS
HOSPITAL**



FOR APPROVAL

Present:	David Highton	Chair of the Trust Board	(DH)
	Maureen Choong	Non-Executive Director	(MC)
	Sarah Dunnett	Non-Executive Director	(SDu)
	Angela Gallagher	Chief Operating Officer	(AG)
	Alex King	Non-Executive Director	(AK)
	Tim Livett	Non-Executive Director	(TL)
	Jim Lusby	Acting Chief Executive	(JL)
	Peter Maskell	Medical Director	(PM)
	Claire O'Brien	Interim Chief Nurse	(COB)
	Steve Orpin	Director of Finance	(SO)
In attendance:	Nazeya Hussain	Associate Non-Executive Director	(NH)
	Lisa Keslake	Programme Director - Improvement (for item 11-13)	(LK)
	Sara Mumford	Director of Infection Prevention and Control	(SM)
	Kevin Rowan	Trust Secretary	(KR)
	Simon Hart	Director of Workforce (designate)	(SH)
Observing:	Darren Yates	Head of Communications	(DY)
	Louise Thatcher	CQC Inspection Manager	(LT)

DH noted that since the last Trust Board meeting, MC had been made a substantive Non-Executive Director. DH then welcomed SH to his first Trust Board meeting, noting that he would formally start employment at the Trust on 01/12/17.

11-1 To receive apologies for absence

There were no apologies.

11-2 To declare interests relevant to agenda items

No interests were declared.

11-3 Minutes of the 'Part 1' meeting of 18th October 2017

The minutes were agreed as a true and accurate record of the meeting subject to the following amendment:

- Item 10-12, page 7: Replace "Because of the wide range of services provided, there was an absence of very clear outcome measures for many areas..." with "There were a wide range of services provided. There was an absence of very clear outcome measures for many areas..."

Action: Amend the minutes of the 'Part 1' Trust Board meeting held on 18/10/17 (Trust Secretary, November 2017 onwards)

11-4 To note progress with previous actions

The circulated report was noted. The following actions were discussed in detail:

- 7-11 ("Arrange for an assessment of the feasibility of establishing a 'finder fee' arrangement for staff who introduce individuals who were subsequently appointed to vacant Nursing positions").** SO reported that he and COB were liaising, and had requested a response from another Trust that had introduced a similar scheme, but a response had not yet been received. SO added that he also intended to discuss the issue with SH. It was noted that a recommendation should be able to be submitted to the next Trust Board meeting.
- 10-26 ("Arrange for the Non-Executive Directors to be notified of any pre-arranged visits to clinical areas by members of the Executive Team, to enable Non-Executive Directors**

to take part in the visit, if convenient). DH noted that Non-Executive Directors visits to clinical areas would be discussed at the Trust Board 'Away Day' on 07/12/17

- **9-11 ("Provide an update to the October 2017 Trust Board meeting on the review of the rates of pay for Bank staff").** JL noted that early indications were that the increase in Nursing Bank pay rates had been very well received by staff

11-5 Safety moment

COB first reported that the links to the Safety Calendar pages on the Trust's Intranet had been improved. COB then stated that the theme for October was information governance and highlighted the following points:

- Information governance could be difficult for staff to understand, but it was important that they understood the importance of the issue
- The focus of the month had been on endorsing the 10 data security Standards recommended by the National Data Guardian, and the Standards had been simplified to aid understanding
- There had also been a focus on ensuring staff undertook their information governance mandatory training, including the reporting of incidents
- The need to ensure the availability of Business Continuity Plans had also been emphasised, as had Cyber Awareness. Staff had been reminded they should not click on any hyperlinks in emails if they had any doubts
- Sharing information with the Police had also been highlighted, as this was often a difficult area for staff. Staff had been reminded that it was acceptable to share information with the Police if there was a need to do so, and a flowchart to aid decision making had been produced. Staff had also been encouraged to seek advice from the Trust's Legal Service team as required

MC referred to the latter point, and noted that the Legal Services team were only likely to be available during working hours, so asked what arrangements existed to obtain advice out of hours. COB replied that it was recommended that the Site Management Team be contacted out of hours.

SO commented that some of the disciplinary actions he had been involved in involved staff accessing their own healthcare records, as this was often perceived to be acceptable by staff, and queried whether this would be incorporated into staff training. COB gave assurance that the Head of Information Governance incorporated the learning from such incidents into the training.

MC remarked that she had completed the information governance online learning module on 28/11/17, and commended the ease of use of the module. MC added that many of the child protection cases she was aware of concerned the absence of information sharing, and it was therefore important to emphasise to staff that information could, and should, be shared in certain circumstances. COB concurred. PM pointed out that the last Caldicott principle was that it was often more harmful not to share information than to share information. The point was acknowledged.

11-6 Chair's report

DH referred to the circulated report and added the following points:

- The recruitment process to appoint the substantive Chief Executive was hoped to be concluded w/c 04/12/17
- As of 01/12/17, all vacancies on the Trust Board would have been filled
- A Trust Board 'Away Day' would be held on 07/12/17, and would consider how the Board could improve its effectiveness
- For Consultant appointments the Trust delegated the appointments to an Advisory Appointments Committee (AAC), but the Board had not previously been notified of the appointments. Attachment 3 therefore contained these, but had only included those with a confirmed start date. In future DH's report to the Board would include the full outcome of AAC decisions (apart from the names of any appointees that had not yet had their employment checks completed)
- DH had been pleased at the verbal feedback received from the Care Quality Commission (CQC) inspectors that the Trust's staff had been helpful and open during the inspections

11-7 Chief Executive's report

JL referred to the circulated report and highlighted the following points:

- JL had also been pleased at the CQC inspectors' comments regarding Trust staff
- It had been interesting to reflect on the different measures of success applied to the deployment of the new Patient Administration System (PAS), in that from a corporate level, the process had gone remarkably smoothly, and a debt of gratitude was owed to AG and all those who had worked hard to achieve this. However, there had been an adverse impact on some staff, particularly Medical Secretaries, and JL had met with several groups of secretaries who had experienced severe difficulties. The lesson was to ensure that such staff were more fully engaged in IT developments
- The Trust had issued a press release pertaining to third and fourth degree perineal tears following the publication of some old data that did not recognise the improvements made since

DH commented that the Staff Star Awards ceremony on 24/11/17 had been very successful.

SDu then referred to the GP Steaming development, and asked whether GPs had been engaged to start the service once the refurbishment works had been completed. AG replied that the process was continuing via Integrated Care 24 Ltd (IC24) and there had been variable success, but the clinical and managerial leads from the Emergency Department (ED) were working with local GPs to encourage their involvement in the service, and the physical changes being undertaken would assist such endeavours. SDu asked for details of the service coverage. AG answered that this was circa 60-70%, but the Trust covered GP shift gaps by allocating its own medical staff and then recouping the costs from IC24.

SDu continued, and asked whether there were any national measures being taken to encourage retired GPs to undertake Streaming work, including providing indemnity cover. AG clarified that the Trust would not employ the GPs providing the Streaming service, so the issue of indemnity cover remained a problem, but once the Trust directly managed the service (as was intended for the future) the indemnity arrangements would be resolved. JL elaborated that he had received a letter from West Kent Clinical Commissioning Group (CCG) w/c 20/11/17 stating the CCG's desire for the Trust to become the primary provider for Urgent Care in West Kent from 2018/19, & the clinical lead from the ED was using this as a platform to strengthen the Trust's links with primary care.

11-8 A patient's experiences of the Trust's services

DH reported that the patient's relative who had been due to attend for the item was now unable to do so, so they would be invited to attend the December 2017 Trust Board meeting.

11-9 Review of the Board Assurance Framework 2017/18

KR referred to the circulated report and drew attention to the following points:

- This was the third time that the Board Assurance Framework (BAF) had been reviewed at the Board in 2017/18
- The latest update was reviewed at the Audit and Governance Committee on 21/11/17, the Trust Management Executive (TME) on 22/11/17, and the Finance and Performance Committee on 27/11/17 (for objective 4 only)
- The format of the RAG ratings had been amended so that the ratings were now shown on a continuous, rather than discrete, scale, to enable Trust Board Members to see the specific degree of confidence rating from the responsible Director
- The summary of such ratings was given on page 1, and Trust Board Members should recognise the situation from the discussions at Trust Board and sub-committee meetings
- The Risk Register summary was on page 9. Again, the issues described in the red-rated risks should be familiar, apart from a few exceptions which were asterisked
- The report also noted the intention to use the BAF to monitor Strategic objectives, now that the Board had approved the Trust Strategy. Some proposed objectives would therefore be developed and submitted to the Board for approval. Once approved, these would feature within the BAF

SDu then referred to objective 2 ("To deliver the agreed 2017/18 trajectory for the A&E 4 hour waiting time target") and proposed that it be marked as also being relevant to the "Caring" and "Objective" CQC domains. This was agreed.

Action: Amend Objective 2 within the Board Assurance Framework to reflect its relevance to the "Caring" and "Responsive" CQC domains (Trust Secretary, November 2017 onwards)

SDu also queried whether an 'amber' rating was appropriate for objective 3 ("To maintain a vacancy rate of no more than 8.5%"), given the current performance. KR explained that in the absence of a Director of Workforce, the rating had been undertaken by senior managers within the Human Resources (HR) department, but once SH started in post, his judgement would be applied to the ratings. SH remarked that he agreed with SDu's challenge in principle, although he obviously did not yet have access to comprehensive information. DH noted that the Finance and Performance Committee meeting held on 27/11/17 had heard about the recruitment progress made in some areas, but based on current performance against the objective, there would need to be a net increase in recruitment of 110 staff to achieve the desired rate of 8.5%. COB pointed out that current staff would also need to be retained. The points were acknowledged.

NH emphasised that the Trust needed to ensure it took full advantage of the time available to recruit European Union (EU) staff before the UK left the EU. COB and JL agreed. JL added that he had asked colleagues in HR to analyse the data, and this had revealed that 'Brexit' was far more of an issue for the Trust than may have been thought. JL added that he had also discussed Brexit with Tom Tugendhat MP (for Tonbridge and Malling), and Mr Tugendhat had offered to talk to staff about the issue.

MC then remarked that she was not clear from the actions described in the BAF as to the level of focus being applied to non-people resources i.e. processes that affect patient flow. AG gave assurance that there was constant review of such processes, and the introduction of the Frailty Unit was an example of a revised process that had been implemented. AG added that the Trust was about to embark on another initiative with Social Services in relation to patients with complex needs. MC also asked about the Trust's winter plan. AG confirmed that this covered the full range of actions required.

DH acknowledged that the RAG ratings had deteriorated overall and the Trust Board therefore needed to recognise this, and be appropriately concerned, although many of the issues would be discussed under other items on the agenda. DH concluded by asking Trust Board Members whether they were content with the content of Appendix 2. This was confirmed.

DH commented that he appreciated the change to a continuous scale on the BAF, as this enabled a more precise judgement to be given.

11-10 Integrated Performance Report for October 2017

JL introduced the report by noting the following points:

- There was a very high level of anxiety, at national levels, regarding the ability of the NHS to cope during the winter period. This anxiety was increased locally as there was a degree of fragility in relation to the ability to cope by the Trust, but more importantly, by other local organisations
- The Trust's processes were regularly reviewed, as although there was effective patient flow at Maidstone Hospital (MH), this was not the case at Tunbridge Wells Hospital (TWH). Progress had however been made, by introducing the Home First Pathway 3 programme, which had not been in place the previous winter
- The significant problems at other organisations may lead to mutual aid arrangements needing to be applied, and discussions were taking place with partner organisations regarding this. The Trust Board should therefore be concerned, but also confident to a degree.

Effectiveness / Responsiveness (incl. DTOCs)

AG then referred to the circulated report and highlighted the following points:

- The A&E 4-hour waiting time target trajectory had not been met for October. However the absolute focus of the senior team had been maintained for emergency flow. Non-elective

activity within medicine and surgery had been stable, but there had been an increase in such activity in Trauma & Orthopaedics (T&O)

- There was still concern about patient flow at TWH, so a small winter team had been established, involving management and clinicians, and the Trust was working very closely with its system partners
- The Trust's A&E 4-hour waiting time target performance for w/c 20/11/17 had been ranked 36th out of 137. National performance had declined
- At the same point the previous year, Delayed Transfers of Care (DTOCs) had been at 8%, but these had now reduced to just over 5%. This was commendable, but was still 2.5% above the required level. AG and JL were involved in a daily DTOC 'huddle' with partner organisations to focus on specific patients, and this had raised the profile of the issue
- Performance against the 62-day Cancer waiting time target had been very good in September. Performance for Lower Gastrointestinal (GI) Cancer had improved in particular, following the implementation of the changes that had been requested by the clinical teams, and this was now one of the Trust's better performing tumour sites
- Referral to Treatment (RTT) waiting time performance was still adversely affected by non-elective demand, but some changes had been made to move some services to MH (from TWH) on a temporary basis. This would then be reviewed for 2018/19
- The Trust had recently engaged an external consultancy, 2020 Delivery Ltd, for a 4-week period, in response to non-elective demand. The consultants, who were experts in patient flow issues, had commenced their work

SDu referred to the greater focus on external partners and on the routes by which patients could leave the Trust's care, and noted that the number of bed days lost did not appear to have been affected by such focus. SDu asked whether the actions described by AG were therefore the start of relationship building that was expected to have a positive benefit. AG confirmed this was the case. JL added that the DTOC 'huddle' was a 20-minute conference call to help escalate any issues.

SDu then asked for further details of the 62-day Cancer waiting time target performance for Breast Cancer. AG replied that a number of complex cases had been seen in October, and this had adversely affected performance, but she was assured by the Breast Cancer pathway. SDu then stated that there appeared to be a mismatch between the number of new referrals and the number of patients being treated. AG acknowledged this, and noted that this trend continued, so the Trust needed to work differently, and consider introducing 'straight to treatment' pathways, for example, AG elaborated that the Breast service was considering changing from their current practice of undertaking direct patient surveillance to telephone contacts, which would release Outpatient clinic slots for new patients. AG added that the use of Nurse Specialists and carrying out certain tasks in advance of appointments also saved time.

NH commended the Frailty Unit at MH, but asked when a Unit would be introduced at TWH. AG replied that it was intended to operate the model on a 'shadow' basis at TWH in the near future, and a dedicated Unit was expected to be available as part of the aforementioned GP Streaming refurbishment works. AG added that staffing had been a constraint to the introduction of a Unit at TWH, but there was now a new Clinical Lead in Elderly Care which gave some cause for optimism. PM added that a Consultant Geriatrician had also now been appointed, and would start very soon. PM continued the aforementioned new Clinical Lead was enthusiastic and had lots of ideas, and PM had been pleased with the way the operations teams had responded to those ideas.

DH asked whether the Home First Pathway 3 programme involved patients that did not meet the DTOC criteria. AG confirmed this was the case. DH referred to page 2 and noted that 28 patients were subject to a DTOC because of "Patient or Family Choice", and asked whether these would be eligible for Pathway 3 beds. AG gave assurance that appropriate liaison would take place with the families of such patients.

Safe / Effectiveness / Caring

COB then reported the following points:

- Falls were now rated as 'amber', following an increase (to 140 in total). This was concerning, but was the subject of focus, and the target rate was still set to be achieved. There had been 2

falls-related Serious Incidents (SIs), and the number of falls-related SIs was higher than the same point last year. The Falls Group was reviewing a number of actions, including the use of falls mats and falls alarms, as these were an adjunct to early warning systems but did not prevent falls. The Trust also wanted to explore best practice used elsewhere and was therefore liaising with a Trust that had a lower rate of falls

- There continued to be more SIs (97) compared to the same point last year (63). In response, West Kent CCG had been invited to join the Trust's SI Panel, to provide scrutiny over the investigations and provide advice. The CCG's representatives had been pleased with the Trust's open approach, and they had left the Panel meeting feeling optimistic. Further work was however required on the thresholds for reporting SIs, although COB preferred there to be over-reporting than under-reporting
- The Friends and Family Test (FFT) results were fairly stable, but there was some variance in response rates. The latter had been adversely affected by some technical issues in the ED which meant that circa 1000 responses had to be disregarded because the photocopies of the FFT cards that had been used could not be scanned
- The Trust continued to work with iwantgreatcare in relation to the FFT, and some wordclouds had been developed to report FFT findings
- There had been a reduction in Pressure Ulcers to 14, although there had been 2 SIs. One SI had been deemed unavoidable due to the complexity of the patient's conditions. This decision had however not been taken lightly
- There had been 8 Single Sex Accommodation Breaches in the Acute Medical Unit (AMU) at TWH, which was related to a communication breakdown. Action had however been taken to prevent recurrence
- Complaints response times had improved significantly. COB met with the Complaints Lead each month to understand the challenges and barriers to timely responses

SDu asked what triangulation occurred between the safety indicators reported by COB and the Wards i.e. was any analysis undertaken to identify any areas at greater risk. COB gave assurance that such triangulation took place, and elaborated that the "Planned and actual ward staffing" standing item/report included triangulation between Ward staffing and indicators such as Pressure Ulcers. COB added that the report did not however indicate the number of shifts that were filled by temporary staff, but such information was known.

SDu then commended the efforts to learn from other organisations in relation to falls, but noted that this had been previously done with Brighton and Sussex University Hospitals NHS Trust, so therefore asked whether the actions identified before had been fully implemented. COB confirmed that the individual who had led on falls-related work at Brighton and Sussex University Hospitals NHS Trust had now moved to a more local organisation, and they intended to adopt the approach from their previous Trust in their new role. COB added that approaches such as "stay in the bay" were also being considered.

NH noted that the previous month's performance report had referred to incidents involving children with mental health issues, and asked what progress had been made. COB confirmed that new guidelines were being developed to support staff in responding to such patients, but the issue would require long term development and review. JL agreed, and illustrated the dire nature of the situation by referring to a patient that had to be transferred to Manchester as that was the only location with an available bed. JL added that work was therefore continuing with the commissioners of Child and Adolescent Mental Health Services (CAHMS).

NH then referred to the recent announcements regarding the Government's plans to reduce stillbirths, and asked for a comment. COB confirmed that each stillbirth was reviewed at the Trust to ensure there were no obvious immediate care issues, so the newly-announced process should not be difficult for Trust staff to adopt. PM added that the difference between what the Trust currently did and what had been recently announced was the independent review aspect, but the details of this would be reviewed in due course. PM also noted that the principle of learning lessons that formed the basis of the recent announcement resonated with work he had recently led, which would be discussed at the Quality Committee 'deep dive' in December. PM did however

note that one of the proposals the Committee would be asked to consider was the awarding of a 'safe kite mark'.

Safe / Effectiveness (incl. Mortality)

PM then reported the following points:

- The Hospital Standardised Mortality Ratio (HSMR) data was expected to reduce still further
- Readmissions had not increased, but the "Bench Mark" levels had perhaps been set too high, so consideration should be given to resetting these, and PM intended to discuss this further

Safe (infection control)

SM then reported the following points:

- There had been no cases of MRSA bacteraemia in October, but there had been 1 case in November (which had been declared as an SI)
- The "% Non-Elective MRSA Screening" data was not available for October because of the implementation of the Allscripts PAS
- There had been 1 case of Clostridium difficile in October. However, the Trust was significantly below the "Year to Date" number seen at the same point the previous year
- MSSA bacteraemia continued to be an area of focus
- Gram negative bacteraemia was also an area of focus and action plans were in place across Kent and Medway as well as the Trust
- A new Nurse Consultant, Lesley Smith, had been appointed
- The key points of the Infection Prevention and Control workplan were described in the report, and all policies were up to date (although some were awaiting ratification at the Policy Ratification Committee)

Well-Led (finance)

SO then highlighted the following points:

- The income and expenditure (I&E) position was £3.9m adverse to plan for the month and also £3.9m adverse for the year to date, following the steps that had been taken to ensure the Trust was on plan for month 6
- The Sustainability and Transformation Fund (STF) monies of £1.1m had not been achieved
- Cost Improvement Programme (CIP) delivery in the month was £1.5m behind plan, but the Finance and Performance Committee meeting on 14/11/17 received assurance regarding the confidence in the delivery of green-rated CIP schemes
- There was also £1.3m of budgetary-related pressures, the majority of which were in income. This had been affected by private patient activity and also a deliberate reduction in Outpatient activity due to the implementation of the new PAS
- The year-end forecast was slightly adverse to expectations. The main elements were Critical Care activity, which had seen a quiet month, and therefore reduced income. Activity levels for private patients had also affected this
- The Finance and Performance Committee meeting on 27/11/17 had discussed the forecast in detail and asked for some actions to be developed in relation to a small number of areas, and this would be discussed further at the Finance and Performance Committee in December
- Once the forecast had been finalised, the full implications on cash would be considered, although the cash position was very stretched at present

DH remarked that he understood that any revised forecast that indicated the Trust would not meet its control total for 2017/18 would have to be declared before the January 2018 Trust Board meeting, to align in with the quarterly submission of the financial information to NHS Improvement (NHSI), which took place before the January 2018 Board meeting. SO confirmed this was the case i.e. that any such forecast would need to be declared at the December 2017 Trust Board meeting.

Well-led (workforce)

JL then highlighted the following points:

- The increase in Bank pay rate had been noted earlier in the meeting, but a 25% shift of staff from Agency to the Bank needed to take place to make the change financially worthwhile. Staff

therefore needed to respond in the right way, and encourage each other to work via the Bank. The situation would be monitored

- There had been some positive signs of progress in recruitment, and SH's arrival provided an opportunity for a renewed review of the Trust's recruitment approach

DH welcomed the increase in substantive staff.

Quality Items

11-11 Update on the Care Quality Commission (CQC) inspection

COB referred to the circulated report and drew attention to the following points:

- There had been 4 unannounced CQC inspections to date
- The feedback from the CQC inspectors had been limited but very positive. Staff from the areas inspected had also been positive about inspectors
- Momentum was being maintained ahead of the announced inspection in December, including a daily 'huddle' which was chaired by SO. The 'Take five, talk five' process had also continued, and a weekly Project Group continued to meet

SDu referred to the "87 additional data submissions" and asked what issues these covered & how long it had taken to collate the information. COB replied that the information requested included such things as mandatory training compliance, evidence of engagement with staff and patients, Theatre checklist audits, and cleaning audits. COB added that the Provider Information Request (PIR) had been reviewed to ensure that information provided previously was used where possible, to avoid duplication. COB confirmed that the information had taken considerable time to collate.

DH noted the intention to continue with the pre-inspection preparation process after the announced inspection, which would mean the information needed to be updated. COB agreed and noted that the PIR would be annual, but work was required to improve the data collection & storage process.

11-12 Planned and actual ward staffing for October 2017

COB referred to the circulated report and highlighted the following points:

- The format of the report had been changed, following the comments at the last Trust Board meeting. Arrows had been included in the "overall RAG status" column (to indicate how the RAG status had changed). Shading had also been used to indicate whether the RAG rating related to shifts being over-filled or under-filled
- The overall RAG status was based on a professional judgement using the criteria listed on page 2. The rationale for the RAG ratings was provided in the report
- A wider review of safe staffing was being undertaken at present
- Ward 20 was rated as 'amber' due to a high number of falls. Whilst the fill rates for the Ward were within the expected range for the month, there were 9 additional shifts which were unable to be filled

PM pointed out that Ward 20 was designated as a 'Medically Fit For Discharge' (MFFD) patient Ward, but consideration was being given to the application of the model used on that Ward. PM did however give assurance that the concerns regarding Ward 20 were taken seriously.

DH commended the inclusion of the "Wards of note this month include:" section.

11-13 A Trust-wide approach to improvement

DH welcomed LK to the meeting. JL introduced the item by reporting the following points:

- The item was a precursor for a more detailed discussion at the Trust Board 'Away Day' on 07/12/17
- The work had been informed by the views of an external Consultant, Sara Coles, who had been engaged to review the Trust's approach to improvement and how this was organised. The review had concluded that in general the Trust had sufficient access to in-house improvement resources, but these were not coordinated

LK then continued, and gave a presentation highlighting the following points:

- The aforementioned diagnostic review of the Trust's current approach to improvement included recommendations in 3 broad categories:
 1. Adopting a consistent approach to improvement and embed across the Trust
 2. Building internal capability for improvement; and
 3. Clarifying improvement priorities and creating a compelling vision for staff
- In relation to the first category, recognised Quality Improvement methodologies may be required as an enabler of change, and to build skills for improvement across the Trust
- For the second category, a number of improvement methodologies had been reviewed, including those promoted by the Virginia Mason Institute and the Institute of Healthcare Improvement, but the Trust's preference was for NHSI's Quality, Service Improvement and Redesign (QSIR) approach. QSIR involved QSIR 'Practitioners' taking part in a 5-day course, to become QSIR College Associates, and then cascading the 5-day QSIR Practitioner course, or a 1-day QSIR fundamentals course
- Discussions were therefore underway to identify circa 5 members of staff to attend QSIR the Practitioner programme starting on 31/01/18, and then continuing for 1 day per month for 5 months. The preferred team would include clinicians, operations staff and improvement/Project Management Office (PMO) staff. 2-3 individuals would go on to become accredited to deliver the training themselves
- For the third category, it was important that the Trust's priorities were a blend of:
 - The Trust's existing Operational Productivity programme, which reflected the need to consider quality and finance 'hand in hand'
 - The types of initiatives arising from Listening into Action (LiA) about which staff were passionate (many of which were already aligned with the intended goals of the Operational Productivity projects)
 - Priorities identified in the forthcoming Quality Strategy for 2018-2021 (initial discussions with members of the Executive Team indicated that programmes of work could potentially be grouped up under 'delivering care in the right place at the right time'/'hospital flow', 'workforce transformation' and 'culture for learning from mistakes')
- It was also important that the priorities were specific about the intended impact/measurement in 2018/19 and covered a high level plan for each quarter
- Further details would be presented to the Trust Board 'Away Day' on 07/12/17

MC welcomed the proposed approach. DH did likewise, and agreed that it was sensible to include a range of improvement methodologies.

SDu asked for the presentation to be circulated in advance of the 'Away Day' on 07/12/17. This was agreed.

Action: Circulate, to Trust Board Members, the presentation given under the "A Trust-wide approach to improvement" item at the Trust Board on 29/11/17 (Trust Secretary, November 2017)

Planning and strategy

14. "Operational management of winter – expectations and communication" letter from NHSI, and the Trust's response

AG referred to the circulated report and highlighted that:

- The Trust's response to the letter from NHSI covered each area within the letter
- Predictive data was used to inform the Trust's plans, and the Single Health Resilience Early Warning Database (SHREWD) resilience system was used to identify 'hotspots'. A set of winter indicators were also used to predict demand on a daily basis
- The winter plan was in place, which had been reviewed at the Trust Board
- A dedicated winter team was in place, and were involved in a daily 'huddle'
- The Trust always aimed to avoid caring for patients on corridors, and 12 hour trolley waits, but when overcrowding occurred, such instances could occur. However, a high level of assurance had been able to be provided to NHSI and NHS England that patients were kept safe, should such circumstances arise

DH stated that he expected NHSI's and NHS England's involvement to be supportive, and asked for a comment. JL stated that NHSI had appointed a local Winter Director, and she had chaired a recent meeting that AG had attended, which also involved the NHSI Delivery and Improvement Director for the South East. JL continued that he and AG had been invited to participate in a phonecall with the National Urgent and Emergency Care Director on 01/12/17. JL added that the Trust had been categorised in category 3, whilst East Kent Hospitals University NHS Foundation Trust (EKHUFT) had been categorised in category 4 i.e. a higher risk.

SDu referred to page 7, and asked for details of the differences between the 6 bullet points within the "Further Actions as applicable" column, and the action being taken at present. JL confirmed that there was very little difference. AG explained that the intention was to emphasise that the Trust had increased its monitoring, without amending its overall approach. JL pointed out that the aforementioned engagement of 2020 Delivery Ltd had been different, and would enable a renewed perspective. SO also noted that the Trust had taken the decision to invest £1.4m to improve winter resilience. JL added that an indication had been given that some national funding would be available, so the Trust would make the required representation to receive such funding.

11-15 Business Case regarding the Trust's hosting of the Kent and Medway STP

SO referred to the circulated report and highlighted the following points:

- The Case was somewhat unusual as the hosting of the Sustainability and Transformation Partnership (STP) did not bring any real benefits to the Trust
- The STP Programme Board had agreed a revised budget and the Trust's points had been included in the report considered by the Programme Board
- STP-related payments to the Trust had improved from some parties, but some other organisations still needed to change their approach

DH noted that one of the conditions for the Trust hosting the STP was that an agreement be put in place to indemnify the Trust from costs incurred on behalf of the STP, so that the Trust would only be liable for its share of expenditure, and this document therefore needed to be produced. The point was acknowledged.

DH asked if the Trust Board was therefore content to host the Kent and Medway Sustainability and Transformation Partnership if the conditions listed on page 9 were met. This was agreed.

Assurance and policy

11-16 Ratification of revised Standing Orders, Standing Financial Instructions & Reservation of Powers and Scheme of Delegation (annual review)

KR referred to the revised Standing Orders (Attachment 13) and noted that unlike in previous years, the full document, with the proposed changes shown as 'tracked' had not been submitted as part of the formal 'pack' of Board reports, and had instead been circulated as a supplement (i.e. Attachment 11a). KR continued that the supplement contained the precise details of the proposed changes, but these were summarised in Attachment 13.

Questions were invited. None were received. The revised Standing Orders were ratified as circulated.

KR then referred to the revised Standing Financial Instructions (Attachment 14) and stated the same approach taken with the Standing Orders had been applied.

Questions were invited. None were received. The revised Standing Financial Instructions were ratified as circulated.

KR then referred to the revised Reservation of Powers and Scheme of Delegation (Attachment 15) and stated the same approach taken with the Standing Orders had been applied. DH referred to the proposed changes and asked whether any informal benchmarking had been undertaken with other Trusts, to ensure the proposed authorisation limits were not markedly different. KR confirmed

that to the best of his knowledge, he did not believe the proposed limits were markedly different to other NHS Trusts.

Reports from Board sub-committees (and the Trust Management Executive)

11-17 Charitable Funds Committee, 16/10/17 (incl. approval of revised Terms of Reference)

SDu referred to the circulated report and noted that this was the formalisation of the verbal report she had given at the previous Board meeting, but the Trust Board was asked to approve the Committee's revised Terms of Reference.

Questions were invited. None were received. The Trust Board approved the revised Terms of Reference for the Charitable Funds Committee as circulated.

11-18 Workforce Committee, 30/10/17 (incl. approval of revised Terms of Reference; quarterly report from the Guardian of Safe Working Hours; and annual report from the Director of Medical Education on work schedule reviews relating to education and training)

AK referred to the circulated report and highlighted that the revised Terms of Reference were enclosed for approval, whilst the report from the Guardian for Safe Working Hours was also enclosed.

Questions were invited. None were received. The Trust Board approved the revised Terms of Reference for the Workforce Committee as circulated.

DH then asked COB when the benefits from the Apprenticeship levy would be expected to be received. COB confirmed she expected this to be in the near future.

11-19 Audit and Governance Committee, 21/11/17 (incl. approval of revised Terms of Reference)

AK referred to the circulated report and noted that revised Terms of Reference had been submitted for approval.

Questions were invited. None were received. The Trust Board approved the revised Terms of Reference for the Audit and Governance Committee as circulated.

11-20 Quality Committee, 31/10/17 & 08/11/17

SDu referred to the circulated report and highlighted the following points:

- The meeting on 31/10/17 included a discussion as to whether the current oversight of quality metrics was adequate, given that the 'main' Quality Committee only reviewed the routine metrics in detail every 2 months. The Committee's view was that adequate scrutiny was provided as the Trust Board considered such metrics monthly
- It had been agreed to introduce a rolling programme of Directorate-based clinical outcomes reporting, following PM's previous submission of a combined outcomes report

SDu then added that the Clinical Director for Head & Neck had expressed a belief that the Directorate was under-resourced. SDu continued that it had been noted that a Business Case was being developed in relation to this, so she appealed for the activity of the Directorate to be taken into account when considering that Case. The point was acknowledged.

11-21 Trust Management Executive (TME), 22/11/17

JL referred to the circulated report and highlighted the following points:

- The PAS implementation had been discussed
- The plans regarding the Haematology-Oncology Day Unit (HODU) at TWH were agreed
- The transparency of Executive Team Meetings had been enhanced. These meetings were now formally recorded, and the notes submitted to the TME. JL would also consider whether any decisions made at Executive Team Meetings should have been taken at the TME, as this would assist the development of the TME

11-22 Finance and Performance Committee, 14/11/17 & 27/11/17 (incl. quarterly progress update on Procurement Transformation Plan)

TL referred to the circulated report and highlighted the following points:

- Two Finance and Performance Committee meetings had been held since the last Trust Board meeting. The meeting on 14/11/17 had focused on the delivery of Divisional CIPs. Assurance was provided on the delivery of green-rated CIP schemes, but there was less confidence in the delivery of amber-rated schemes, which increased the size of the likely challenge for 2018/19. The lack of new ideas was concerning
- The meeting on 27/11/17 then reviewed the monthly performance, but involved an active debate regarding the year-end position, and in particular the impact of the current run-rate of a circa £2m per month deficit, which if extrapolated, could lead to a full year deficit of £24m
- The Director of Health Informatics attended to discuss the PAS and the plans regarding the development of a revised IT Strategy
- The quarterly update on the Procurement Transformation Plan had been considered and this had been submitted in full to the Board. The next report to the Finance and Performance Committee would include the values associated with the Plan

Other matters

11-23 Proposal regarding the Freedom to Speak up Guardian

KR referred to the circulated report and added the following points:

- The report described the background and development of the Freedom to Speak up Guardian role, both nationally and at the Trust
- Although the individual proposed to be the new Guardian was a senior member of the HR department, the proposed Non-Executive Director sponsor would increase the independence of the proposed approach

DH added that he intended that Steve Phoenix, the new Non-Executive Director who started in post on 01/12/17, be the Non-Executive Director sponsor.

SH noted that in the long term, the Freedom to Speak up Guardian role needed to align with the Trust's anonymous reporting process, and also involve representatives from Staff Side. SH continued that this could perhaps result in the Trust having several Guardians.

MC welcomed the Non-Executive Director sponsor role, but emphasised that staff could approach any Non-Executive Director with any concerns. The point was acknowledged.

The Trust Board approved the proposals regarding the appointment of the Freedom to Speak Up Guardian (and Freedom to Speak Up 'sponsor'), as circulated.

DH noted that a communication plan was required to ensure staff were aware of the changes.

11-24 Trust Board development framework

DH referred to the circulated report and made the following points:

- There had been a number of changes in Trust Board Members over the past year
- The Trust Board 'Away Day' on 07/12/17 would involve a discussion about future Board development, but DH was keen to not leave the impression that there had been no such development, so KR had described the existing support and development in place to support the effective functioning of the Board
- A decision needed to be taken as to whether some Board seminars should be established, to supplement the formal Trust Board meetings, and the practicalities of this would be discussed at the 'Away Day' on 07/12/17

11-25 To consider any other business

The Trust Board delegated the authority to the 'Part 2' Board meeting being held later that day to make a decision regarding the STP Public Consultation Business Case (PCBC), and in particular

whether the Board was able to support DH signing a letter to the Chair of the Joint Committee of Clinical Commissioning Groups (JCCCG).

11-26 To receive any questions from members of the public

No questions were posed.

11-27 To approve the motion that in pursuance of the Public Bodies (Admission to Meetings) Act 1960, representatives of the press and public now be excluded from the meeting by reason of the confidential nature of the business to be transacted

The motion was approved, which enabled the 'Part 2' Trust Board meeting to be convened.

Trust Board Meeting – December 2017

12-4 Log of outstanding actions from previous meetings

Chair of the Trust Board

Actions due and still 'open'

Ref.	Action	Person responsible	Original timescale	Progress ¹
7-11 (July 17)	Arrange for an assessment of the feasibility of establishing a 'finder fee' arrangement for staff who introduce individuals who were subsequently appointed to vacant Nursing positions	Chief Nurse	July 2017 onwards	<div></div> <p>The issue has been discussed at the Recruitment & Retention group and an outline paper has been prepared for Executive Team discussion and consideration. The Executive Team agreed to the principle, but asked that further work be undertaken on the specific details (which is not yet complete). A further verbal update will be given at the Trust Board meeting.</p>
10-26 (Oct 17)	Arrange for the Non-Executive Directors to be notified of any pre-arranged visits to clinical areas by members of the Executive Team, to enable Non-Executive Directors to take part in the visit, if convenient	Trust Secretary	October 2017 onwards	<div></div> <p>Non-Executive Directors will aim to be notified of any scheduled visits. However, the Safety Walkarounds process will be reviewed in the near future, and this may affect the future scheduling of visits to clinical areas.</p>

Actions due and 'closed'

Ref.	Action	Person responsible	Date completed	Action taken to 'close'
11-3 (Nov 17)	Amend the minutes of the 'Part 1' Trust Board meeting held on 18/10/17	Trust Secretary	November 2017 onwards	The minutes were amended
11-9 (Nov 17)	Amend Objective 2 within the Board Assurance Framework to reflect its relevance to the "Caring" and "Responsive" CQC domains	Trust Secretary	December 2017	The Board Assurance Framework (BAF) was amended (and this is next scheduled to be submitted to the Board in February 2018)
11-13 (Nov 17)	Circulate, to Trust Board Members, the presentation given under the "A Trust-wide approach to improvement" item at the Trust Board on 29/11/17	Trust Secretary	November 2017	The presentation was circulated to Trust Board Members on 29/11/17

1

Not started

On track

Issue / delay

Decision required

Actions not yet due (and still 'open')

Ref.	Action	Person responsible	Original timescale	Progress
7-14 (July 17)	Arrange for details of the length of the Trust's backlog maintenance programme to be included in future Estates and Facilities Annual Reports	Chief Operating Officer	July 2018	<div></div> <p>The Director of Estates and Facilities has been notified of the request, and been asked to ensure the information is included in the 2017/18 Annual Report, which is scheduled to be considered by the Trust Board in July 2018</p>

Trust Board meeting - December 2017

12-6 Chair's report

Chair of the Trust Board

Board Appointments

Since the last Board meeting, the Trust has completed the recruitment process for a substantive Chief Executive, and I can confirm the appointment of Miles Scott, with effect from January 8, 2018. Miles has 30 years of NHS management experience, including 15 years at CEO level, and I look forward to his ambition, experience and resilience contributing to the journey of improvement that our Board is fully committed to making, with the engagement of all our excellent staff.

I would like to take this opportunity to pay tribute to Jim Lusby, firstly for covering a major part of the Chief Executive duties during the period since 2016 when our own Chief Executive, Glenn Douglas, was spending significant time as STP Lead Officer; and secondly as Acting Chief Executive since September 2017. I would pay tribute to his professionalism and loyalty to the Trust over the period these changes have taken place.

Since the last Board meeting, as previously noted, our new Director of Workforce, Simon Hart, and our new NED, Steve Phoenix, have both joined the Board, with effect from December 1, 2017. I extend our welcome to both of them, attending their first Board today.

Consultant Appointments

As noted at the previous meeting, I and my Non-Executive colleagues are responsible for chairing Advisory Appointment Committees (AACs) for the appointment of new substantive Consultants, and the Trust follows the Good Practice Guidance issued by the Department of Health, in particular delegating the decision to appoint to the AAC, evidenced by the signature of the Chair of the AAC and 2 other Committee members. The delegated appointments made by the AAC since the start of 2017/18 are provided below. Subsequent reports will provide details of any AACs that have been held since the previous report.

AAC recommended Consultant appointments (dependant on compliance or withdrawal)					
Date of AAC	Title	First name	Surname	Department	Potential/Actual Start date
21/04/17	Dr	Jasmine	Ishorari*	Rheumatology	11/10/17
19/05/17	Dr	Nitin	Raichura*	Radiology	02/10/17
19/05/17	Dr	Vanja	Willis	Histopathology	07/06/17
07/07/17	Mr	Timothy	Cochrane	Ophthalmology	10/07/17
21/07/17	Mr	Thomas	Smith*	Urology	04/10/17
13/10/17	Dr	Nikhail	Balani	Anaesthetics	Mar 2018
27/10/17	Dr	Mamuka	Kupharadze	Care of the Elderly	Feb 2018
25/10/17	Dr	Patryk	Brulinski	Clinical Oncology	14/11/17
01/11/17	Dr	Nisha	Krishnan	Obs & Gynae	July 2018
01/11/17	Dr	Rasana	Bajracharya	Obs & Gynae	17/11/17
01/11/17	Dr	Oliver	Wildman	Obs & Gynae	16/11/17

N.B. the appointments marked with an * were included in the "New substantive Consultant appointments" listed included in my report to the November 2017 Board meeting.

Which Committees have reviewed the information prior to Board submission?

- N/A

Reason for submission to the Board (decision, discussion, information, assurance etc.)¹

Information and assurance

¹ All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

Trust Board meeting - December 2017

12-7 Chief Executive's report

Acting Chief Executive

I wish to draw the points detailed below to the attention of the Board:

1. Maidstone and Tunbridge Wells NHS Trust is continuing to work closely with colleagues throughout the local health economy to keep patients safe and provide the best possible quality of care this winter. This collective approach to healthcare in West Kent involves public health, social care, primary and secondary care providers working together to support patients both at home and in hospital.

We proactively launched further hospital-based initiatives this month to improve hospital flow. Our clinical teams are leading a Best Care Best Patient Flow initiative at Tunbridge Wells Hospital throughout December to ensure our emergency flows are as efficient as possible. The early signs are that this initiative is being very beneficial. The improvements we have seen and are clearly capable of delivering now need to be sustained throughout the coming months.

At the same time we have started to transfer some planned elective patient procedures from Tunbridge Wells to Maidstone Hospital. This is a proactive move to use the resources in our hospitals as wisely as possible for our patients. Last year we had to reschedule 500 pre-planned procedures due to increases in emergency demand.

Much of this builds on the fantastic work that goes on in the Trust day after day. I received yet another reminder of this in a letter I received recently from a patient who was brought into Tunbridge Wells by ambulance. He was treated quickly and in a caring and reassuring way before later being transferred to Peale Ward in Maidstone, where his view was that Hilary Bulmer and her team were a "superb example of the NHS working at its best. The ward runs like clockwork and there is great teamwork plus an excellent atmosphere within the ward."

2. We have now completed all of the planned elements of our annual Care Quality Commission inspection. The CQC inspectors carried out their pre-planned Well-Led inspection at the Trust last week (December 12 and 13). The CQC inspection team thanked our staff for being helpful and supportive during this process and were able to see the improvements we have made since our last inspection three years ago.
3. I would like to congratulate all of our staff for their achievements throughout 2017. As I mentioned at our last meeting we were able to celebrate some of those achievements at our annual staff awards recently.

The energy and positivity at the awards ceremony was fantastic. The winner of this year's MTW team of the year is the Maidstone Short Stay Surgical Unit. Our Employee of the Year is A&E Matron Kate Holmes. Both displayed an absolute commitment to work with colleagues and champion patient care

Since our last Board meeting I have also had the privilege to see some of the good work our clinical teams are carrying out for our patients through Listening into Action (LiA).

Many of the teams involved in LiA have looked at the way they see patients in areas of high demand. The changes are enabling many of them to focus on more of their patients who need acute care, while giving all of their patients a better experience. The progress made through LiA initiatives is being formally captured and will be celebrated across the Trust.

4. Maidstone Hospital League of Friends and MTW's Kent Oncology Health and Wellbeing Centre project are both in the running to become the Kent Messenger Charity of the Year for 2018. They are two of 12 great causes nominated for the honour and we should hear just before Christmas whether one or other has been successful.

5. I would also like to take this opportunity to publicly commend Susan Powley and Sarah Gregson who have been shortlisted for Royal College of Midwives awards for Excellence in Maternity Care.
6. In another positive move for patients at MTW, Louise Gilham has been appointed as a new Mesothelioma Clinical Nurse Specialist (CNS) to support patients across Kent.

Mesothelioma is a form of deadly cancer caused by exposure to asbestos. The UK has the highest incidence of the disease in the world. There were around 178 patients diagnosed with mesothelioma in the Kent area during 2015-2016.

Louise will be based at Tunbridge Wells Hospital and this new post has been made possible through funding from Mesothelioma UK, a national charity dedicated to this asbestos-related cancer. In addition to clinical care for patients, Louise will also support the teams of healthcare professionals throughout Kent helping to optimise patient access to treatments and promoting clinical trials.

7. Cancer patients with 'moving' tumours will be treated with ever greater accuracy now thanks to a state of the art radiotherapy machine that can track and target cancers by making 10,000 calculations a second.

On Thursday 7 December, Kent Oncology Centre at Maidstone Hospital officially brought its brand new radiotherapy machine into service. It has the latest "Truebeam" precision treatment technology installed. This £2m technology will help to more quickly and accurately treat certain types of cancers which can be relatively mobile within a patient's body.

Which Committees have reviewed the information prior to Board submission?

- N/A

Reason for receipt at the Board (decision, discussion, information, assurance etc.) ¹

Information and assurance

¹ All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

Trust Board meeting – December 2017



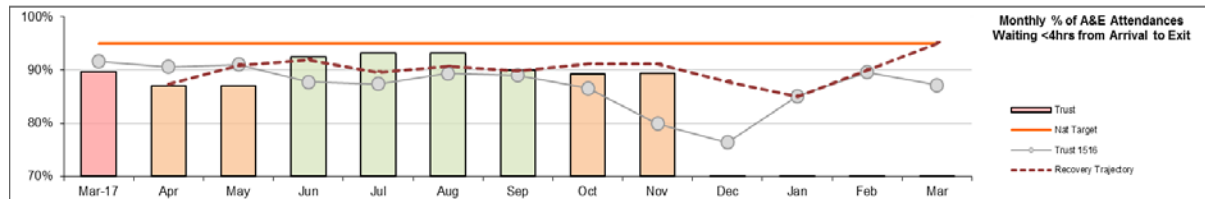
12-8 Integrated Performance Report, November 2017	Chief Executive / Members of the Executive Team
<p>The enclosed report includes:</p> <ul style="list-style-type: none"> ▪ The 'story of the month' for November 2017 (including Emergency Performance (4 hour standard); Delayed Transfers of Care (DTOCs); Cancer 62 day First Definitive Treatment) and Referral to Treatment (RTT) ▪ A Quality and Safety Report ▪ An Infection Prevention and Control Report ▪ A financial commentary ▪ A workforce commentary ▪ The Trust performance dashboard ▪ An explanation of the Statistical Process Control charts which are featured in the "Integrated performance charts" section ▪ Integrated performance charts ▪ The Board finance pack 	
<p>Which Committees have reviewed the information prior to Board submission?</p> <ul style="list-style-type: none"> ▪ Finance & Performance Committee (in part) 	
<p>Reason for receipt at the Board (decision, discussion, information, assurance etc.) ¹</p> <p>Review and discussion</p>	

¹ All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

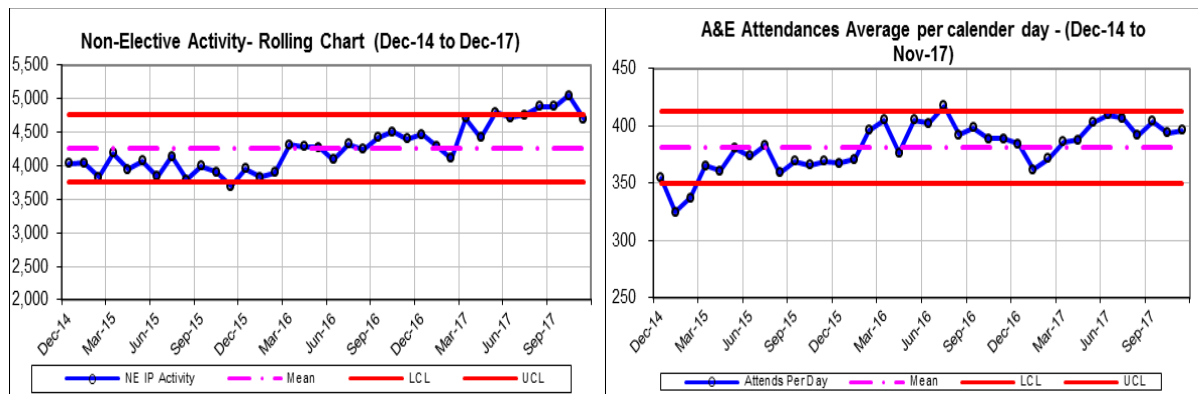
The 'story of the month' for November 2017

1. 4 hour emergency standard

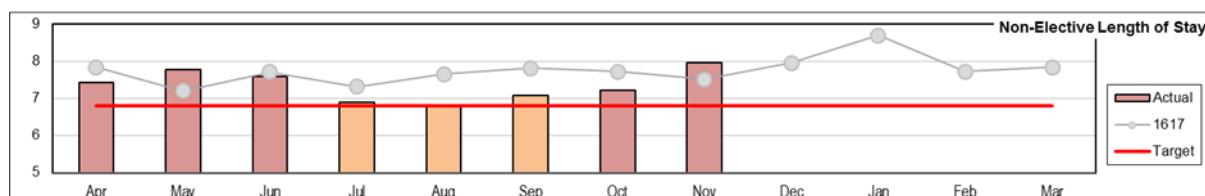
Performance for the Trust for November delivered below the expected trajectory despite the continuing focus on patient flow and capacity across the non-elective pathway. The 89.4% achievement was an improvement of 2.8% compared to the same month last year. The Trust is aiming to achieve 90% or more for A&E every month.



- A&E Attendances remain higher than last year but the activity is returning to the previous expected levels rather than the continuous growth that we have seen over the last 18 months.
- Non-Elective Activity (excluding Maternity) however remains considerably above plan 34.5% higher than plan for Nov at 4,095 discharges, and 7.7% higher than November last year



- Non-elective LOS was 7.96 days for November discharges. The reduction in LOS for Care of the Elderly patients at Maidstone following the opening of the Acute Frailty Unit is still apparent; however the average LOS has increased. The average LOS for these patients has been adversely affected by some very long LOS patients being discharged in November – without these the average for these patients would have been around 8.5 days). T&O saw a reduction of 0.7days in LOS at Tunbridge Wells in November



- The average occupied bed days remained at 757 in November

The intensive focus on managing capacity and flow remains in place with daily oversight at senior management and clinical level on the front door pathways and especially on reducing length of stay on the wards. The urgent care division are working collaboratively with system partners to address and change longstanding issues affecting patient transfers and discharges. The most effective changes to date have been:

- Increasing the level of senior doctor cover in the ED at specific times of the day.
- Twice daily board rounds on AMUs
- Frail Elderly Unit at Maidstone
- Focus on SAFER to achieve an improved length of stay.

- Weekly review of the KPI dashboard to monitor improvements
- Daily breach analysis & RCA reviews as appropriate
- Winter "Capacity Huddle"s commenced chaired by the COO
- Implementation of Live Data dashboards to give an understanding of the current position
- Daily system-wide DTOC huddles chaired by the CEO.
- The Trust has commissioned an external company, 2020 Productivity, to support the overall delivery of the urgent care improvement

2. Delayed Transfers of Care

The percentage of delayed transfers of care has continued the downward trend in November at 4.8%. The number of bed days lost decreased from 1,201 in October to 1068 in November. We have experienced a greater focus from external partners on the exit routes from the hospital and have now rolled out Pathway 1 & 2 of the Home First initiative in full and there are positive plans in place to implement pathway 3 during December. The Frail Elderly unit at Maidstone is operating effectively with plans for the TWH Frailty Unit in advanced development but with limiting factors of staffing and capacity being a key risk.

Row Labels	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
A : Awaiting Assessment	12	20	22	32	14	14	13	11	7	2	2	7	6
B : Awaiting Public Funding	3	6		4	3	1	3	3	3	2		2	1
C : Awaiting Further Non-Acute NHS Care	6	23	8	13	16	17	21	27	11	8	21	15	10
Di : Awaiting Residential Home	19	21	30	24	35	21	8	16	16	23	32	21	19
Dii : Awaiting Nursing Home	63	112	78	77	76	57	70	94	53	63	42	46	54
E : Awaiting Care Package	51	89	49	30	38	35	39	43	27	27	32	24	36
F : Awaiting Community Adaptations	5	7	9	10	13	6	8	7	15	8	5	10	12
G : Patient or Family Choice	16	14	9	19	28	6	10	8	10	13	14	28	38
H : Disputes	1			1	1	1	1	2		1			1
I : Housing	4	8	3	5	4	3	3	5	6	8	2	2	1
Grand Total	180	300	208	215	228	161	176	216	148	155	150	155	178
Trust delayed transfers of care	6.3%	8.1%	6.7%	7.1%	6.2%	5.6%	6.0%	6.1%	5.4%	4.5%	5.3%	5.3%	4.8%

3. Cancer 62 Day First Definitive Treatment

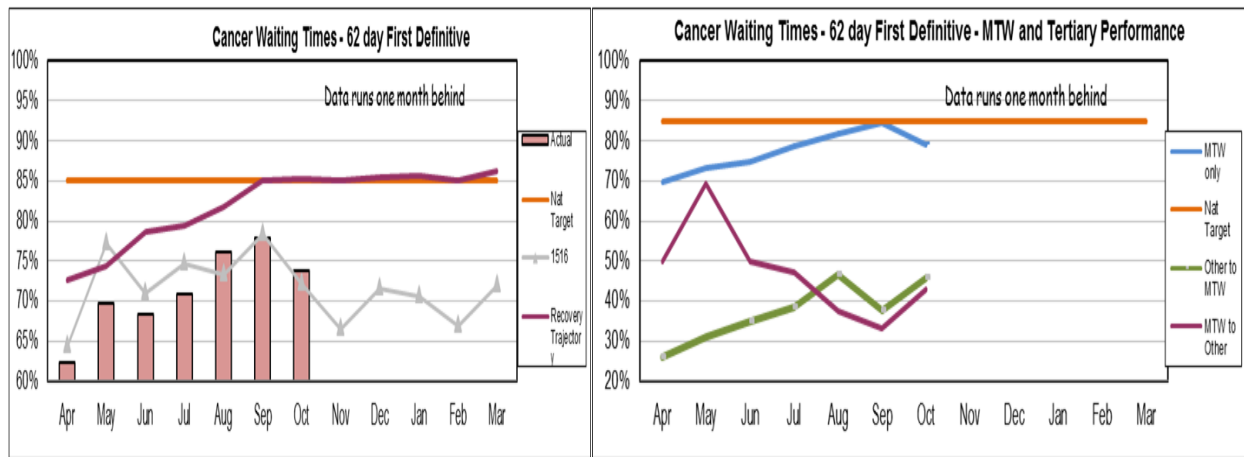
Following the improving trend over the last three months, the 62 day performance decreased in October to 73.8%. Performance in October has been impacted by the changover the new PAS system.

The delivery plan remains focused both on patients in the 40 -62 day category and those who have already breached to bring them in for treatment sooner to help reduce the backlog. The total number of breached patients was higher than in September but treatments were also higher in October than in September. 97.5 treatments were completed in October.

The key improvement initiative for the cancer services is the **daily huddle** where the focus is on the next event for individual patients (outpatient appt, test, result review, date for treatment) that is needed to pull them through the pathway, with any delays or blocks being actioned on the same day.

The Oncology PTL is taking place weekly to replicate the main PTL meeting in order to progress radiotherapy and chemotherapy treatments and oncology are calling in to the daily huddle as well

In addition, straight to test triage clinics are now well established for colorectal and lung referrals. This is reducing the overall length of pathways for these patients and has significantly improved the performance of lower GI.



62 Day Performance - All				62 Day Performance - MTW			
Tumour	Total	Brch	%	Tumour	Total	Brch	%
Breast	22	1.5	93.2	Breast	21	1	95.2
Lung	10.5	5.0	52.4	Lung	7	3	57.1
Haemat.	3.5	1.5	57.1	Haemat.	3	1	66.7
Upper GI	2.5	1.0	60.0	Upper GI	1	0	100
Lower GI	13.5	6.0	55.6	Lower GI	12	5	58.3
Skin	1.0	1.0	0.0	Skin	0	0	0
Gynae	11.5	3.0	73.9	Gynae	9	2	77.8
Urology	28.5	5.5	80.7	Urology	27	5	81.5
Head & Nk	4.0	1.0	75.0	Head & Nk	2	0	100
Sarcoma	0.0	0.0	0.0	Sarcoma	0	0	0.0
Other	1.5	1.0	33.3	Other	0	0	0
Total	97.5	25.5	73.8	Total	82	17	79.3

In October, Urology and Lower GI have contributed the largest number of breaches overall.

MTW only patient performance in percentage terms continues to improve month on month.

Breaches for Breast in absolute numbers have reduced compared to the previous month

4. Referral To Treatment – 18 weeks

November performance shows the Trust continues to forecast non-compliance with the Incomplete RTT standards at an aggregate level – 84.8% which has declined slightly since last month. Our trajectory requires us to achieve 92% by the end of November 2017.

The Trust is investigating some 52wk breaches which have been highlighted but these have not been concluded currently.

The Trust continues to be non-compliant at a speciality level for T&O, Gynae, ENT, Ophthalmology, Neurology and Endocrinology. The majority of the backlog is concentrated in T&O, Gynae, ENT, and Neurology-all of which are being carefully monitored against action plans put in place to reduce their longest waiters. All these specialities are trying to continue to reduce their backlogs despite cancellations by maximising available capacity across both sites and focusing capacity on booking patients within the backlog to all available sessions, including Saturdays.

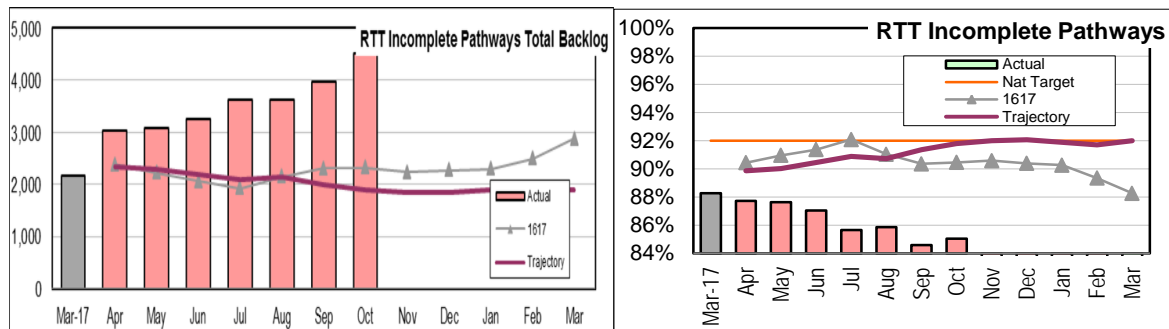
	Nov-17	Nov-17 Trajectory	Variance from trajectory
RTT Backlog Incomplete	4962	1850	3112
RTT Waiting List	32712	23132	9530
RTT Incomplete performance %	84.8%	92%	-7.2%

Operational teams have focused their recovery plans to increase elective activity and arrange extra clinics to ensure the backlog does not grow further. The key actions are:

- Improve overall theatre utilisation to increase levels of elective activity. The Trust has commissioned a productivity company – FourEyes to support us with this work.
- Implement remedial actions to specialties furthest from trajectory - T&O, Gynaecology, and ENT, including
 - the transfer of some elective cases from TWH to Maidstone (ENT & Gynae)

- Full utilisation of the Maidstone Orthopaedic Unit
- The transfer of some T&O & Gynaecology cases to DVH
- Continue weekly PTL/RTT performance monitoring to monitor overall performance
- Continuous validation of the waiting lists.

There were 157 operations cancelled on the day of which 30 were reportable.



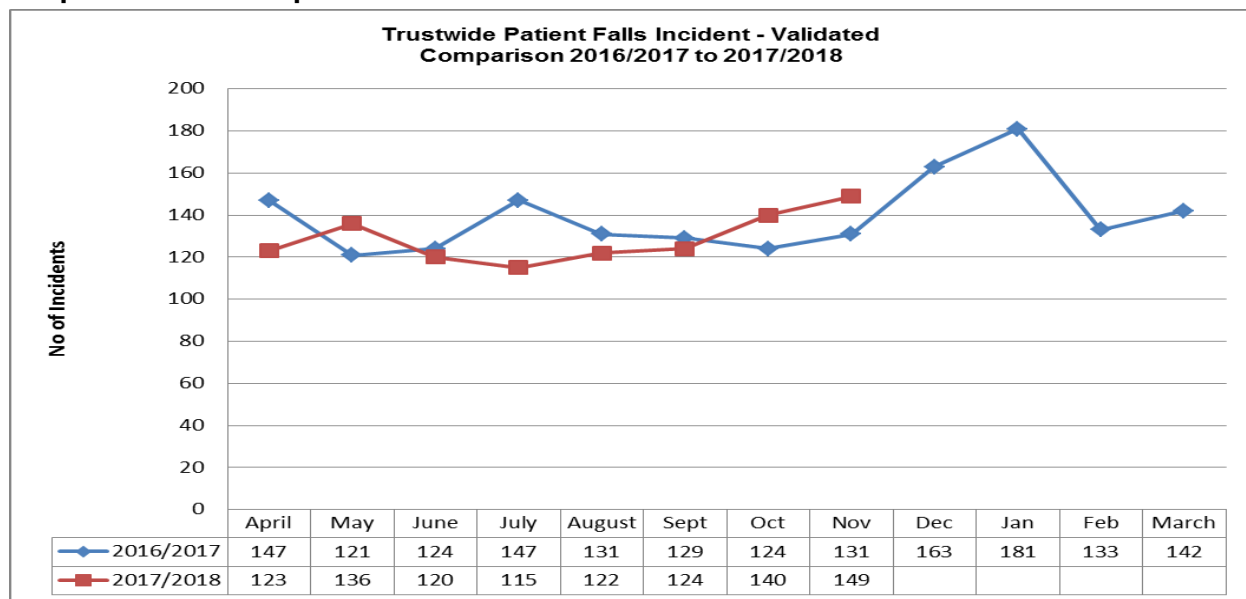
Quality and Safety November

Patient Falls incidents

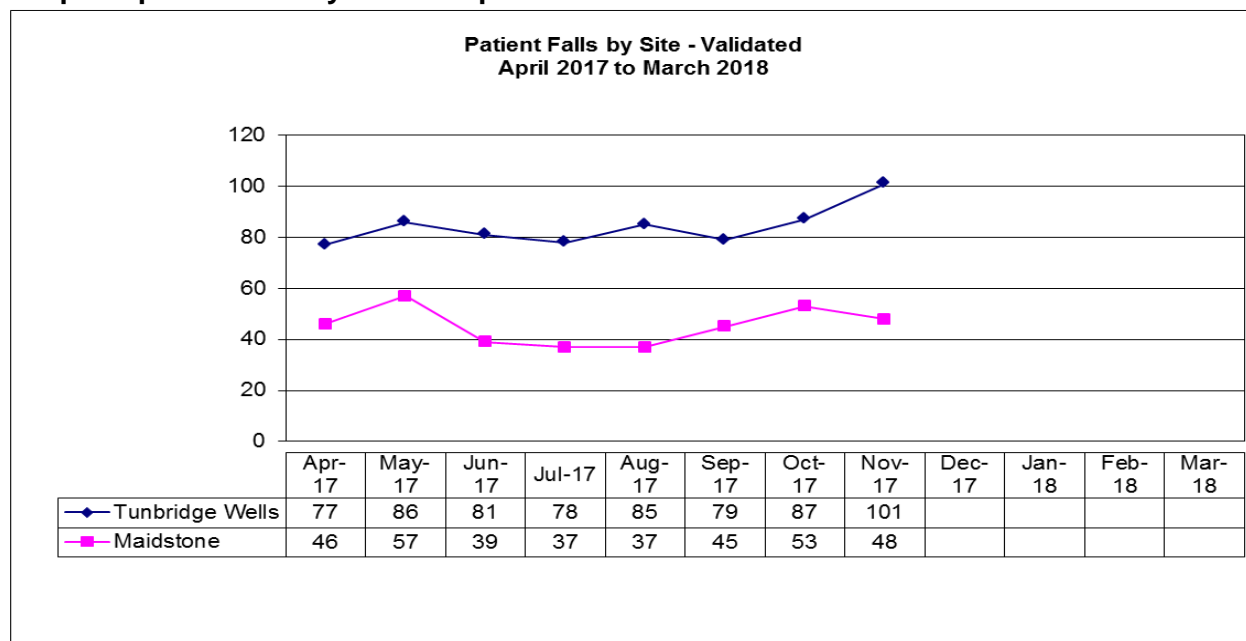
There were 149 falls reported for the month of November, this is a slight increase compared to 140 in October, this can be seen in graph 1, which provides a comparison year to date and to last year. The rate per 1000 bed days is currently 5.92 which is below our internal limit of 6.0. The breakdown of incidents by site is shown in graph 2, indicating a higher rate at Tunbridge Wells compared to Maidstone.

There have been 5 falls declared as Serious Incidents (SI) in November compared to 2 last month. This is the highest number of SIs for falls since July. The total number of falls SIs year to date now stands at 26 compared to 16 this time last year.

Graph 1: Trust wide patient falls.



Graph 2: patient falls by site for April 2017-March 2018



Learning identified through recent investigation of serious incidents relating to falls includes the following actions:

- Assessment for enhanced care to be undertaken when levels of acuity or dependence on ward is higher than usual.
- Falls assessment and care plan for falls prevention to be fully completed upon transfer from another ward.
- Patient was being supervised after declining assistance with transfer, and post fall actions appropriately applied to reduce further harm.
- Appropriate footwear and mobility aids available and in use by patient.

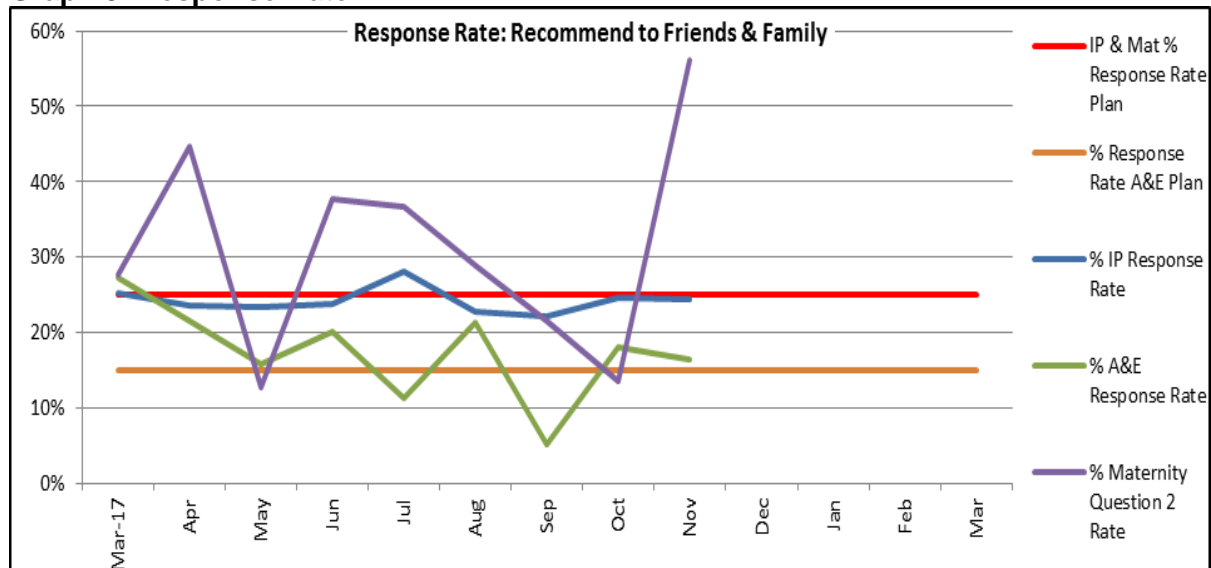
Friends and Family test

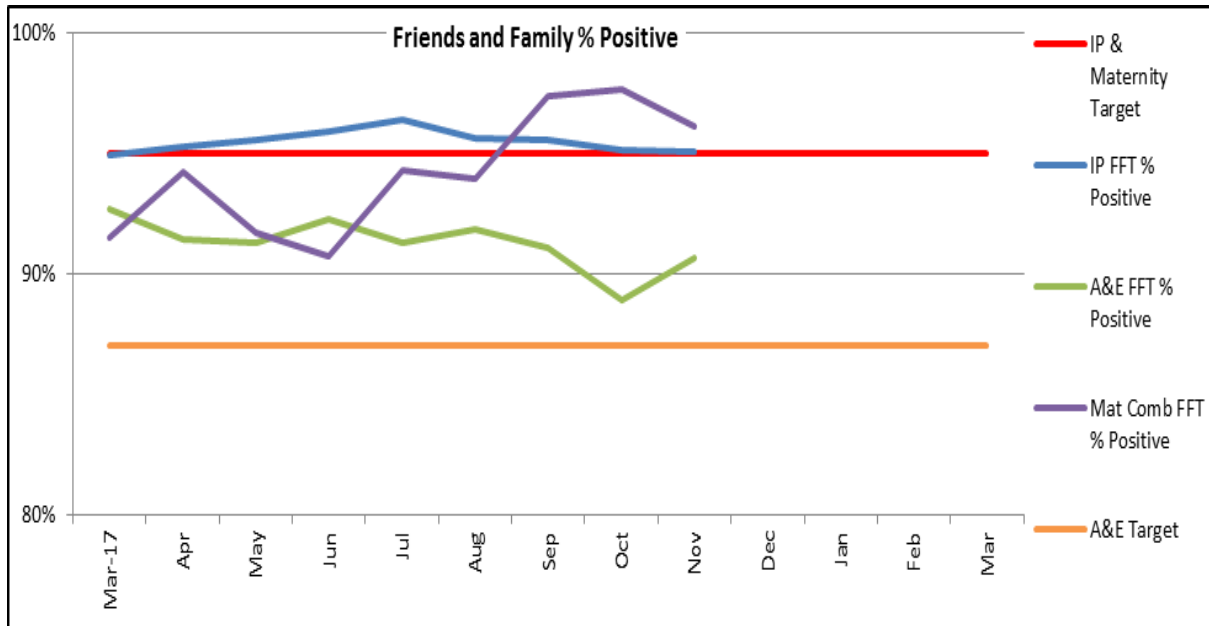
The response rates for November can be seen in graph 3, indicating that for in-patients and Accident & Emergency were either at or just below plan. There has been a marked increase in the maternity response rates for the month going from 13.6% last month to 56.1% this month. It has been confirmed by 'I Want Great Care' (IWGC) that this was all 'in month' data without any outstanding missed cards from the previous month. IWGC confirm that the Maternity specialty, generally, can see this change in pattern at times. In addition, following the decrease in October's response rate there was a renewed drive to increase the rate.

Positive response rate can be seen in graph 4. This indicates all areas are either at or above plan in terms of positive responses. Maternity has seen a slight drop in positive responses this month, as might be expected given the large volume of responses. However, maternity services remain above plan.

The FFT group continues to work with both IWGC and the directorates to ensure continued focus on administering the FFT and to enable teams to respond to any emerging themes. To this end the use of 'word clouds' has been fully implemented. Ward teams generally find this helpful in terms of objective review of their feedback. The review of the IWGC app is underway, and will be piloted in children's services; it is hope this will help improve overall response rates and response rates specifically from young people.

Graph 3: Response Rate

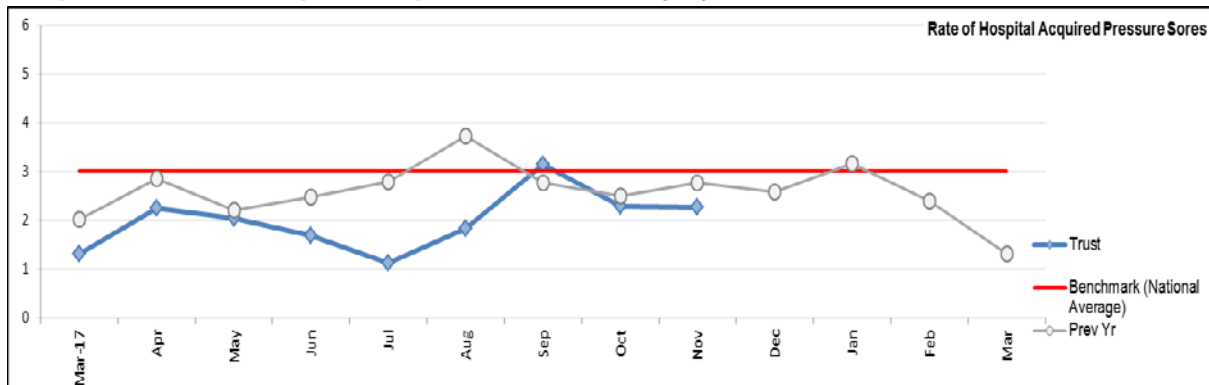


Graph 4: Positive responses**Pressure Ulcers:**

There has been a decrease in the number of pressure injury related incidents in November, with 12 hospital acquired incidents compared to 14 in October and 17 in September.

This equates to a rate (per 1000 admissions) of 2.27 for November compared to 2.77 this time last year. Our year to date rate is 2.08 compared to 2.76 this time last year. Our limit is set at 3.00 (Graph 5).

There has been one Serious Incident declared for pressure injury in November, this is for a category 3 pressure injury. This is currently under investigation.

Graph 5: Rate of Hospital Acquired Pressure Injury**Never Event:**

We have had one never event reported for November. This was a retained swap which was found during a planned second procedure. This is currently under investigation. This brings the total of never event to two for the year.

Complaints

There were 35 new complaints reported for November, which equates to a rate of 1.64 new complaints per 1,000 occupied bed days. This is a reduction compared 45 new complaints last month.

There has been further improvements in the number of complaints responded to within target, achieving 72.3% in November compared to 61.0 in October, this is against a target of 75%.

A number of measures introduced previously continue and include:

- Regular meetings continue with directorate links to monitor progress
- Daily complaints huddle introduced to review immediate deadlines and ensure all cases are allocated within capacity
- Weekly CCT review of all responses approaching deadlines continues with early escalation to the Chief Nurse
- Monthly performance review meetings with the Chief Nurse now take place to identify any problem areas.

Infection Prevention and Control

MRSA – There was one case of MRSA bacteraemia in November. A Serious Incident has been declared and the case has undergone full root cause analysis.

The patient was known to have been colonised with MRSA since December 2016 and continued to carry the organism despite multiple attempts to decolonise. The patient was admitted due to self-neglect and hypothermia. Full septic screen was done on admission and no evidence of sepsis was found. The patient had chronic leg ulcers which had been managed by the community nursing team and were clean and dry on admission. The patient continued to deteriorate. No antibiotics were given as there was no focus of infection until a fever occurred on day 5. Blood culture at this point grew MRSA. Throughout the admission all care was well documented and given appropriately. There were no concerns around cannula care and the patient was decolonised as per policy. No clear root cause was found beyond the known carriage.

With support and agreement from infection control leads at WKCCG and KCHFT, we have requested arbitration by Public health England to assign the case to a 'third party'. This would remove the case from the Trust dashboard. The outcome is expected in January.

The MRSA screening programme is integral to preventing MRSA bacteraemia. The screening rate for November was 98% for elective screening. Due to data issues following the Allscripts implementation it has not been possible to audit non-elective screening for the month.

C. difficile - There were 3 cases of post-72 hour *C. difficile* infection in November against a monthly limit of two cases. The current rate of *C. difficile* infection is 11.1 per 100 000 obd for the year to date. The trust is currently on trajectory for the year with 19 cases seen.

All cases are reviewed by the *C. difficile* panel. Learning from cases is shared at clinical governance meetings. A trend analysis is produced every six months and reported to the IPCC. The highest risk associated with causing *C. difficile* infection is the use of broad spectrum antibiotics.

Methicillin sensitive *Staphylococcus aureus* bacteraemia – 16 cases of hospital attributable MSSA bacteraemia have been seen year to date, 4 cases below the same period last year. More intensive monitoring of these bacteraemias is currently undertaken following increases in numbers in previous years, with all cases reviewed at the *C. difficile* panel and learning shared at clinical governance meetings.

Gram negative bacteraemia - Following the Secretary of State's announcement of a 50% reduction target in avoidable gram negative blood stream infection by 2020/21, data collection has been commenced to establish the baseline.

From the beginning of April epidemiological data has been collected on all cases of *Pseudomonas sp* and *Klebsiella sp* blood stream infection, in addition to the *E. coli* data collected for some years, and submitted to the national Data Collection System.

Financial commentary

- The Trusts deficit including STF was £2.9m in November which was £3.5m adverse to plan, due to, £1.1m STF underperformance in month due to non-delivery of the financial control target and A&E trajectory, £0.7m slippage against the original plan CIP phasing and adverse variances against budget.
- The Trust's net deficit (including technical adjustments) in October is £2.9m against a planned surplus of £0.6m, therefore £3.5m adverse to plan. The Trusts year to date net deficit (including technical adjustments) is £6.8m, £7.3m adverse to plan.
- The Trust's YTD deficit excluding STF is £10.7m which is £5.1m adverse to the plan.
- In November the Trust operated with an EBITDA deficit of £0.5m, an improvement of £0.1m between months but £3.6m adverse to plan.
- The Trusts deficit in November was £56k higher than the forecast, the key adverse movements to forecast were: Clinical Income (£0.3m adverse), mainly due to the reduction in the proportion of Non West Kent activity, partly offset by favourable variances within Other operating income (£0.1m) due to PFI Insurance income, Pay was £0.1m favourable to forecast and depreciation was £0.1m favourable to forecast.
- The key variances in the month are as follows:
 - Total income was £1.5m adverse in the month; Clinical Income excluding HCDs was £0.1m adverse in November. The key adverse variances in November were Elective & Day Cases (£0.5m) and Out Patient Activity (£0.7m) offset by favourable variances within non elective (£1.7m). The position included an favourable adjustment of £0.2m relating to the aligned incentive contract (£1.5m positive YTD). STF was £1.1 adverse in November due to non-delivery of the financial target, other operating income was £0.3m adverse due to underachievement of Private Patient income (£0.3m)
 - Pay was £1.1m adverse in the month, total pay spend (excluding reserves) was consistent with October and £65k lower than last month's forecast. Medical Staffing costs increased by £55k between months which was within T&O (£30k) and Obs and Gynae (£30k). Nursing costs increased by £160k between months, £100k due to recoding of some A&C staff to untrained nursing, Trained staffing costs increased by £113k between months due to an increase of 24 contracted WTE. Bank and Agency costs reduced by £47k between months although the increase in substantive staffing costs was £67k more than the reduction in temporary staff costs. Scientific and Technical staffs spend reduced by £84k between months this was mainly due to the release of £70k accrual and a reduction within Pharmacy agency usage. Support staff costs within Estates and Facilities reduced by £30k due to £20k increase in charge to Capital and a reduction in temporary staffing to cover vacant posts.
 - Non Pay was overspent by £1m in November mainly due to Clinical Supplies which was £0.7m adverse to plan (mainly due to unidentified CIP).
- The CIP performance in November delivered efficiencies of £2.3m which was £0.7m adverse to the phasing of the original plan, £6.3m adverse year to date. The adverse CIP position is the primary driver behind the pressure on the Trust's financial performance. The Trust has a risk adjusted CIP forecast of £23.3m, £8.4m adverse to plan.
- The Trust held £9.5m of cash at the end of November which is above plan (£5.6m). There was a significant improvement in reduction of debts to help improve the cash position. The Trust continues to proactively engage with NHS organisations trying to collect all agreed values and escalating any items disputed for resolution. It has also been agreed to switch to invoicing the STP budget in advance, rather than retrospectively. The STP budget was approved at the recent STP programme Board and it is anticipated that the outstanding invoices will be settled shortly.
- The Trust has received approval of all the phases for its Salix loan application of £744k for 2017/18 to support its energy infrastructure renewal. The Spring property is expected to complete as a sale during December. The sale is assumed in the Trust's capital resource, so if it does not complete the Trust might risk overspending its capital resource limit unless it could reduce spend accordingly. The Trust is already planning an underspend in depreciation to support the Income & Expenditure position but this needs to be matched by a corresponding reduction in the planned capital spend. Some major schemes (e.g. Energy infrastructure) have taken longer to initiate than planned which

will reduce the in-year depreciation. The current FOT of £11.65m (before donations and asset sales) reflects the maximum reduction if all the potential depreciation underspend occurs - this is still subject to confirmation during the third quarter.

Workforce commentary

As at the end of November 2017, the Trust employed 5060.7 whole time equivalent substantive staff, a 22.5 WTE increase from the previous month. While agency staffing is in line with plan, bank use is higher than planned, resulting in increased overall temporary staffing levels.

Sickness absence in the month (October) increased significantly by 1.5% to 4.70%. While this represents a significant increase on the previous month, this is partially due to an artificially lower September figure due to late sickness reporting. The rate of increase is somewhat slower than illustrated although the actual value is higher than expected. Directorates demonstrating the highest sickness rates include Facilities (7.67%), Children's Services (6.27%) and Specialty Medicine (6.06%). At a divisional level, Planned Care has a lower combined sickness absence rate (3.64%) than Urgent Care (5.63%) or Women, Children and Sexual Health (5.67%) albeit that all are over target for the month. This difference is largely attributable to higher long-term absence proportions in the divisions with high sickness rates. At a trust level, the breakdown in October is 47.57% short-term, 52.43% long term. Effective sickness absence management remains a key area of focus for the HR and operational management teams, particularly targeting long term sickness in outlying areas.

Statutory and mandatory training compliance has reduced marginally to 87.51%, but remains above the target percentage. In general, corporate areas demonstrate a higher level of training compliance, in line with the more limited range of training needs that are required. Directorates with lower overall compliance include Trauma and Orthopaedic (79.71%) and Acute and Emergency Medicine (81.88%).

Turnover has increased since last month to 12.01%, higher than target with outliers in Estates (31.14%) and ICT (25.93%). It should be noted that due to the 12 month rolling calculation, turnover figures typically move more slowly and incorporate historic data as well as the most recent month. HR Business Partners continue to work closely with divisional operational management teams in order to address areas which have a high turnover.

Appraisal compliance for October, following the end of the Trust's designated appraisal window in June, stands at 88.68%, an increase of 1.03% from the previous month.

TRUST PERFORMANCE DASHBOARD

Position as at:

30 November 2017

	Safe	Latest Month		Year to Date		YTD Variance		Year End		Bench Mark
		Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast	
1-01	*Rate C-Diff (Hospital only)	13.81	13.6	11.4	11.0	-0.4	-	11.5	10.3	
1-02	Number of cases C.Difficile (Hospital)	1	3	20	19	-1	-	27	27	
1-03	Number of cases MRSA (Hospital)	1	1	1	1	0	1	0	1	
1-04	Elective MRSA Screening	99.0%	98.0%	99.0%	98.0%	-1.0%	0.0%	98.0%	98.0%	
1-05	% Non-Elective MRSA Screening	96.0%	No data	96.0%	No data	-96.0%	-95.0%	95.0%	No data	
1-06	**Rate of Hospital Pressure Ulcers	2.77	2.27	2.76	2.08	- 0.68	- 0.93	3.01	2.31	3.00
1-07	***Rate of Total Patient Falls	5.89	6.74	5.76	5.90	0.14	- 0.10	6.00	5.80	
1-08	***Rate of Total Patient Falls Maidstone	6.05	5.75	5.21	5.32	0.10			5.07	
1-09	***Rate of Total Patient Falls TWells	5.77	7.35	6.18	6.28	0.10			6.30	
1-10	Falls - SIs in month	1	5	18	26	8				
1-11	Number of Never Events	1	1	2	2	0	2	0	2	
1-12	Total No of SIs Open with MTW	22	67			45				
1-13	Number of New SIs in month	7	17	70	114	44	34			
1-14	***Serious Incidents rate	0.32	0.77	0.40	0.66	0.26	0.60	0.0584 - 0.6978	0.66	0.0584 - 0.6978
1-15	Rate of Patient Safety Incidents - harmful	0.56	0.84	0.63	1.16	0.53	- 0.07	0 - 1.23	1.16	0 - 1.23
1-16	Number of CAS Alerts Overdue	0	0			0	0	0		
1-17	VTE Risk Assessment	95.0%	95.2%	95.2%	96.3%	1.0%	1.3%	95.0%	96.3%	95.0%
1-18	Safety Thermometer % of Harm Free Care	97.3%	97.6%	96.5%	97.3%	0.8%	2.3%	95.0%		93.4%
1-19	Safety Thermometer % of New Harms	2.39%	2.31%	3.29%	2.58%	-0.71%	-0.4%	3.00%	2.58%	
1-20	C-Section Rate (non-elective)	12.9%	11.8%	10.3%	14.0%	3.69%	-1.0%	15.0%	14.0%	

	Effectiveness	Latest Month		Year to Date		YTD Variance		Year End		Bench Mark
		Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast	
2-01	Hospital-level Mortality Indicator (SHMI)*****	Prev Yr: July 14 to June 15		1.0260	1.0878	0.1	0.1	Band 2	Band 2	1.0
2-02	Standardised Mortality HSMR	Prev Yr: Apr 15 to Mar 16		107.0	104.3	- 2.7	4.3	Lower confidence limit to be <100		100.0
2-03	Crude Mortality	1.3%	1.0%	1.2%	1.1%	-0.1%				
2-04	****Readmissions <30 days: Emergency	11.9%	10.6%	11.7%	12.1%	0.4%	-1.5%	13.6%	12.1%	14.1%
2-05	****Readmissions <30 days: All	11.0%	9.8%	10.9%	11.4%	0.5%	-3.2%	14.7%	11.4%	14.7%
2-06	Average LOS Elective	3.09	2.84	3.24	3.34	0.10	0.13	3.20	3.20	
2-07	Average LOS Non-Elective	7.51	7.96	7.58	7.34	- 0.23	0.54	6.80	7.34	
2-08	*****FollowUp : New Ratio	1.77	1.59	1.80	1.72	- 0.09	0.20	1.52	1.72	
2-09	Day Case Rates	85.0%	85.9%	85.0%	85.9%	1.0%	5.9%	80.0%	85.9%	82.2%
2-10	Primary Referrals	10,323	11,366	79,742	75,431	-5.4%	-3.0%	119,266	111,800	
2-11	Cons to Cons Referrals	5,482	4,379	41,748	35,179	-15.7%	-9.0%	58,644	52,140	
2-12	First OP Activity (adjusted up in Oct/Nov)	17,970	18,110	134,854	129,061	-4.3%	-2.8%	201,705	191,287	
2-13	Subsequent OP Activity (adjusted up in Oct/Nov	33,292	27,406	251,695	228,692	-9.1%	-6.6%	383,906	338,954	
2-14	Elective IP Activity	669	579	5,464	4,649	-14.9%	-21.9%	8,303	6,890	
2-15	Elective DC Activity	4,020	3,465	30,643	28,155	-8.1%	-6.4%	43,602	41,730	
2-16	**Non-Elective Activity (adjusted up in Oct)	4,398	4,698	34,560	38,099	10.2%	22.8%	46,435	56,992	
2-17	A&E Attendances (Inc Clinics. Calendar Mth)	13,321	13,803	112,365	114,250	1.7%	1.3%	168,161	169,530	
2-18	Oncology Fractions	6,425	5,800	48,254	34,537	-28.4%	-31.6%	75,273	51,806	
2-19	No of Births (Mothers Delivered)	484	498	4,054	4,057	0.1%	1.8%	5,977	6,086	
2-20	% Mothers initiating breastfeeding	80.8%	82.1%	83.2%	81.6%	-1.6%	3.6%	78.0%	81.6%	
2-21	% Stillbirths Rate	0.4%	0.00%	0.20%	0.34%	0.1%	-0.1%	0.47%	0.34%	0.47%

	Caring	Latest Month		Year to Date		YTD Variance		Year End		Bench Mark
		Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast	
3-01	Single Sex Accommodation Breaches	12	0	12	13	1	13	0	13	
3-02	****Rate of New Complaints	1.52	1.58	1.69	1.83	0.1	0.51	1.318-3.92	1.80	
3-03	% complaints responded to within target	80.0%	72.3%	74.3%	62.2%	-12.1%	-12.8%	75.0%	62.2%	
3-04	****Staff Friends & Family (FFT) % rec care	0.0%	66.7%	0.0%	66.7%	66.7%	-12.3%	79.0%	66.7%	
3-05	*****IP Friends & Family (FFT) % Positive	95.8%	95.0%	95.4%	95.5%	0.2%	0.5%	95.0%	95.5%	95.8%
3-06	A&E Friends & Family (FFT) % Positive	88.9%	90.6%	90.4%	91.1%	0.7%	4.1%	87.0%	91.1%	85.5%
3-07	Maternity Combined FFT % Positive	93.5%	96.1%	93.6%	94.3%	0.8%	-0.7%	95.0%	95.0%	95.6%
3-08	OP Friends & Family (FFT) % Positive	83.5%	84.6%	82.7%	84.4%	1.7%			84.4%	

* Rate of C.Difficile per 100,000 Bed days, ** Rate of Pressure Sores per 1,000 admissions (excl Day Case), *** Rate of Falls per 1,000 Occupied Beddays, **** Readmissions run one month behind, ***** Rate of Complaints per 1,000 occupied beddays.
***** New :FU Ratio is now both consultant and non-consultant led for all specialties -plan still being agreed so currently last year plan
***** IP Friends and Family includes Inpatients and Day Cases *****SHMI is at Band 2 "As Expected" ** NE Activity Includes Maternity

Delivering or Exceeding Target		Please note a change in the layout of this Dashboard to the Five
Underachieving Target		CQC/TDA Domains
Failing Target		*****A&E 4hr Wait monthly plan is Trust Recovery Trajectory

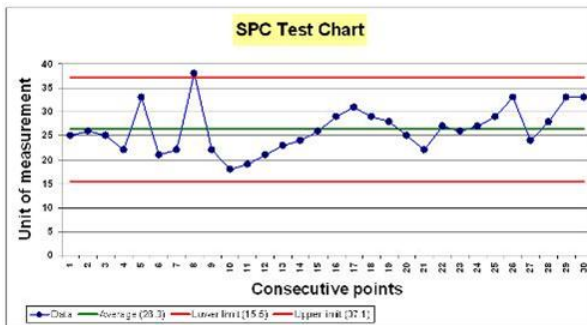
	Responsiveness	Latest Month		Year/Quarter to Date		YTD Variance		Year End		Bench Mark
		Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast	
4-01	*****Emergency A&E 4hr Wait	86.5%	89.36%	89.1%	90.2%	1.1%	-0.1%	90.1%	90.1%	84.9%
4-02	Emergency A&E >12hr to Admission	0	0	0	0	0	0	0	0	
4-03	Ambulance Handover Delays >30mins	New	746	New	3,924					
4-04	Ambulance Handover Delays >60mins	New	63	New	374					
4-05	RTT Incomplete Admitted Backlog	902	2305	902	2305	1,403	1,073	1,259	1259	
4-06	RTT Incomplete Non-Admitted Backlog	452	2597	452	2597	2,145	1,979	631	631	
4-07	RTT Incomplete Pathway	90.6%	85.0%	90.6%	85.0%	-5.6%	-5.9%	92%	92.0%	
4-08	RTT 52 Week Waiters	0	3	0	7	7	7	0	7	
4-09	RTT Incomplete Total Backlog	2,238	4902	2,238	4902	2,664	3,052	1,890	1890	
4-10	% Diagnostics Tests WTimes <6wks	99.82%	99.1%	99.7%	99.1%	-0.6%	0.1%	99.0%	99.0%	
4-11	*Cancer WTimes - Indicators achieved	5	5	2	5	3	- 4	9	9	
4-12	*Cancer two week wait	93.4%	88.3%	92.1%	88.3%	-3.8%	-4.7%	93.0%	93.0%	
4-13	*Cancer two week wait-Breast Symptoms	93.1%	93.3%	87.7%	93.3%	5.6%	0.3%	93.0%	93.0%	
4-14	*Cancer 31 day wait - First Treatment	98.5%	98.1%	96.8%	98.1%	1.3%	2.1%	96.0%	96.0%	
4-15	*Cancer 62 day wait - First Definitive	72.1%	73.8%	72.7%	73.8%	1.1%	-5.8%	85.0%	85.0%	
4-16	*Cancer 62 day wait - First Definitive - MTW	78.7%	79.3%	78.7%	79.3%	0.6%		85.0%		
4-17	*Cancer 104 Day wait Accountable	9.5	4.5	62.5	47.5	-15.0	47.5	0	47.5	
4-18	*Cancer 62 Day Backlog with Diagnosis	82	60	82	60	-22				
4-19	*Cancer 62 Day Backlog with Diagnosis - MTW	60	40	60	40	-20				
4-20	Delayed Transfers of Care	6.4%	4.8%	6.5%	5.4%	-1.1%	1.9%	3.5%	5.0%	
4-21	% TIA with high risk treated <24hrs	88.2%	76.9%	80.0%	71.0%	-9.0%	11.0%	60%	71.0%	
4-22	*****% spending 90% time on Stroke Ward	98.3%	88.9%	87.4%	91.4%	4.0%	11.4%	80%	91.4%	
4-23	*****Stroke:% to Stroke Unit <4hrs	56.9%	50.0%	51.7%	59.5%	7.7%	-0.5%	60.0%	60.0%	
4-24	*****Stroke: % scanned <1hr of arrival	63.8%	63.2%	56.0%	64.3%	8.3%	16.3%	48.0%	64.3%	
4-25	*****Stroke:% assessed by Cons <24hrs	79.3%	80.9%	64.4%	80.2%	15.8%	0.2%	80.0%	80.2%	
4-26	Urgent Ops Cancelled for 2nd time	0	0	0	0	0	0	0	0	
4-27	Patients not treated <28 days of cancellation	3	0	6	15	9	15	0	15	

RTT Incomplete Pathway Monthly Plan is Trust Recovery Trajectory
*CWT run one mth behind, YTD is Quarter to date, Monthly Plan for 62 Day Wait First Definitive is Trust Recovery Trajectory
*** Contracted not worked includes Maternity /Long Term Sick **** Staff FFT is Quarterly therefore data is latest Quarter

Well-Led	Latest Month		Year to Date		YTD Variance		Year End		Bench Mark
	Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast	
Income	36,072	34,516	284,065	291,107	2.5%	0.9%	436,682		
EBITDA	1,607	(451)	8,832	13,129	48.6%	-38.5%	38,055		
Surplus (Deficit) against B/E Duty	(1,177)	(2,895)	(13,123)	(6,760)			6,673		
CIP Savings	2,291	2,281	13,204	13,551	2.6%	-31.9%	31,721		
Cash Balance	4,125	9,489	4,125	9,489	130.0%	69%	1,000	1,000	
Capital Expenditure	662	421	2,402	2,770	15.3%	-76.7%	16,948	11,050	
Establishment WTE	5,720.7	5,609.0	5,720.7	5,609.0	-2.0%	0.0%	5,609.0	5,609.0	
Contracted WTE	5,165.0	5,060.7	5,165.0	5,060.7	-2.0%	-1.0%	5,110.1	5,110.1	
Vacancies WTE	555.7	548.3	555.7	548.3	-1.3%	9.9%	498.9	498.9	
Vacancy Rate (%)	9.7%	9.8%	9.7%	9.8%	0.1%	0.9%	8.9%	8.9%	
Substantive Staff Used	5,009.1	4,929.1	5,009.1	4,929.1	-1.6%	-3.8%	5,122.5	5,122.5	
Bank Staff Used	282.2	464.7	282.2	464.7	64.7%	39.4%	333	333.3	
Agency Staff Used	234.5	153.5	234.5	153.5	-34.5%	0.2%	153.2	153.2	
Overtime Used	40.9	54.0	40.9	54.0	32.1%				
Worked WTE	5,566.6	5,601.3	5,566.6	5,601.3		-0.1%	5,609.0	5,609.0	
Nurse Agency Spend	(581)	(738)	(5,837)	(4,916)	-15.8%				
Medical Locum & Agency Spend	(1,069)	(1,388)	(10,175)	(9,908)	-2.6%				
Temp costs & overtime as % of total pay bill	14.2%	16.2%	15.8%	15.3%	-0.5%				
Staff Turnover Rate	10.3%	12.0%		11.7%	1.7%	1.2%	10.5%	11.7%	11.05%
Sickness Absence	4.3%	4.7%		3.3%	0.4%	0.0%	3.3%	3.3%	4.3%
Statutory and Mandatory Training	89.8%	88.4%		87.8%	-1.4%	2.8%	85.0%	87.8%	
Appraisal Completeness	85.8%	88.7%		88.7%	2.9%	-1.3%	90.0%	90.0%	
Overall Safe staffing fill rate	98.3%	98.4%	99.1%	98.4%	-0.7%		93.5%	98.4%	
****Staff FFT % recommended work	62.3%	61%	62.3%	61%	-1.7%	-1.4%	62.0%	61%	
***Staff Friends & Family -Number Responses	422	33	422	33	-389				
*****IP Resp Rate Recmd to Friends & Family	25.6%	24.4%	23.0%	24.1%	1.1%	-0.9%	25.0%	25.0%	25.7%
A&E Resp Rate Recmd to Friends & Family	18.6%	16.4%	15.7%	16.2%	0.5%	1.2%	15.0%	16.2%	12.7%
Mat Resp Rate Recmd to Friends & Family	20.8%	56.1%	23.7%	31.0%	7.4%	6.0%	25.0%	31.0%	24.0%

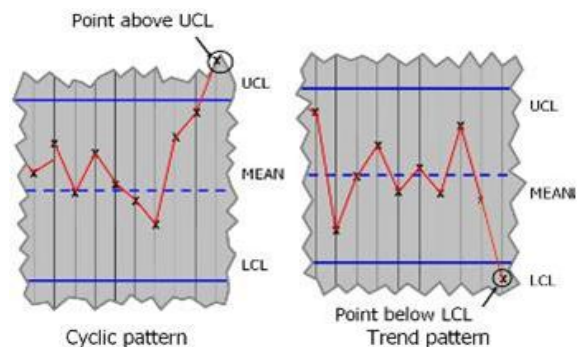
Explanation of Statistical Process Control (SPC) Charts

In order to better understand how performance is changing over time, data on the Trusts performance reports are often displayed as SPC Charts. An SPC chart looks like this:

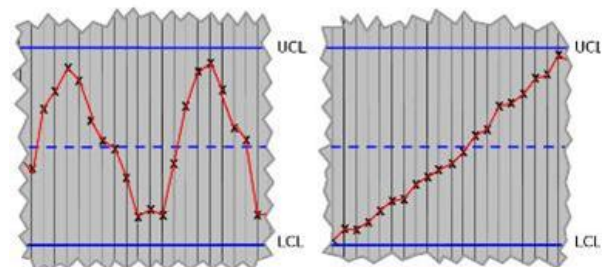


SPC is a type of charting that shows the variation that exists in the systems that are being measured. When interpreting SPC charts there are 4 rules that help to identify what the system is doing. If one of the rules has been broken, this means that 'special cause' variation is present in the system. It is also perfectly normal for a process to show no signs of special cause. This means that only 'common cause' variation is present.

Rule 1: Any point outside one of the control limits. Typically this will be some form of significant event, for example unusually severe weather. However if the data points continue outside of the control limits then that significant change is permanent. When we are aware of a significant change to a service such as Tunbridge Wells Hospital opening, then we will recalculate the centre and control lines. This is called a step change.

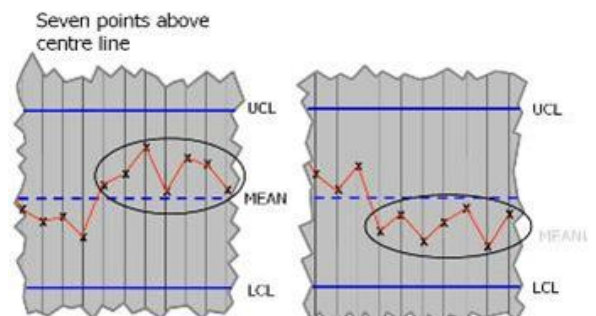


Rule 2: Any unusual pattern or trends within the control limits. The most obvious example of a cyclical pattern is seasonality but we also see it when looking at daily discharges where the weekends have low numbers. To qualify as a trend there must be at least 6 points in a row. This is one of the key reasons we use SPC charts as it helps us differentiate between natural variation & variation due to some action we have taken.

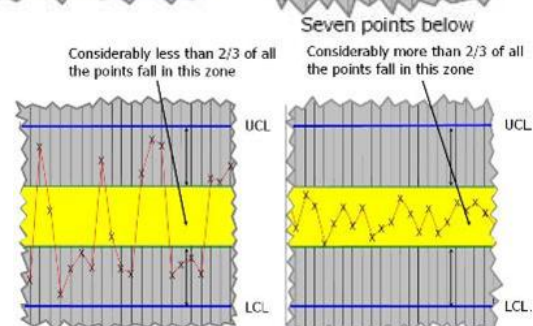


Rules 1 and 2 are the main reason for displaying SPC charts on our performance reports as it makes abnormally high or low values and trends immediately obvious. However there are two other rules that are also used to interpret the graphs.

Rule 3: A run of seven points all above or all below the centre line, or all increasing or decreasing. This shows some longer term change in the process such as a new piece of equipment that allows us to perform a procedure in an outpatient setting rather than admitting them. However alternating runs of points above the line then points below the line can also invoke rule 3.

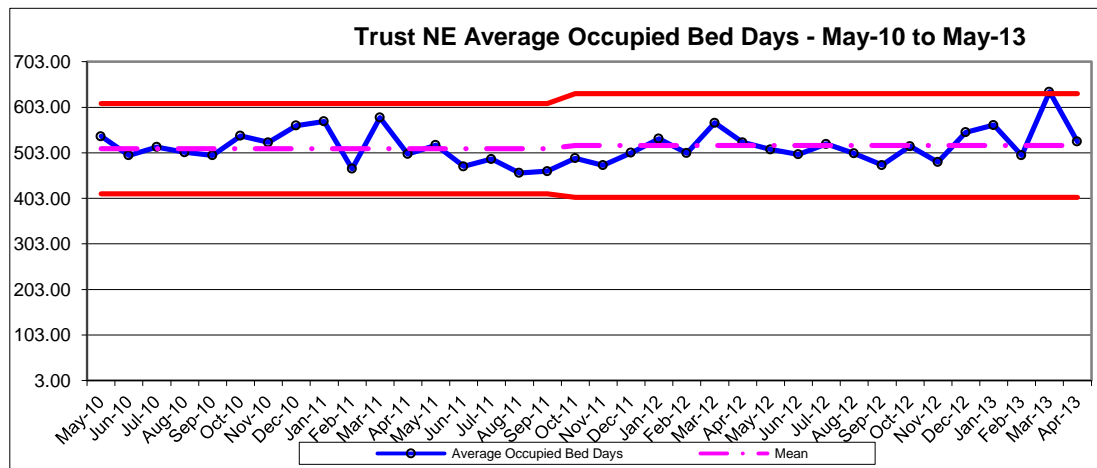


Rule 4: The number of points within the middle third of the region between the control limits differs markedly from two-thirds of the total number of points. This gives an indication of how stable a process is. If controlled variation (common cause) is displayed in the SPC chart, the process is stable and predictable, which means that the variation is inherent in the process. To change performance you will have to change the entire system.

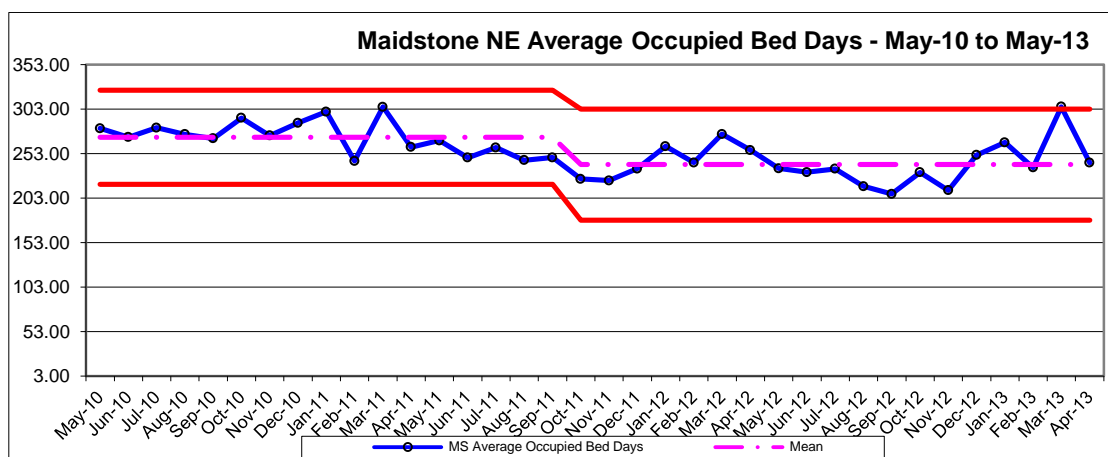
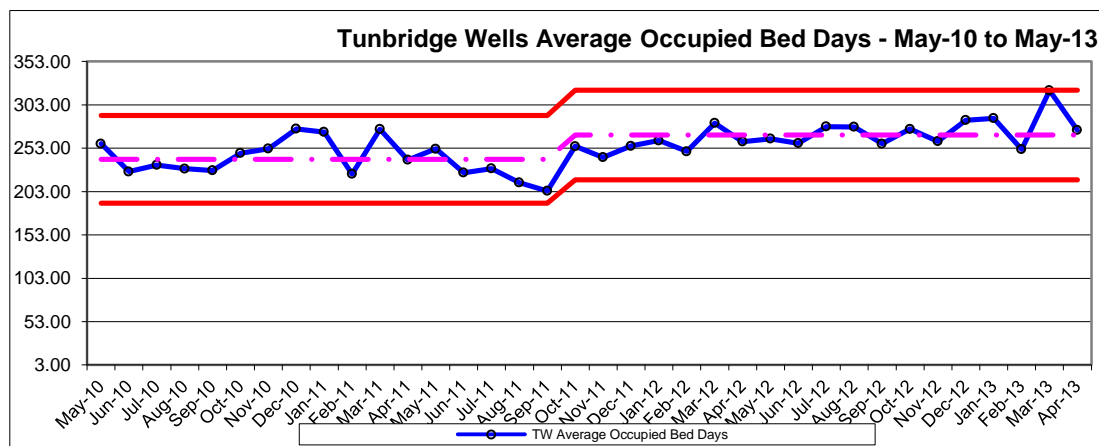


Changes to Control Lines

When there are known changes to the services we provide we reset the calculations as at the date of that change. For example you will see in the graph below that we have re-calculated the control lines from October 2011 onwards. This is to reflect the move of services to the new Tunbridge Wells Hospital in late September.



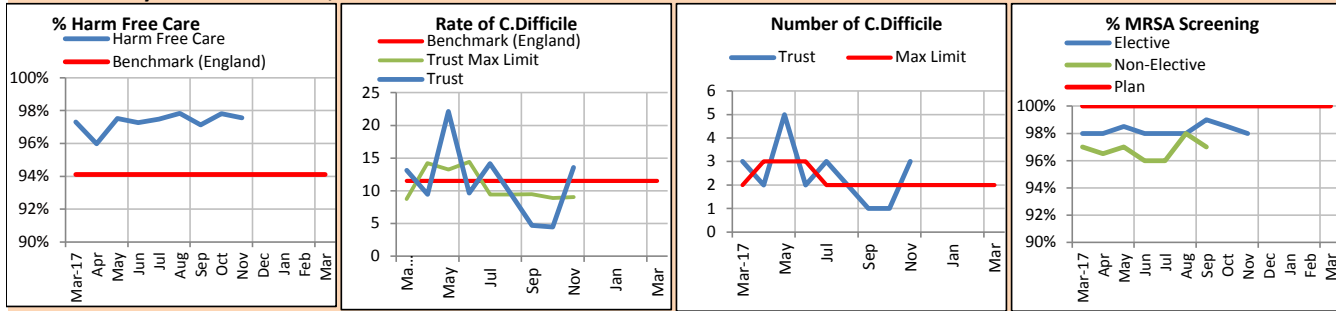
The change is not immediately obvious in the graph above if you look at just the blue line, but we know there were major changes to our inpatient beds. Looking at site level the change is more obvious:



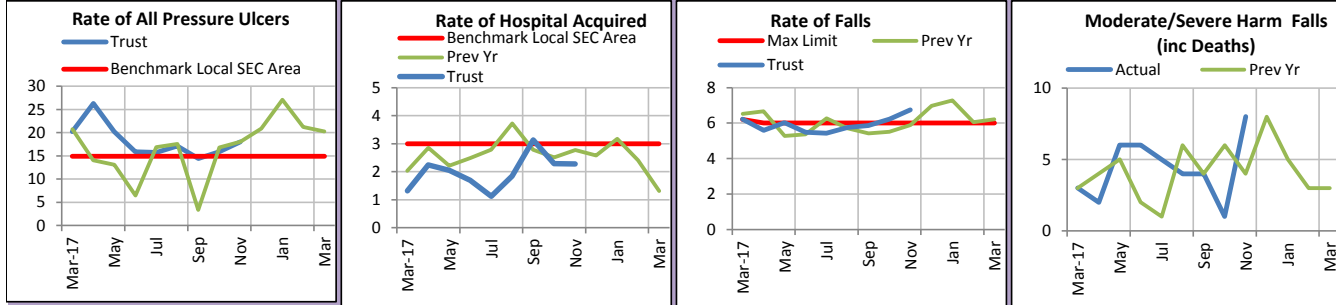
So in the examples given we have calculated a mean and control limits based on the data for May 2010 to September 2011 and then calculated them based on the period October 2011 to April 2013. The lines are all a result of the SPC calculations, only the date of the change is decided by the Information team based on a real life changes in process or service.

INTEGRATED PERFORMANCE REPORT ANALYSIS - PATIENT SAFETY & QUALITY

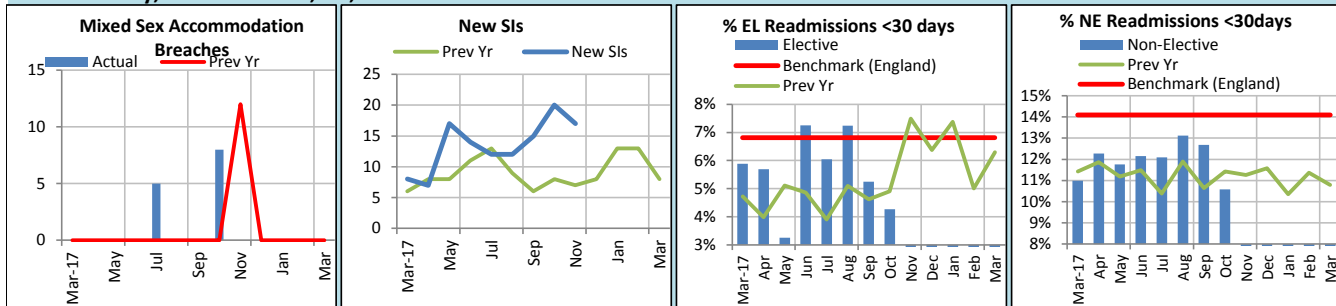
Patient Safety - Harm Free Care, Infection Control



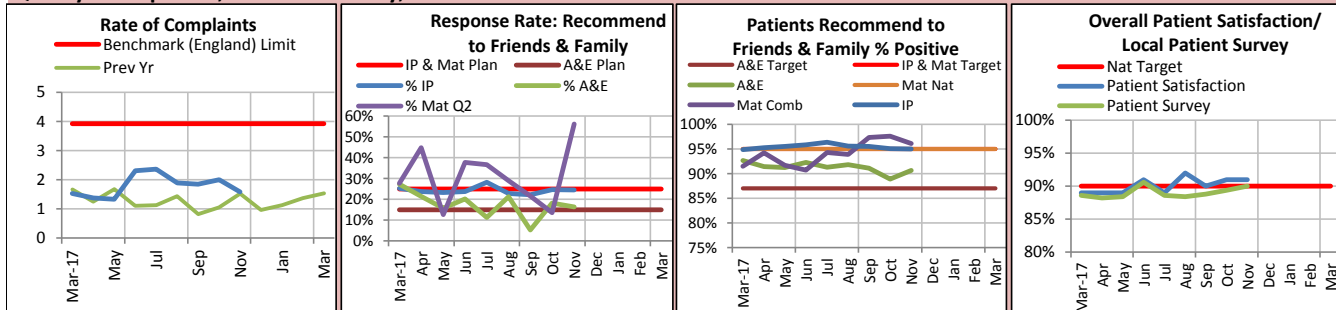
Patient Safety - Pressure Ulcers, Falls



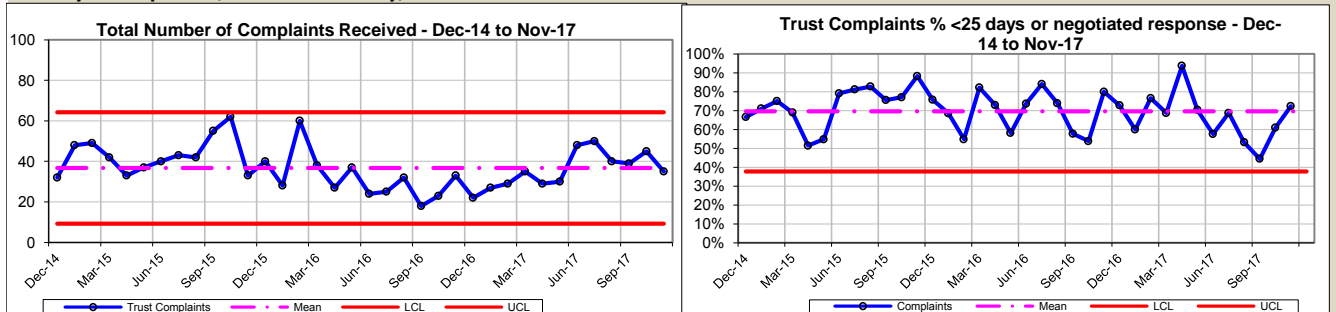
Patient Safety, MSA Breaches, SIs, Readmissions



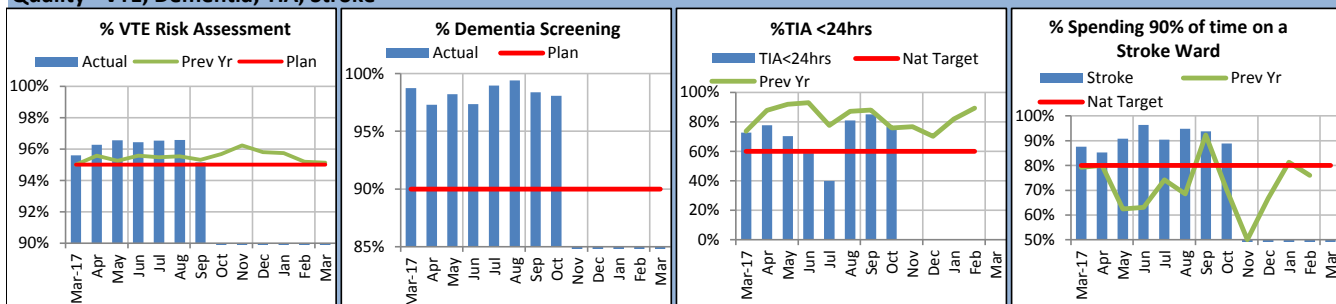
Quality - Complaints, Friends & Family, Patient Satisfaction



Quality - Complaints, Friends & Family, Patient Satisfaction

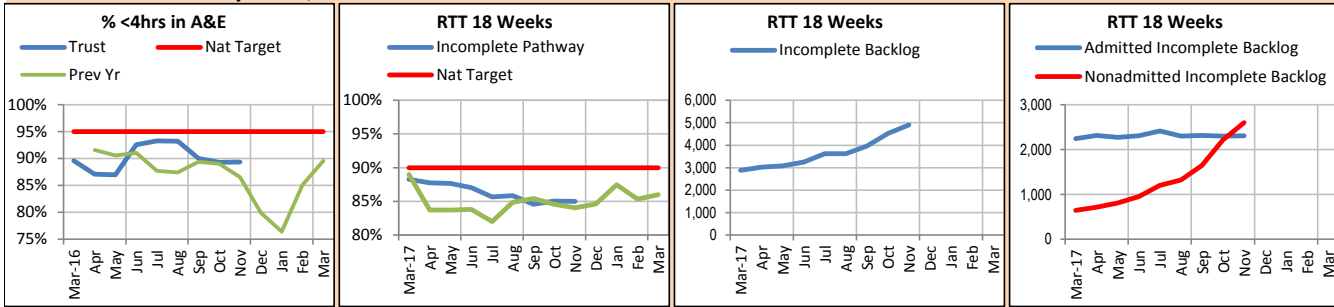


Quality - VTE, Dementia, TIA, Stroke

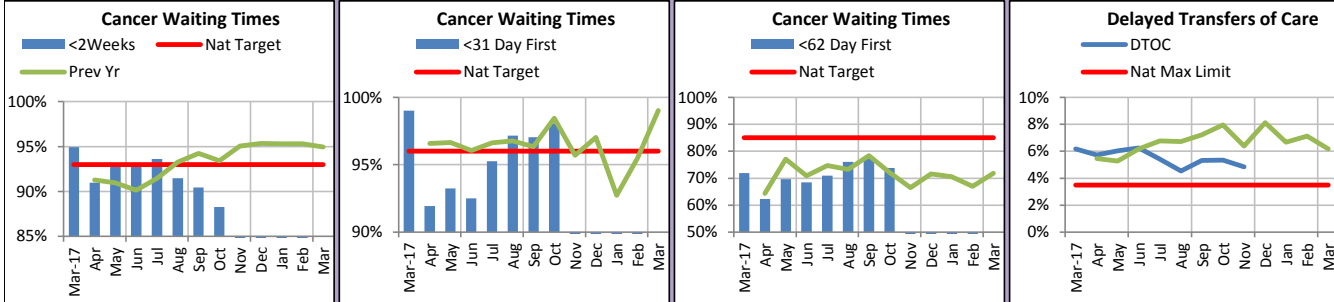


INTEGRATED PERFORMANCE REPORT ANALYSIS - PERFORMANCE & ACTIVITY

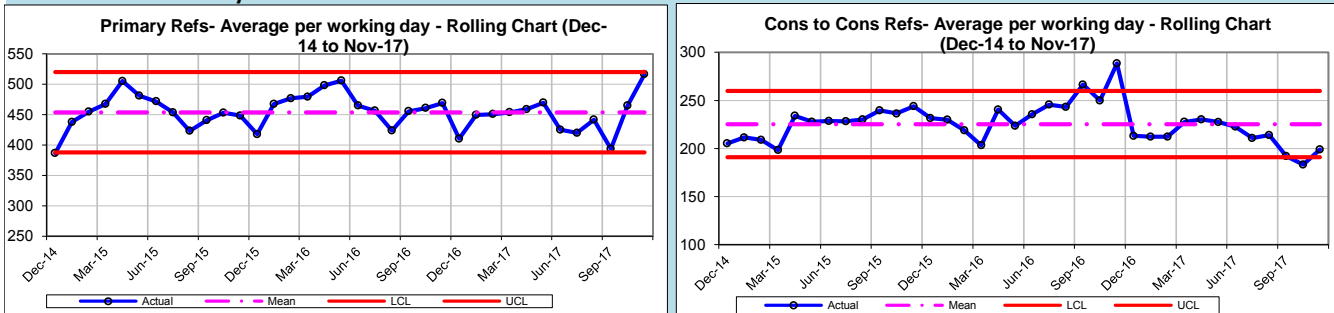
Performance & Activity - A&E, 18 Weeks



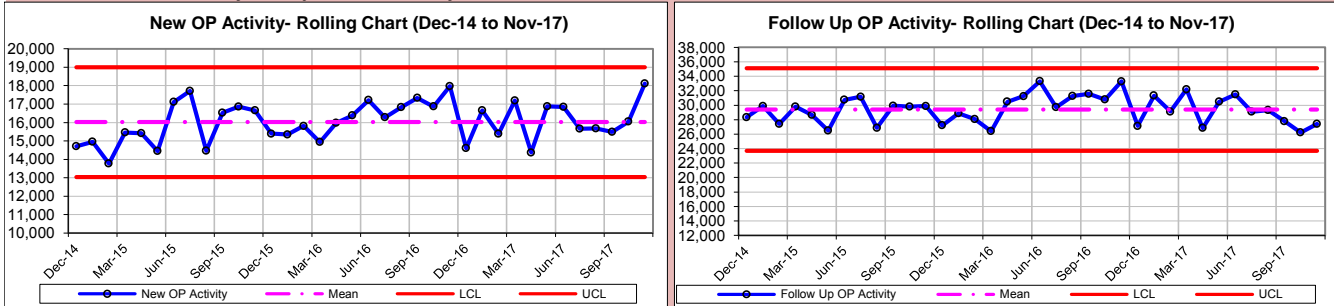
Performance & Activity - Cancer Waiting Times, Delayed Transfers of Care



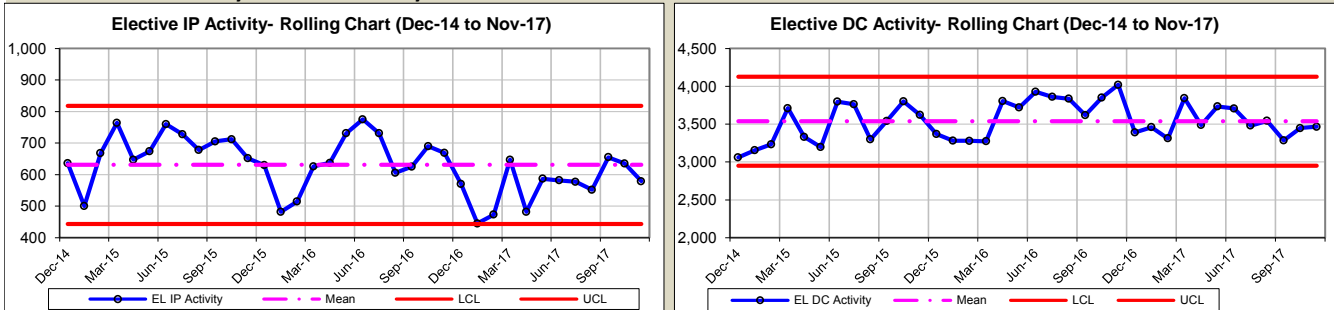
Performance & Activity - Referrals



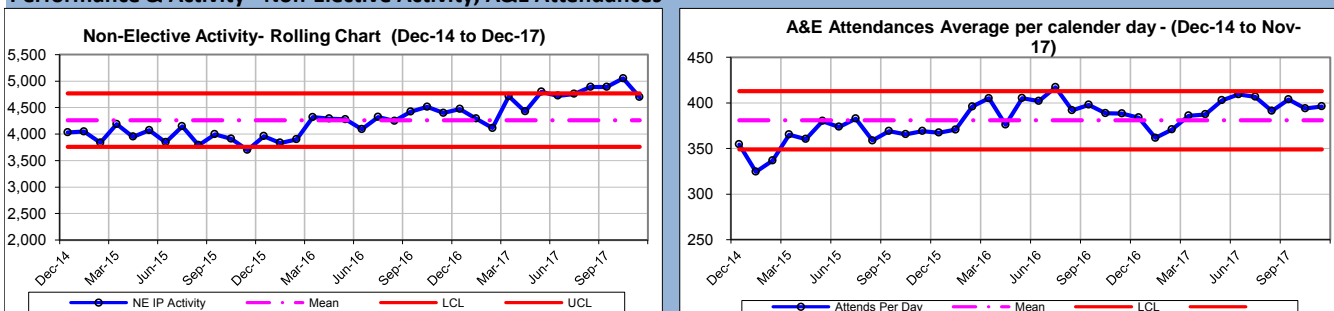
Performance & Activity - Outpatient Activity



Performance & Activity - Elective Activity

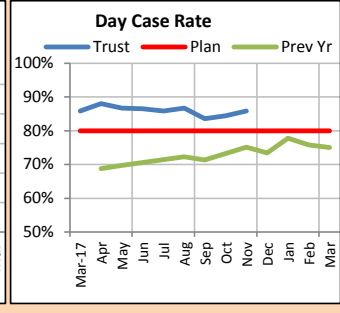
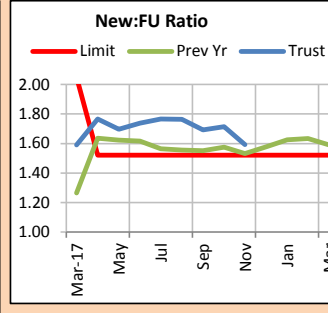
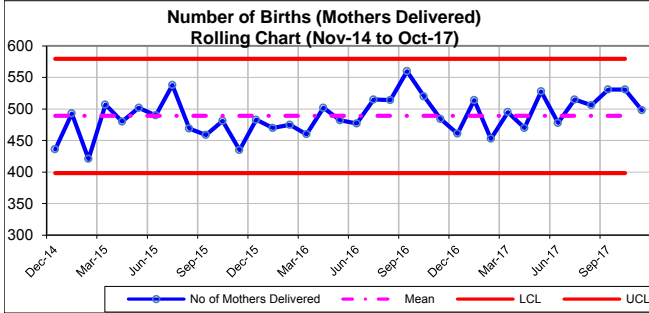


Performance & Activity - Non-Elective Activity, A&E Attendances

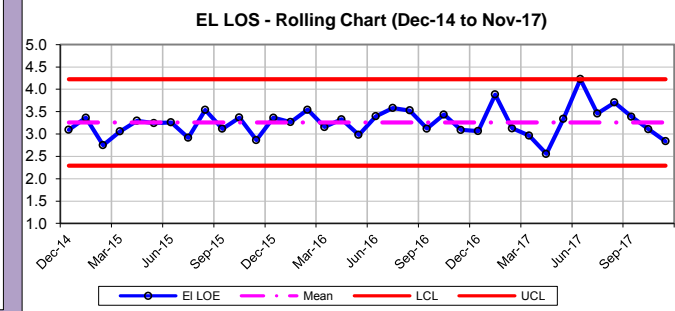
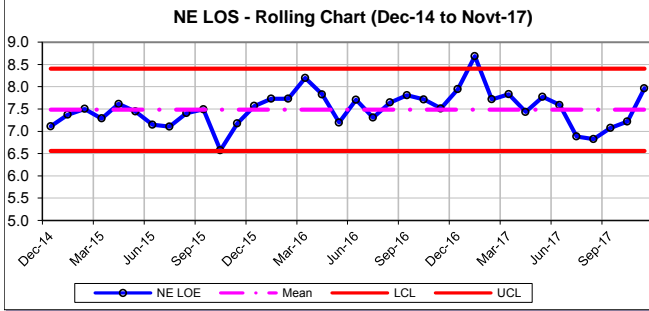


INTEGRATED PERFORMANCE REPORT ANALYSIS - FINANCE, EFFICIENCY & WORKFORCE

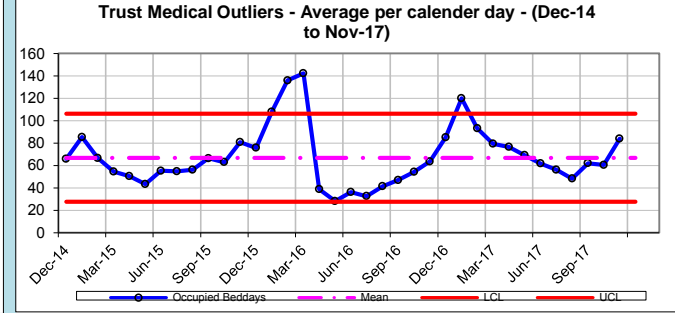
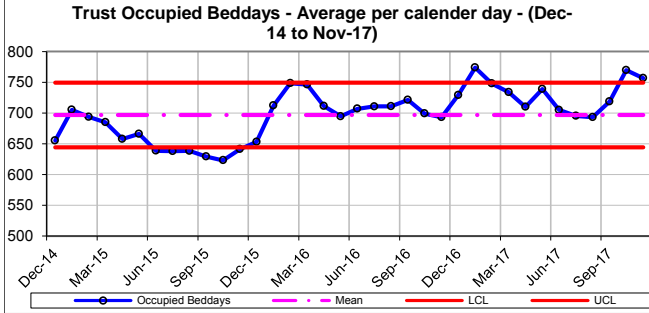
Finance, Efficiency & Workforce - Mothers Delivered, New:FU Ratio, Day Case Rates



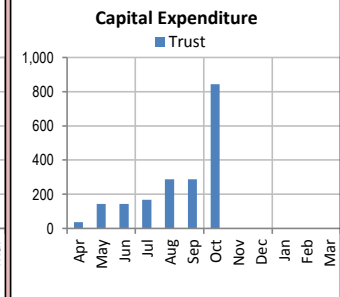
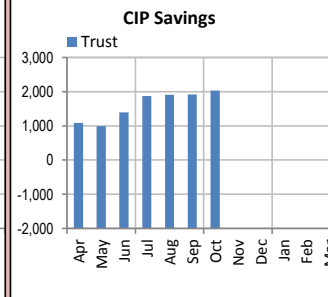
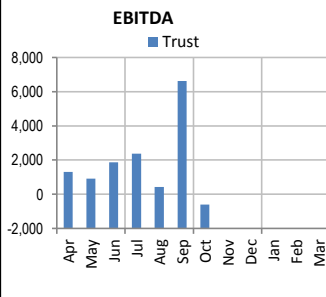
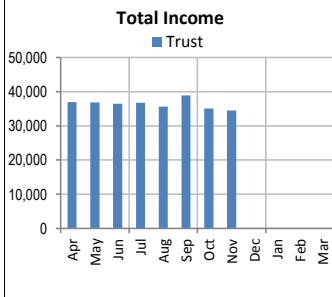
Finance, Efficiency & Workforce - Length of Stay (LOS)



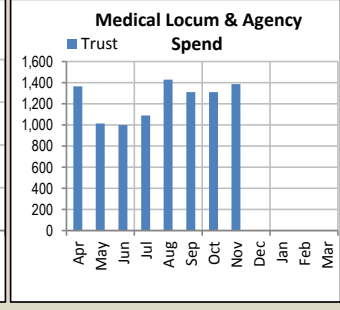
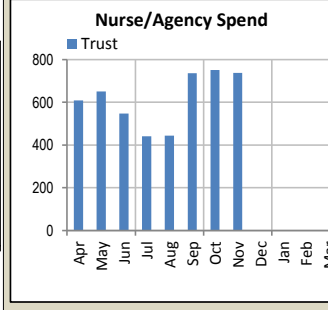
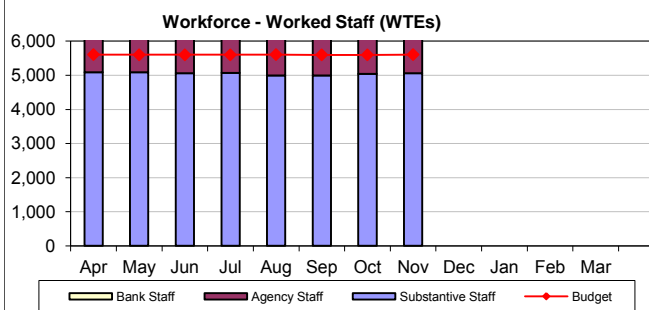
Finance, Efficiency & Workforce - Occupied Beddays, Medical Outliers



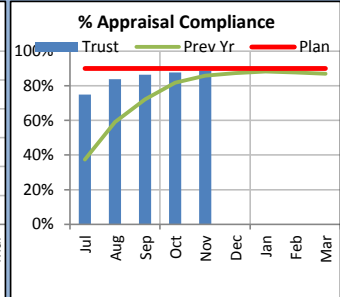
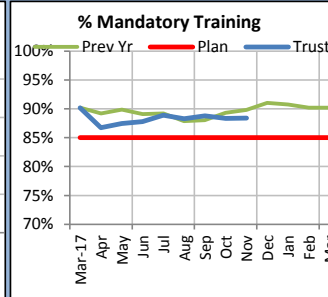
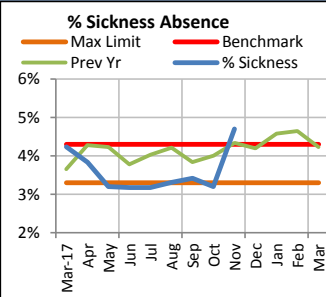
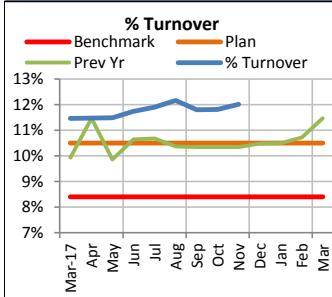
Finance, Efficiency & Workforce - Income, EBITDA, CIP Savings, Capital Expenditure



Finance, Efficiency & Workforce - WTEs, Nurse Agency Spend, Medical Locum/Agency Spend



Finance, Efficiency & Workforce - Turnover Rate, Sickness Absence, Mandatory Training, Appraisals



Trust Board Finance Pack

**Month 8
2017/18**

Trust Board Finance Pack for November 2017

1. Executive Summary

- a. Executive Summary
- b. Executive Summary KPI's

2. Financial Performance

- a. Consolidated I&E

3. Expenditure Analysis

- a. Run Rate Analysis £

4. Cost Improvement Programme / Financial Recovery Plan

- a. Current Month Savings by Directorate
- b. YTD Savings by Directorate
- c. Forecast Savings by Directorate

5. Balance Sheet and Liquidity

- a. Balance Sheet
- b. Cash Flow

6. Capital

- a. Capital Plan

1.Executive Summary

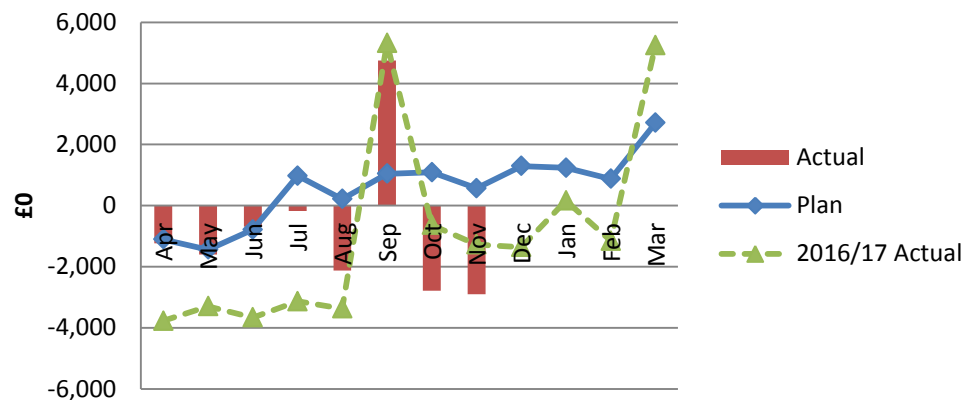
1a. Executive Summary November 2017

Key Variances £m

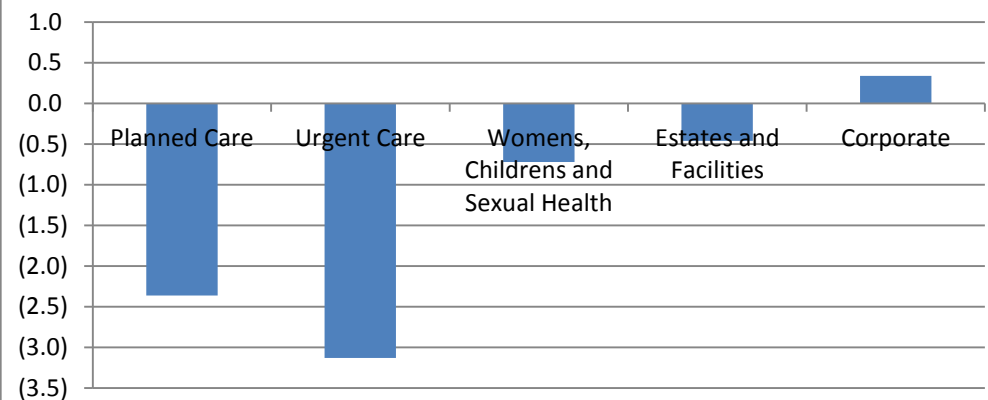
	November	YTD		Headlines
Total Surplus (+) / Deficit (-)	(3.5)	(7.3)	Adverse	The Trusts deficit including STF was £2.9m in November which was £3.5m adverse to plan, £1.1m STF slippage relating to non delivery of financial performance for November, £0.7m slippage against CIP and £1.7m overspent against budget.
Clinical Income	0.1	0.1	Favourable	Clinical Income excluding HCDs was £0.1m favourable in November. The key adverse variances in November were Elective & Day Cases (£0.5m) and Out Patient Activity (£0.7m) offset by favourable variances within non elective (£1.7m).The position included an favourable adjustment of £0.2m relating to the aligned incentive contract (£1.5m positive YTD).
Elective IP and DC	(0.5)	(5.4)	Adverse	Elective and Day Case activity is adverse to plan in month by £0.5m in month and £5.4m year to date.
Sustainability and Transformation Fund	(1.1)	(2.2)	Adverse	The Trust did not deliver its financial performance and A&E trajectory in November therefore was not eligible for STF income.
Other Operating Income	(0.3)	3.8	Favourable	Other Operating Income £0.3m adverse in the month which was due to Private Patient Income being adverse to plan by £0.3m. The Trust is £3.8m favourable YTD due to £6.3m pass through income relating to STP partly being offset by £2m underperformance within Private Patient Income and £0.3m Donated Asset Income which is offset by the technical adjustments.
Pay	(1.1)	(1.9)	Adverse	Pay was £1.1m adverse in the month, total pay spend (excluding reserves) was consistent with October and £65k lower than last month's forecast. Medical Staffing costs increased by £55k between months which was within T&O (£30k) and Obs and Gynae (£30k). Nursing costs increased by £160k between months, £100k due to recoding of some A&C staff to untrained nursing, Trained staffing costs increased by £113k between months due to an increase of 24 contracted WTE. Bank and Agency costs reduced by £47k between months although the increase in substantive staffing costs was £67k more than the reduction in temporary staff costs. Scientific and Technical staffs spend reduced by £84k between months this was mainly due to the release of £70k accrual and a reduction within Pharmacy agency usage. Support staff costs within Estates and Facilities reduced by £30k due to £20k increase in charge to Capital and a reduction in temporary staffing to cover vacant posts.
Non Pay	(1.0)	(8.8)	Adverse	Non Pay was overspent by £1m in November, Clinical Supplies £0.7m adverse (mainly due to unidentified CIP) . The costs associated with STP have been realigned to match the new agreed plan , this has resulted in a move of £0.5m between Other Non Pay to Services from Other NHS Bodies, these costs are offset by additional income.
Depreciation	0.2	0.6	Favourable	Depreciation is underspent to budget by £0.2m in November, £0.6m YTD.
CIP / FRP	(0.7)	(6.3)	Adverse	The Trust achieved £2.3m savings in November which was £0.3m higher than October however this was £0.7m adverse to plan. The Trust has delivered £13.6m savings YTD and is £6.3m adverse to plan.

1b. Executive Summary KPI's November 2017

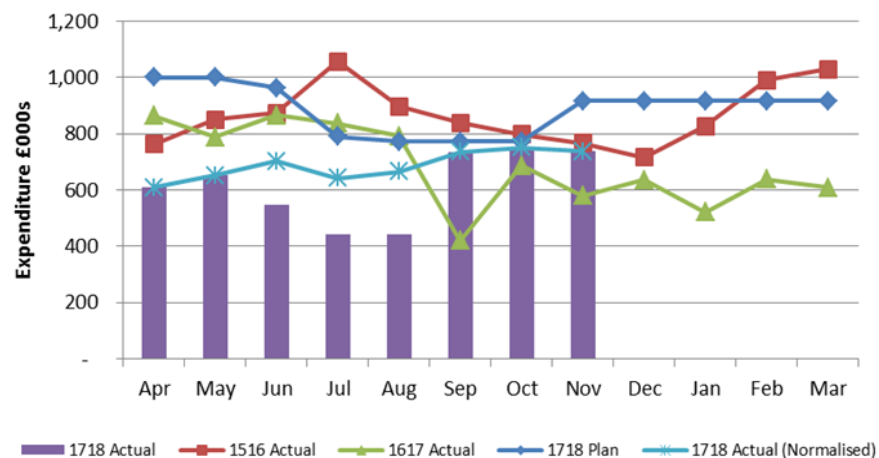
Monthly Surplus / Deficit (-)



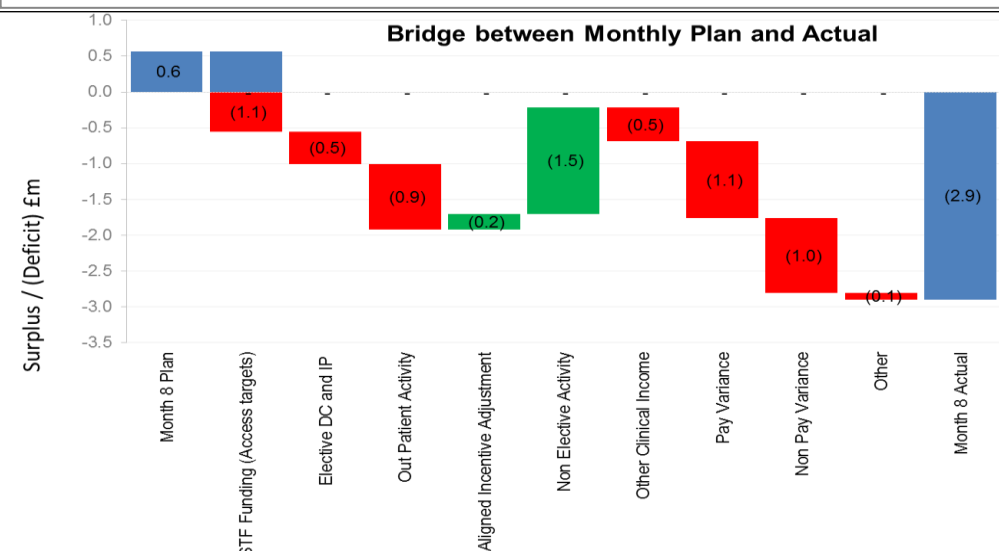
YTD CIP Variance £m



Agency Nurse Expenditure



Bridge between Monthly Plan and Actual



2. Income and Expenditure

2a. Income & Expenditure

Income & Expenditure November 2017/18

	Current Month			Year to Date		
	Actual £m	Plan £m	Variance £m	Actual £m	Plan £m	Variance £m
Revenue						
Clinical Income	27.6	27.5	0.1	225.6	225.6	0.1
High Cost Drugs	3.6	3.8	(0.2)	28.7	27.8	0.9
Total Clinical Income	31.2	31.3	(0.1)	254.3	253.4	1.0
STF	0.0	1.1	(1.1)	3.9	6.1	(2.2)
Other Operating Income	3.4	3.6	(0.3)	32.9	29.1	3.8
Total Revenue	34.5	36.0	(1.5)	291.1	288.6	2.5
Expenditure						
Substantive	(18.0)	(17.8)	(0.2)	(143.2)	(144.0)	0.8
Bank	(1.1)	(0.5)	(0.6)	(8.5)	(4.3)	(4.2)
Locum	(1.4)	(0.8)	(0.6)	(9.9)	(6.9)	(3.0)
Agency	(0.9)	(1.1)	0.2	(6.3)	(8.8)	2.5
Pay Reserves	(0.2)	(0.2)	0.0	(0.0)	(1.9)	1.9
Total Pay	(21.6)	(20.5)	(1.1)	(168.0)	(166.0)	(1.9)
Drugs & Medical Gases	(4.5)	(4.2)	(0.3)	(35.4)	(34.0)	(1.4)
Blood	(0.2)	(0.2)	0.0	(1.6)	(1.6)	0.0
Supplies & Services - Clinical	(2.6)	(1.9)	(0.7)	(20.7)	(16.1)	(4.7)
Supplies & Services - General	(0.5)	(0.4)	(0.1)	(3.7)	(3.4)	(0.3)
Services from Other NHS Bodies	(1.3)	(0.6)	(0.6)	(6.0)	(5.1)	(0.9)
Purchase of Healthcare from Non-NHS	(0.4)	(0.6)	0.2	(2.9)	(5.6)	2.7
Clinical Negligence	(1.7)	(1.7)	(0.0)	(13.7)	(13.7)	(0.0)
Establishment	(0.3)	(0.3)	0.0	(2.3)	(2.5)	0.2
Premises	(1.8)	(1.8)	(0.0)	(14.6)	(14.4)	(0.1)
Transport	(0.1)	(0.1)	(0.0)	(0.9)	(0.9)	0.0
Other Non-Pay Costs	(0.0)	(0.4)	0.4	(8.3)	(3.3)	(5.0)
Non-Pay Reserves	(0.0)	(0.1)	0.0	0.1	(0.6)	0.7
Total Non Pay	(13.4)	(12.4)	(1.0)	(110.0)	(101.3)	(8.8)
Total Expenditure	(35.0)	(32.9)	(2.1)	(278.0)	(267.3)	(10.7)
EBITDA	(0.5)	3.2	(3.6)	13.1	21.3	(8.2)
Other Finance Costs	(0.0)	0.0	0.0	4.5%	7.4%	-327.9%
Depreciation	(1.1)	(1.2)	0.2	(9.1)	(9.7)	0.6
Interest	(0.1)	(0.1)	0.0	(0.8)	(0.8)	0.0
Dividend	(0.1)	(0.1)	(0.0)	(1.0)	(1.0)	(0.0)
PFI and Impairments	(1.2)	(1.2)	(0.0)	(9.2)	(9.5)	0.3
Total Finance Costs	(2.5)	(2.6)	0.2	(20.2)	(21.1)	0.9
Net Surplus / Deficit (-)	(2.9)	0.6	(3.5)	(7.0)	0.3	(7.3)
Technical Adjustments	0.0	0.0	0.0	0.3	0.3	(0.0)
Surplus/ Deficit (-) to B/E Duty	(2.9)	0.6	(3.5)	(6.8)	0.6	(7.3)
Surplus/ Deficit (-) to B/E Duty Excl STF	(2.9)	(0.6)	(2.3)	(10.7)	(5.6)	(5.1)

Commentary

The Trusts deficit including STF was £2.9m in November which was £3.5m adverse to plan, £1.1m STF slippage relating to non delivery of financial performance for November, £0.7m slippage against CIP and £1.7m overspent against budget.

The Financial plan for November included £2m unidentified CIP, this was split £0.1m income, £1m pay and £0.9m nonpay.

The Trust's normalised pre STF run rate in October was a deficit of £2.8m which was £0.3m higher than October.

The Trusts deficit in November was £56k higher than the forecast, the key adverse movements to forecast were: Clinical Income (£0.1m adverse), mainly due to out patient income below plan (£0.7m) partly offset by favourable variances within Other operating income (£0.1m) due to PFI Insurance income, Pay was £0.1m favourable to forecast and depreciation was £0.1m favourable to forecast.

Clinical Income excluding HCDs was £0.1m favourable in November. The key adverse variances in November were Elective & Day Cases (£0.5m) and Out Patient Activity (£0.7m) offset by favourable variances within non elective (£1.7m). The position included an favourable adjustment of £0.2m relating to the aligned incentive contract (£1.5m positive YTD).

STF income £1.1m adverse in November, the Trust did not deliver the financial performance or A&E trajectory in November.

Other Operating Income £0.3m adverse in the month which was due to Private Patient Income being adverse to plan by £0.3m.

Pay was £1.1m adverse in the month, total pay spend (excluding reserves) was consistent with October and £65k lower than last month's forecast. Medical Staffing costs increased by £55k between months which was within T&O (£30k) and Obs and Gynae (£30k). Nursing costs increased by £160k between months, £100k due to recoding of some A&C staff to untrained nursing, Trained staffing costs increased by £113k between months due to an increase of 24 contracted WTE. Bank and Agency costs reduced by £47k between months although the increase in substantive staffing costs was £67k more than the reduction in temporary staff costs. Scientific and Technical staffs spend reduced by £84k between months this was mainly due to the release of £70k accrual and a reduction within Pharmacy agency usage. Support staff costs within Estates and Facilities reduced by £30k due to £20k increase in charge to Capital and a reduction in temporary staffing to cover vacant posts.

Non Pay was overspent by £1m in November, Clinical Supplies £0.7m adverse (mainly due to unidentified CIP). The costs associated with STP have been realigned to match the new agreed plan, this has resulted in a move of £0.5m between Other Non Pay to Services from Other NHS Bodies, these costs are offset by additional income.

3. Expenditure Analysis

3a. Run Rate Analysis

Analysis of 13 Monthly Performance (£m's)

		Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Change between Months
Revenue	Clinical Income	28.0	27.5	26.9	26.4	28.7	31.9	31.8	32.3	32.1	31.2	32.6	31.3	31.2	(0.1)
	STF	0.7	0.6	(0.0)	0.0	0.8	0.4	0.4	0.6	0.3	0.0	2.2	0.0	0.0	0.0
	High Cost Drugs	3.4	4.4	3.7	3.3	3.6	(0.1)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Other Operating Income	3.2	3.3	4.5	3.9	8.4	4.7	4.6	3.5	4.3	4.5	4.1	3.8	3.4	(0.4)
	Total Revenue	35.3	35.7	35.1	33.5	41.5	37.0	36.8	36.5	36.7	35.7	38.9	35.0	34.5	(0.5)
Expenditure	Substantive	(18.1)	(18.1)	(17.6)	(17.8)	(17.3)	(17.9)	(18.0)	(18.1)	(17.8)	(17.7)	(17.8)	(17.9)	(18.0)	(0.1)
	Bank	(0.8)	(1.0)	(1.1)	(0.8)	(1.0)	(0.9)	(0.9)	(0.9)	(1.1)	(0.9)	(1.3)	(1.3)	(1.1)	0.2
	Locum	(0.5)	(1.9)	(1.1)	(0.9)	(1.6)	(1.4)	(1.0)	(1.0)	(1.1)	(1.4)	(1.3)	(1.3)	(1.4)	(0.1)
	Agency	(1.6)	(0.1)	(0.8)	(0.9)	(1.0)	(0.8)	(0.8)	(0.8)	(0.5)	(0.6)	(1.0)	(0.8)	(0.9)	(0.1)
	Pay Reserves	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	1.5	(0.2)	(0.2)	0.0
	Total Pay	(20.9)	(21.1)	(20.5)	(20.5)	(20.8)	(21.3)	(21.0)	(21.1)	(20.8)	(20.8)	(20.0)	(21.6)	(21.6)	(0.0)
Non-Pay	Drugs & Medical Gases	(4.8)	(4.6)	(4.2)	(4.0)	(5.1)	(4.2)	(4.6)	(4.6)	(4.2)	(4.8)	(4.1)	(4.4)	(4.5)	(0.2)
	Blood	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.0)
	Supplies & Services - Clinical	(2.6)	(2.8)	(2.7)	(2.5)	(3.1)	(2.6)	(2.8)	(2.7)	(2.7)	(2.7)	(2.2)	(2.5)	(2.6)	(0.1)
	Supplies & Services - General	(0.5)	(0.5)	(0.4)	(0.4)	(0.6)	(0.4)	(0.5)	(0.5)	(0.5)	(0.3)	(0.5)	(0.5)	(0.5)	0.0
	Services from Other NHS Bodies	(0.6)	(0.7)	(0.6)	(0.7)	(0.5)	(0.8)	(0.7)	(0.6)	(0.7)	(0.7)	(0.7)	(0.6)	(1.3)	(0.6)
	Purchase of Healthcare from Non-NHS	(0.7)	(0.7)	(0.8)	(0.5)	(0.5)	(0.5)	(0.5)	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	0.0
	Clinical Negligence	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	0.0
	Establishment	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)	0.0
	Premises	(1.4)	(1.8)	(1.8)	(1.7)	(1.7)	(2.0)	(2.3)	(1.6)	(1.7)	(1.9)	(1.5)	(1.8)	(1.8)	(0.0)
	Transport	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	0.0
	Other Non-Pay Costs	(0.9)	(0.9)	(1.2)	(0.7)	(0.5)	(1.5)	(1.1)	(0.7)	(1.4)	(1.6)	(0.5)	(1.5)	(0.0)	1.5
	Non-Pay Reserves	0.0	0.0	0.0	0.0	1.3	(0.1)	(0.1)	(0.1)	0.2	0.0	0.3	(0.0)	(0.0)	(0.0)
	Total Non Pay	(13.6)	(14.1)	(13.8)	(12.7)	(12.9)	(14.4)	(14.9)	(13.5)	(13.6)	(14.4)	(11.7)	(14.1)	(13.4)	0.7
	Total Expenditure	(34.5)	(35.2)	(34.3)	(33.2)	(33.7)	(35.7)	(35.9)	(34.6)	(34.3)	(35.2)	(31.6)	(35.7)	(35.0)	0.7
EBITDA	EBITDA	0.9	0.6	0.8	0.3	7.8	1.3	0.9	1.9	2.4	0.4	7.3	(0.6)	(0.5)	0.2
Other Finance Costs		2%	2%	2%	1%	19%	4%	2%	5%	6%	1%	19%	-2%	-1%	
	Depreciation	(1.4)	(0.8)	0.8	(1.0)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(0.8)	(1.1)	(0.3)
	Interest	(0.1)	(0.1)	(0.0)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0
	Dividend	(0.3)	(0.3)	(0.3)	0.7	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0
	PFI and Impairments	(1.1)	(1.2)	(1.1)	(42.3)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.1)	(1.1)	(1.1)	(1.2)	(0.0)
	Total Other Finance Costs	(2.9)	(2.4)	(0.7)	(42.7)	(2.4)	(2.6)	(2.5)	(2.6)	(2.6)	(2.6)	(2.6)	(2.2)	(2.5)	(0.3)
Net Surplus / Deficit (-)	Net Surplus / Deficit (-)	(2.0)	(1.8)	0.1	(42.4)	5.4	(1.3)	(1.6)	(0.7)	(0.2)	(2.2)	4.7	(2.8)	(2.9)	(0.1)
Technical Adjustments	Technical Adjustments	0.1	(0.0)	0.1	40.3	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Surplus/ Deficit (-) to B/E Duty Incl STF	Surplus/ Deficit (-) to B/E Duty	(1.9)	(1.9)	0.3	(2.0)	5.3	(1.2)	(1.6)	(0.7)	(0.2)	(2.1)	4.8	(2.8)	(2.9)	(0.1)
Surplus/ Deficit (-) to B/E Duty Excl STF	Surplus/ Deficit (-) to B/E Duty	(2.6)	(2.5)	0.3	(2.0)	4.5	(1.6)	(2.0)	(1.3)	(0.4)	(2.1)	2.5	(2.8)	(2.9)	(0.1)

4. Cost Improvement Programme

4a. Current Month Savings by Directorate

	Current Month		
	Actual £m	Original Plan £m	Variance £m
Cancer and Haematology	0.1	0.2	(0.1)
Critical Care	0.2	0.2	(0.0)
Diagnostics	0.1	0.2	(0.1)
Head and Neck	0.1	0.1	(0.0)
Surgery	0.1	0.2	(0.1)
Trauma and Orthopaedics	0.4	0.4	0.0
Patient Admin	0.0	0.0	(0.0)
Private Patients Unit	0.0	0.0	(0.0)
Total Planned Care	1.0	1.3	(0.3)
Urgent Care	0.6	0.8	(0.2)
Womens, Childrens and Sexual Health	0.2	0.4	(0.2)
Estates and Facilities	0.2	0.3	(0.1)
Corporate	0.2	0.2	0.0
Total	2.3	3.0	(0.7)

Comment

The Trust achieved £2.3m savings in November which was £0.3m higher than last month however this was £0.7m adverse to plan. The plan includes £2m unidentified savings phased from July.

The plan value is based upon the Trusts submitted plan to NHSI in December 16 and March 17. The Trust has a 'live' plan for monitoring the actuals and phasing of the CIP programme. Based upon the 'live plan the savings achieved in November were £1.5m below plan.

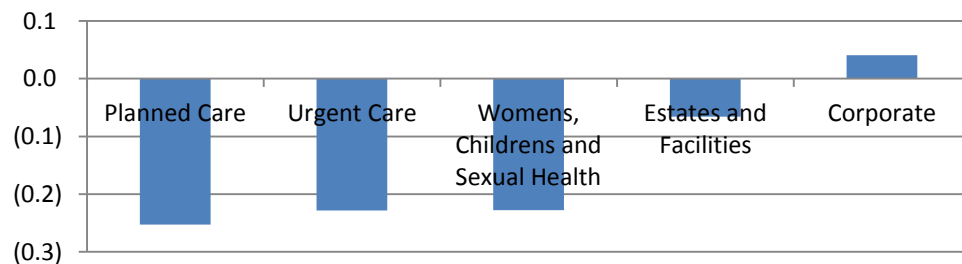
Planned Care: £0.3m adverse compared to original CIP plan and £0.5m to the 'live' plan. The main directorates adverse to plan (Live) are Surgery Directorate (£118k) mainly due to unidentified savings (£94k) and slippage relating to pay schemes WLI reduction and SLR Deep Dive. The Critical Care Directorate were £103k adverse in November, £60k due to unidentified CIP and £20k adverse due to unidentified Procurement savings.

Urgent Care: £0.2m adverse compared to the original plan, when compared to the 'live' plan the directorate are £0.8m adverse in the month which is mainly due to £0.45m unidentified savings, slippage in closing 1ward (£0.1m), slippage in deep dive savings plan (£0.15m) and slippage in identifying procurement savings (£0.1m).

Womens, Childrens and Sexual Health: £0.2m adverse compared to the original plan and 'live' plan, the slippage relates to unidentified savings.

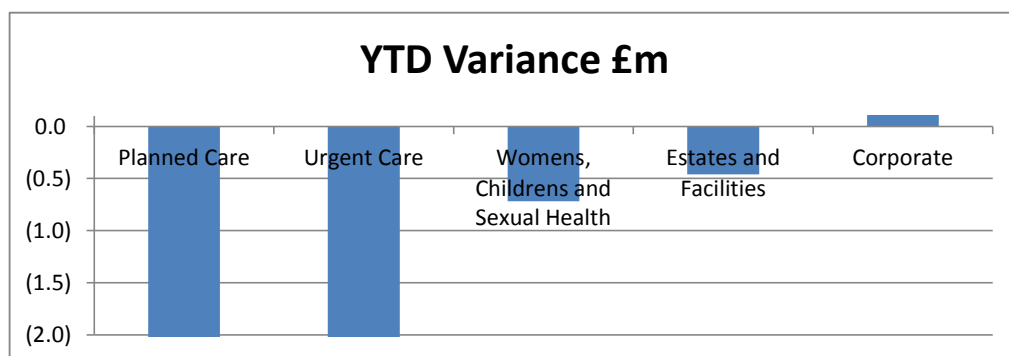
Estates and Facilities: £0.1m adverse to the original and 'live' plan. The main slippage relates to EPC energy business case (£70k per month), Laundry contract (£30k) and bus service contract review (£20k).

Current Month Variance £m



4b. Year to Date savings by Directorate

	YTD		
	Actual	Original Plan	Variance
	£m	£m	£m
Cancer and Haematology	1.1	1.2	(0.2)
Critical Care	0.7	1.4	(0.6)
Diagnostics	0.6	1.3	(0.7)
Head and Neck	0.4	0.6	(0.2)
Surgery	0.6	1.1	(0.5)
Trauma and Orthopaedics	3.4	3.6	(0.2)
Patient Admin	0.1	0.1	0.0
Private Patients Unit	0.1	0.1	(0.0)
Total Planned Care	7.0	9.4	(2.4)
Urgent Care	2.5	5.6	(3.1)
Womens, Childrens and Sexual Health	1.4	2.1	(0.7)
Estates and Facilities	1.1	1.6	(0.5)
Corporate	1.5	1.1	0.3
Total	13.6	19.9	(6.3)



Comment

The Trust has achieved £13.6m savings YTD which is £6.3m adverse to plan.

The plan value is based upon the Trusts submitted plan to NHSI in December 16 and March 17. The Trust has a 'live' plan for monitoring the actuals and phasing of the CIP programme. Based upon the 'live plan the savings achieved YTD were £9.1m below plan.

Planned Care: £2.4m adverse compared to original CIP planned phasing, £3.6m slippage YTD when compared to the 'live' plan. The main directorate adverse to plan is Diagnostics (£796k adverse) which is due to £390k unidentified, procurement 10% savings target (£305k) and £81k delay in implementation of the new MLS contract. Surgery Directorate (£723k) adverse which is due to unidentified savings (£470k), deep dive review (£96k) and medical pay savings (£90k) relating to job planning and WLI savings.

Urgent Care: £3.1m adverse compared to the original plan, when compared to the 'live' plan the directorate are £4.2m adverse YTD. This is due to £2.3m unidentified savings, delay in closing wards (£1.2m), slippage in procurement savings (£0.4m) and slippage in deep dive savings target (£0.4m).

Womens, Childrens and Sexual Health: £0.7m adverse compared to the original plan, when compared to the 'live' plan the directorate are £1m adverse YTD. The YTD adverse variance (£1m) is due to unidentified savings.

Estates and Facilities: £0.5m adverse compared to the original plan, when compared to the 'live' plan the directorate are £0.8m adverse YTD. This is due to £0.3m Energy Savings, £0.1m Bus Service contract, £0.1m delay in sale of Springs, £0.1m Laundry contract savings and £0.1m Rental income from East Kent.

Corporate: Corporate directorates are £0.3m favourable to the original plan and are £0.2m favourable to the 'live' plan. The main slippage relating to the live plan relates to HR (£50k) due to the savings plans associated with restricting advertising (£50k) no longer being explored.

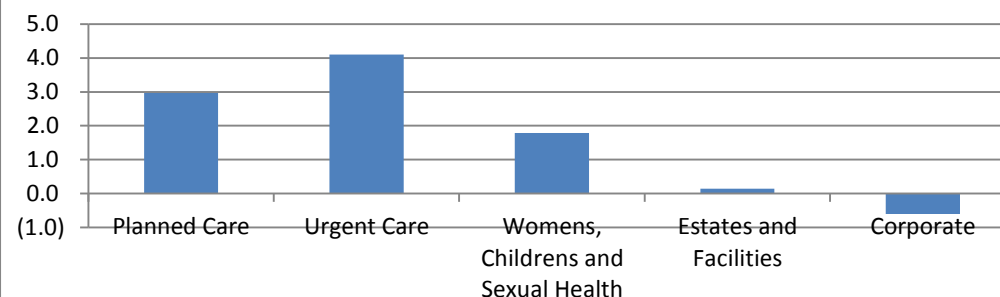
4c. Forecast savings by Directorate

Directorate Performance

	Forecast Savings			
	Risk Adjusted Forecast	Unidentified (Risk Adjusted)	Plan	% Unidentified
	£m	£m	£m	
Cancer and Haematology	2.0	0.4	2.4	17%
Critical Care	1.5	0.7	2.2	30%
Diagnostics	1.0	0.8	1.8	44%
Head and Neck	0.8	0.2	1.0	21%
Surgery	0.9	0.9	1.8	48%
Trauma and Orthopaedics	5.1	(0.0)	5.1	-1%
Patient Admin	0.1	0.0	0.1	16%
Private Patients Unit	0.1	0.0	0.2	22%
Total Planned Care	11.6	3.0	14.6	20%
Urgent Care	4.8	4.1	8.9	46%
Womens, Childrens and Sexual Health	1.9	1.8	3.7	49%
Estates and Facilities	2.6	0.1	2.8	5%
Corporate	2.5	(0.6)	1.9	-32%
Total	23.3	8.4	31.7	26%

Savings as per 8th December

Unidentified CIP £m



The Trust has a £31.7m CIP plan for 2017/18 and has identified £24m (non risk adjusted) , £7.7m unidentified. The current forecasted risk adjusted identified savings is £23.3m, a shortfall of £8.4m.

Planned Care Division have identified £12.1m savings which is risk adjusted to deliver £11.6m. The division has £3m risk adjusted shortfall (20%).

Urgent Care Division have identified £4.8m savings which is risk adjusted to deliver £4.8m. The division has £4.1m risk adjusted shortfall (46%).

W&CH Division have identified £1.9m savings which is risk adjusted to deliver £1.9m. The division has £1.8m risk adjusted shortfall (49%).

Estates and Facilities Division have identified £2.6m savings which forecasted to fully deliver however this includes £1.1m benefit from property sales which have not yet been secured.

5. Balance Sheet and Liquidity

Maidstone and Tunbridge Wells



NHS Trust

5a. Balance Sheet

November 2017

The Trust Balance Sheet is produced on a monthly basis and reflects changes in the asset values, as well as movement in liabilities.

£m's	November			October Reported	Full year	
	Reported	Plan	Variance		Plan	Forecast
Property, Plant and Equipment (Fixed Assets)	274.2	276.5	(2.4)	274.8	282.1	284.1
Intangibles	2.6	2.8	(0.2)	2.7	2.1	2.5
PFI Lifecycle	0.0	0.0	0.0	0.0	0.0	0.0
Debtors Long Term	2.7	1.2	1.5	1.7	1.2	1.8
Total Non-Current Assets	279.4	280.5	(1.1)	279.1	285.4	288.4
Current Assets						
Inventory (Stock)	7.2	8.3	(1.1)	7.2	8.3	7.9
Receivables (Debtors) - NHS	41.8	41.2	0.6	46.2	21.0	33.8
Receivables (Debtors) - Non-NHS	13.9	9.5	4.5	16.2	9.5	11.2
Cash	9.5	5.6	3.9	4.1	1.0	1.0
Assets Held For Sale	0.8	0.0	0.8	0.8	0.0	0.0
Total Current Assets	73.1	64.6	8.6	74.5	39.7	53.9
Current Liabilities						
Payables (Creditors) - NHS	(6.8)	(6.8)	0.0	(5.8)	0.0	0.0
Payables (Creditors) - Non-NHS	(71.6)	(43.2)	(28.3)	(70.7)	(18.1)	(50.9)
Capital & Working Capital Loan	(1.1)	(2.2)	1.1	(1.1)	(19.1)	(19.1)
Temporary Borrowing	0.0	0.0	0.0	0.0	0.0	0.0
Borrowings - PFI	(5.0)	(5.0)	(0.0)	(5.0)	(5.5)	(5.5)
Provisions for Liabilities and Charges	(1.8)	(1.2)	(0.6)	(1.8)	(1.2)	(2.0)
Total Current Liabilities	(86.2)	(58.4)	(27.8)	(84.4)	(43.9)	(77.6)
Net Current Assets	(13.1)	6.1	(19.2)	(9.9)	(4.1)	(23.7)
Finance Lease - Non- Current	(194.6)	(198.9)	4.3	(195.0)	(192.7)	(192.7)
Capital Loan - (Interest Bearing Borrowings)	(12.3)	(11.2)	(1.1)	(12.3)	(26.3)	(23.0)
Interim Revolving Working Capital Facility	(31.3)	(29.0)	(2.2)	(30.7)	0.0	0.0
Provisions for Liabilities and Charges	(1.1)	(0.5)	(0.6)	(1.2)	(0.4)	(1.0)
Total Assets Employed	27.0	47.0	(19.9)	30.0	61.8	48.0
Financed By						
Capital & Reserves						
Public dividend capital	(205.0)	(205.0)	0.0	(205.0)	(208.6)	(207.3)
Revaluation reserve	(30.3)	(30.3)	0.0	(30.3)	(36.2)	(36.2)
Retained Earnings Reserve	208.2	188.3	19.9	205.3	182.9	195.5
Total Capital & Reserves	(27.0)	(47.0)	19.9	(30.0)	(61.8)	(48.0)

Commentary:

The balance sheet is £19.9m less than plan, primarily due to variations in current assets and current liabilities. Key movements to November are in working capital where Total Current Liabilities is £27.8m over plan. The teams are continuing to focus on reducing the aged debtors and creditors and reviewing current processes to ensure improvement in working capital going forward.

Non-Current Assets (PPE) - The value of PPE has decreased from the October position as assets are depreciated. The in-year capital programme has been prioritised and the majority of business cases have been approved.

Current Assets - Inventory remains relatively static from the reported October position.

NHS Receivables have reduced by £4.5m compared to the October reported position, being above the plan value by £0.5m. Of the £41.7m balance, £13.9m relates to invoiced debt of which £5.2m is aged debt over 90 days. Debt over 90 days has decreased by £1.8m compared with the October reported position. The remaining £27.8m relates to Block income raised in advance (£21.7m) for cash flow purposes and accrued income. Due to the financial situation of many neighbouring NHS organisations regular communication is continuing and arrangements are being put in place to help reduce the level of debts.

Trade receivables has decreased compared with the October reported position by £2.3m, and is above plan by £4.5m. Included within this balance is trade invoiced debt of £2.8m which has decreased by £0.3m compared to October and private patient invoiced debt of £0.3m.

Current Liabilities - NHS payables have increased from the October reported position by £1.0m. Non-NHS trade payables has increased since October by £0.9m and remain significantly above the plan of £43.2m.

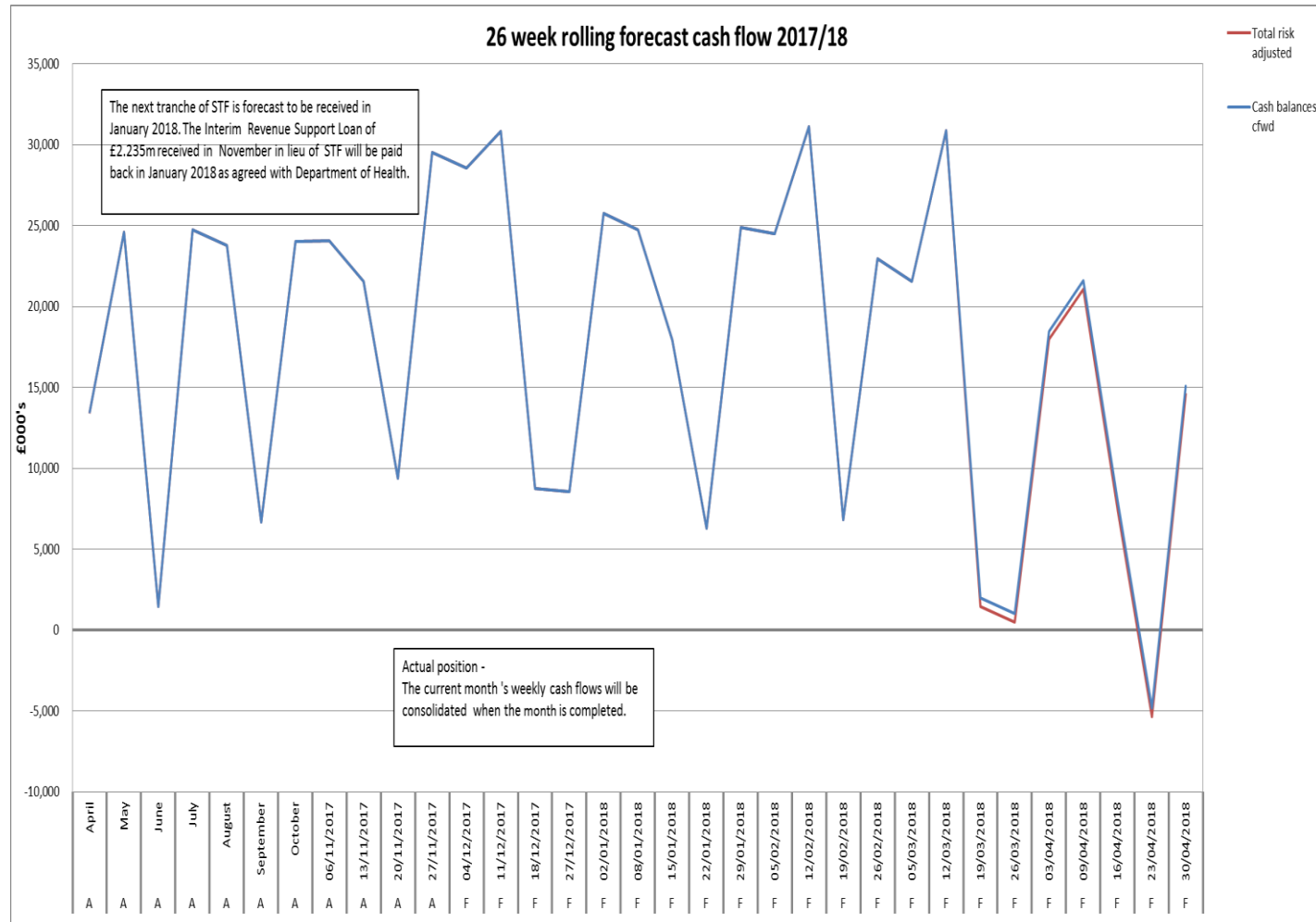
Of the £78.3m creditor balances, £29.3m relates to invoices, £28.5m is deferred income primarily relating to double block from West Kent CCG, High Weald CCG and Medway CCG, and other funding for PAS AllScript and LDA. The remaining £20.5m relates to accruals, including TAX, NI, Superannuation, PDC

Maidstone and Tunbridge Wells

NHS Trust



5b. | Cash Flow



Commentary

The blue line shows the Trust's cash position from the start of April, after receiving double block from West Kent CCG, High Weald CCG and Medway CCG.

For 17/18 the Trust has requested for £5m cash support in January.

The risk adjusted items on the graph relates to £0.5m asset sales forecast for receipt in December 2017. If this income is not received it will be mitigated by reducing capital expenditure by a corresponding amount.

During the year to date the Trust has managed its liquidity even though the actual position has been a I&E deficit by utilising temporarily in the early part of the year from capital resource as the Trust's programme is back-ended in timing, and has been reduced.

6. Capital

6a. Capital Programme

Capital Projects/Schemes

	Year to Date			Annual		
	<i>Actual</i>	<i>Plan</i>	<i>Variance</i>	<i>Plan</i>	<i>Forecast</i>	<i>Variance</i>
	£000	£000	£000	£000	£000	£m
Estates	1,177	8,373	7,196	8,873	5,018	3,855
ICT	1,078	1,360	282	1,664	1,714	-50
Equipment	248	1,904	1,656	5,909	3,965	1,944
PFI Lifecycle (IFRIC 12)	268	268	0	502	502	0
Donated Assets	0	250	250	450	450	0
Total	2,771	12,155	9,384	17,398	11,649	5,749
Less donated assets	0	-250	-250	-450	-450	0
Asset Sales (net book value)	-994	0	994	-1,727	-1,727	0
Contingency Against Non-Disposal	0	0	0	0	0	0
Adjusted Total	1,777	11,905	10,128	15,221	9,472	5,749

The Trust approved an initial Capital Plan of £17.4m, made up by Capital resources of £14.8m depreciation; the Net Book Value of £1.7m for the planned asset sales (Springs and Hillcroft properties); an estimate of donated assets of £0.45m; requested Central PDC funding for 2 Linacs of £3.6m ; and a proposed Salix loan of £4m for the Energy Infrastructure programme; less £7.7m of existing capital loan repayments. Linac 1 at Maidstone has been installed and is now in clinical use.

The Trust requested additional PDC funding for the next 2 Linacs, however, only 1 Linac has been approved for 17/18 (£1.7m). The equipment will be put into storage until ready for delivery to the Trust in May 2018. The Trust has been awarded £645k for GP A&E Streaming works, as additional PDC.

The donated equipment is made up of several donations including Cardiology legacies, League of Friends, Fidelity UK and Directorate Trust Funds. The Trust disposed of the Hillcroft property for £1.04m gross receipts generating a small profit on sale of c.£20k. The Spring property is expected to complete as a sale during December. If the sale does not complete the Trust might risk overspending its capital resource limit unless it could reduce spend accordingly.

The originally planned Salix loan of £4m has been reduced to £744k as plans for CHP plant would no longer meet the Salix metrics. All three phases have now been approved by Salix and NHSI are agreeing CRL cover with the DH.

The Trust is already planning an underspend in depreciation to support the Income & Expenditure position but this needs to be matched by a corresponding reduction in the planned capital spend. Some major schemes (e.g. Energy infrastructure) have taken longer to initiate than planned which will reduce the in year depreciation. The current FOT shown below of £11.65m (before donations and asset sales) reflects the maximum reduction if all the potential depreciation underspend occurs - this is subject to confirmation during the third quarter. The NHSI return FOT is reflecting a lower expected depreciation reduction on a prudent basis.

Trust Board meeting – December 2017

12-9	Update on the Workforce Transformation Programme	Medical Director
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Summary / Key points

It was agreed at the Trust Board meeting in June 2017 that a further update report would be submitted to the Trust Board in December 2017 on the progress being made in relation to medical productivity / the Workforce Transformation Programme.

A report is enclosed which covers the following areas:

- Recap of position from June 2017 to date
- Programme rollout
- Meeting with NHSI Operational Productivity Directorate
- Job Planning Documentation – Consultation and implementation plan
- Liaison with the JMCC
- Implementation of the e-Job Planning System

Which Committees have reviewed the information prior to Board submission?

- Trust Medical Executive
- Finance and Performance Committee (November 2017)

Reason for submission to the Board (decision, discussion, information, assurance etc.) ¹

Information and assurance

¹ All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance



BOARD UPDATE – 20th December 2017

WORKFORCE TRANSFORMATION PROGRAMME

1: SITUATION & BACKGROUND

This paper sets out the progress made since the last update to the Board on the 28th June 2017.

1.1: Recap of position in June 2017: To remind the Board, at this point, the programme had just launched the Workforce Transformation Steering Group, had appointed a Lead Clinician to the process, (Dr Sara Mumford), was in the process of producing the revised job planning process and documentation (for discussion with the Clinical Directors), was undertaking a market analysis to identify a suitable e-job planning system for the Trust, completing the Trauma and Orthopaedic (T&O) Pilot (to inform the full rollout of the programme) and considering the methodology for a capacity and demand analysis to support the later stages of the programme.

1.2: Current Position: I am very pleased to report that since June 2017, the processes listed above have matured to implementation with the exception of the capacity and demand work which is not yet required as it features later in the programme's rollout. The Workforce Transformation Steering Group has met five times and continues to steer the programme effectively under my chairmanship. Dr Sara Mumford has taken a strong lead in the process as the Medical Manager, alongside the Lead Manager and the PMO Lead. The job planning documentation is now completed and in its final stages of approval. The e-job planning system has been procured from Allocate Software Limited (following a successful business case) and is in the latter stages of implementation (due for go live at the end of January 2018). The T&O Pilot concluded with a full set of recommendations (previously reported to the Board) which led to the agreement of the methodology for the rollout of the remainder of the programme.

2: ASSESSMENT OF PROGRESS (since June 2017)

2.1: Programme Rollout: Following the agreement of the methodology, the Programme commenced full rollout on Monday, 25th July 2017. The first three Directorates in the rollout timetable (Diagnostics, Oncology and Women's Health) underwent a process of data collation, timetabling, existing job plan analysis, discussion with each Clinical Director and the creation of their local standards documents. Master timetables were built for each of these Directorates. This took us to the end of week 10 in the Programme. At this point, the programme had a built-in review point to assess progress with the methodology and to assess the levels of clinical engagement post-commencement of rollout. It was decided at this point that because the Trust's e-job planning system had been approved for implementation, the manual effort of master-timetable building would cease in favour of the following:

- The go-live of the Allocate e-job planning system which supersedes the need for the manual loading of data into the spreadsheets
- Focussing the Core Team's time on the implementation of the Allocate e-Job Planning system (intense period between now and January 2018)
- Producing localised standards for each CD to use for their Directorate (across the whole programme) to enable them to commence job planning against the new policy documentation (once approved).



- Postponing the rollout of the remaining specialties on the old rollout table until after the implementation of the Allocate software (estimated for January 2018).

The Executive Team members agreed with the proposal to focus the Team's attention on the rollout of the Allocate system and the production of local standards (against the revised job planning documentation). Following successful go live of the Allocate system in January 2018, the Core Team members will then re-assess the remaining directorates and produce a new timeline. This will then allow the Programme Team to fully evaluate the productivity values indicated by the Carter metrics (Weighted Activity Units – WAUs) as outlined in the March Board update. The programme can then move into the capacity and demand element of the workplan.

2.2: Meeting with the NHSI Operational Productivity Directorate

On the 18th July 2017, myself, the Deputy Director of Finance and the Head of Delivery Development met with Professor Timothy Evans, the National Director of Clinical Productivity, Operational Productivity Directorate, NHSI. Professor Evans is leading some National work on best practice in Consultant job planning. The purpose of the meeting was to understand the remit and scope of the National work and to share the approach and key aspects of the Trust's local programme. The meeting was useful and Professor Evans is going to invite the Trust to join the 2nd wave of the National Job Planning Programme. It was noted that the approach of the National programme focusses on metrics rather than process.

2.3: Job Planning Documentation Consultation and Implementation Plan

The new job planning documentation process is progressing well. Below is the consultation and document approval plan which is now almost complete:

Date	Action	Owner	Comments
29.06.17	Paper with recommendations of WFT Steering Group meeting to Executive Team.	LS	Completed 29.06.17
12.07.17	Exec Team Meeting confirmed their approval of the recommendations from the Steering Group	JL/PM/SO	Completed 12.07.17
18.07.17	Email from Medical Director to all on Trust-wide Consultation list, enclosing the three new job planning documents: <ul style="list-style-type: none"> • Revised Policy • Standards Document • PA Allocation Table 	PM/LS/RB	Completed 18.07.17
01.08.17	WFT Working Group meeting to review all responses and comments from Consultation.	LS	Completed 1.8.17
24.08.17	First meeting with Joint Medical Consultative Committee (JMCC) to discuss JP documentation with PM in attendance.	PM	Completed 24.08.17
20.09.17	Presentation of the new job planning documentation to the TME meeting for advice and discussion	PM	Completed 20.09.17
Oct/Nov	Engagement of the Trust's Doctors (via open forum sessions)	PM	Completed November 20 17
Nov 17	Obtain specifics from NHSI on the objections raised by the BMA in respect of the Job Planning Best Practice Guide	LS	Completed November 20 17



Date	Action	Owner	Comments
4.12.17	Second meeting with JMCC	PM and SH	Completed 4.12.17
Dec 17	Meeting with nominated lead from JMCC to finalise requests for amendments to ToRs of the Medical Job Planning Consistency Committee	PM/SH	December 2017
13.12.17	TME for approval of documentation	PM	To occur on 13.12.17
TBC	HR Policy Group	RB	To occur in December 2017
TBC	Policy Ratification Group	RB	12.01.18

2.3.1: Joint Medical Consultative Committee Liaison: I first met with the Joint Medical Consultative Committee (JMCC) on this topic on the 24th August 2017. A discussion took place with regard to the revised documentation. The BMA Industrial Relations Officer (IRO) has been present at the JMCC meetings. She has advised that nationally, the BMA has requested further discussion with the NHSI on the Consultant Job Planning Best Practice Guide and stated that “agreements should not be reached locally with regard to job planning arrangements which are not included in the Consultant contract”. I can confirm that our revised documentation is consistent with the Consultant contract. I have also sought advice from the NHSI regarding the National position of the BMA and the NHSI stance on this to inform my further local discussions with the JMCC.

I met with the JMCC again on the 4th December 2017. It was a frank and productive meeting which culminated in an agreement for a nominated lead from the JMCC (one of the Trust’s Consultant Radiologists) to work with myself and Simon Hart to confirm the final set of the ToRs (and title) for the Medical Job Planning Consistency Committee (MJPC), plus any necessary adjustments to the wording of the job planning Policy document. The documentation will be taken to the TME on the 13th December 2017 for approval, and then onwards to the Policy Ratification Committee on the 12th January 2018. Following this, the Allocate e-job planning system training will commence, as outlined below.

2.2: Implementation of the e-Job Planning System

Following approval of the business case, work on implementation commenced. The Allocate ‘Kick Off Meeting’ was held with Allocate Software Ltd on the 11th October 2017, in the presence of the core members of the WFT Programme Team (including Dr Sara Mumford, one of the CDs [Dr Carole Jones], 1 x Associate Director of Operations, 2 x GMs, an AGM, and two of the HR Leads [Transformation and Medical Staffing]). From this meeting, the following broad timeframes emerged:

- **Data Collection Templates:** A complex set of 4 templates were due for return to Allocate to allow the build to commence.
(Est 4 weeks from 26.10.17)
Action: MTW) - Completed 24.11.17

These templates are:

- Settings (system control rules)
- DCC list (by service)
- Non DCC list (by service)
- Master User List
- A review and sign off meeting was held with Allocate on the 28th November 2017. The data was approved by Allocate.



- **Meetings with CDs and GMs** to review their data collection templates and undertake a discussion to agree their job planning 'local standards' have taken place with all Directorates. **(Est 4 weeks from 26.10.17 – Action: MTW) - Completed 24.11.17**
- **Build process** (undertaken by Allocate) – **(Est 3 weeks – Action: Allocate)**
 - This will commence following the completion of the above data collection exercise.
Estimated completion end Dec 17
- **Training of 'super-users'** (Project Team and key implementation staff) – **(16.01.17)**
Action - Allocate
- **Training of 'Managerial users'** – 2 x half days (Management staff), 1 x half day (CDs)
(1.5 days – Action: Allocate)
(17.1.18 – CDs)
(19.1.18 & 22.1.18 GMs)
- **Doctor User Training** – Rolling programme – **(Est 4 weeks – Jan/Feb 2018 Action: MTW)**
- **Communications to organisation** (CD and Managerial communication – sent on 25th October 2017 and Clinician's Communication - planned for 14th December 2018 (following the TME approval of the documentation, prior to go live, and to coincide with the launch of the training programme).
(To be completed by 14.12.17 – Action: MTW)

4: RECOMMENDATION:

This paper is for information only. I am pleased to report that this programme is fully on track for delivery and there is good support from the Clinical Directors who have been working with their Consultant Teams to discuss the revised documentation and new process. The Programme will continue to be monitored and report to the WFT Steering Group at its monthly meetings. The next meeting of the Steering Group takes place on 18th January 2017.

Peter Maskell
Medical Director

12.12.17

LPS/BD/WFT/for 20.12.17

Trust Board Meeting – December 2017**12-10 Update on the Care Quality Commission (CQC) inspection****Chief Nurse**

The purpose of this report is to provide the Trust Board with a further update on the unannounced and announced inspections by the CQC.

The Trust has now undergone four unannounced CQC inspections. Three of the four inspections were described in the November Board paper.

Fourth Inspection: 23rd November at Tunbridge Wells Hospital re visiting A+E to cross reference with the previous 07.00hrs visit to Maidstone services. There was a focus around review of patient flow, discharge and associated pathways.

No red flag or immediate concerns were raised following the A+E focussed inspections.

Central project team: The team continues to manage the overarching project plan and remains on schedule with Phase 1 completed and Phases 2– 4 running con-currently. Activities for preparation to the mapped key objectives and activities within the 6 Phase model of delivery continue and in addition to November 2017 board report include the following:

- PHASE 1 - Provider Information Request (PIR) Data Collection/Submission - Completed on schedule and submitted 14th August 2017.
- PHASE 2A - Replies to Phase 1 Data Submission – Following the CQC's unannounced inspections there has been an increase in additional data requests. To date a total of 148 additional data submissions have been provided to the CQC. This consists of hard copies of evidence during unannounced inspections, electronic submissions via the CQC secure portal and preparation of documents for the announced Well Led inspection.

Good communication has been maintained with the CQC and responses have been submitted on or before time through the secure portal.

- PHASE 2B - Preparation for Unannounced CQC Visit –. The CQC hub room remains the central point to manage the CQC preparation and during times of inspections.

The cascade information and hospitality alert plan has been used effectively for the unannounced visits to ensure Trust wide communication. The out of hours cascade was agreed and shared with switchboard; Gold and Silver On call Managers and Site teams. To date, this has not been required.

The internal mock inspections have continued with dates mapped out for the remainder of the year.

- PHASE 2C – Communication

Informal CQC drop sessions continued to run until the end of November and were held at alternative hospital sites on a weekly basis. It is planned that these will now transition to open forums for staff debriefs and sharing of information post the announced CQC inspection in line with Phase 4.

The Take 5 Talk 5 campaign continues in the Friday CEO Newsletter. This continues to raise awareness of key focus areas and is an ongoing reminder of the 5 Key Lines of Enquiry (KLOEs). Themes since previous paper include; Medicines management, IV fluids and general stock levels, discharge profile and falls

The Central project team also provide a weekly executive summary report on progress, next steps, issues and findings.

The Key Initiatives document has been shared widely and will become an active document to

monitor progress of projects and raise awareness of new initiatives throughout the Trust.

- PHASE 2D – Project Group - The Daily CQC huddle continues to monitor progress against the issues log. The CQC project group meets weekly with a standing agenda and provides a forum for escalation of any risks / issues requiring the nominated directorate lead to progress outside of the huddle. The risk log is actively managed in this forum with 5 risks that have been downgraded since the last Trust Board. The Quality Improvement tracker and action plan continues to progress with monitoring, evaluating and assurances against actions in progress with review against “Must do’s”, “Should do’s” and the addition of “New do’s”. A lesson’s learnt log has been maintained which will ultimately feed into the “How to Guide” for post inspection during Phase 5.

- PHASE 3 / 4 - Well Led Domain Self-Assessment / Announced Visit - The CQC project team have worked collaboratively with the CQC Inspection team to agree and finalise a schedule for the planned inspection of the 12th and 13th December. We are expecting 11 CQC inspectors on day one and 9 CQC inspectors on day two. A CQC base room and interview rooms have been booked with associated hospitality plans. All key personnel requested by the CQC for interview have received confirmation of the Inspection schedule and a summary of relevant information has been provided in readiness for the interviews. Two inspector leads have requested a site tour of Maidstone Hospital which will be facilitated by the Assistant Deputy Chief Nurse. Trust wide communications has been shared to continue to raise awareness of the Trusts planned inspection.

The Central project team continue to collate the additional documents requested by the CQC to be available for review on their arrival. These are aligned to the Well led KLOE requirements.

- PHASE 5 - Post Inspection – Not due
- PHASE 6 - Wrap up/Handover/BAU – Not due

The aspiration and intention of this project plan remains as before; to ensure that MTW can transition from a ‘Requires Improvement’ status to one of ‘Good’ but most importantly to ensure that we continue to strive to improve the standard of care that we provide to our patients and improve work processes which will benefit our staff in the way they deliver this care.

Which Committees have reviewed the information prior to Board submission?

▪

Reason for submission to the Board (decision, discussion, information, assurance etc.)¹

For information

¹ All information received by the Board should pass at least one of the tests from ‘The Intelligent Board’ & ‘Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients’: the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors’ understanding of the Trust & its performance

Trust Board meeting – December 2017

12-11	Planned and actual ward staffing for November 2017	Chief Nurse
<p>Summary / Key points</p> <p>The attached paper shows the planned v actual nursing staffing as uploaded to UNIFY for November 2017. This data is also published via the NHS Choices website and the Trust website as directed by NHS England and the National Quality Board.</p> <p>Wards of note this month include:</p> <p>Pye Oliver Ward: Had a high fall rate last month, this has reduced this month, despite difficulties with filling gaps in the CSW workforce.</p> <p>Ward 22/ASU: Whilst the fill rate is within agreed limits, there has been an increased number of falls above threshold.</p> <p>Ward 12: Similarly overall fill rates have been within expected limits, there has been no significant improvement in the number of falls in month.</p> <p>Ward 20: This ward remains on amber; this ward has had a sustained requirement for additional staff to manage cohorted groups of patients with either cognitive impairment, high risk of falls or both. This month, staffing fill rate has been within expected limits for the day; there has been a need for enhanced care to manage a cohorted group of patients at night. The fall rate remains higher than the agreed threshold.</p> <p>Ward 30: This ward remains on amber and whilst fill rates are within agreed limits the fall rate remains higher than the agreed threshold.</p> <p>Wards 10: Ward 10 had a cohort of patients requiring increased observation. There was a change with the RN: CSW ratios at night to account for this. This decision was reviewed and supported by the matron in line with the Trust' enhanced care policy.</p> <p>Delivery Suite had a lower than planned fill rate for Registered Midwives however all women in established labour received 1:1 care.</p> <p>ICU Maidstone had a lower than planned fill rate. This was a considered action taken on the day during the course of the month, as acuity and dependency was low. Staff were redeployed to ICU TWH, Critical Care Outreach and ward areas.</p> <p>Care Hours Per Patient Day</p> <p>CHPPD is calculated by adding the hours of available registered nurses to the hours of available healthcare support workers during each 24 hour period and dividing the total by every 24 hours of in-patient admissions, or approximating 24 patient hours by counts of patients at midnight. NHS England have recommended the latter for the purposes of the UNIFY upload & subsequent publication.</p> <p>The Carter report indicated a range for CHPPD between 6.3 and 15.48. The median was 9.13. CHPPD have decreased over the last month with Maidstone being 8.0 compared to 9.2 last month, and 8.8 compared to 8.9 for Tunbridge Wells Hospital.</p> <p>Planned vs. Actual</p> <p>The fill rate percentage is the actual hours used compared to the hours set in the budgeted establishment. That is, the budgeted establishment sets out the numbers of Registered Nurses and Clinical Support Workers based on an average acuity and dependency (or planned case mix for elective units). When units are faced with increased acuity and/or dependency, in escalation or undergo a service change that is not currently reflected in the budget, this is represented by an 'overflow'. Financial and key nurse-sensitive indicators have also been included as an aid to triangulation of both efficient and effective use of staff.</p>		

When the fill rate is only marginally over 100% by +/- 5% this is normally related to working patterns which required staff to work an additional shift periodically as long shifts result in a staff member either working over or under their contracted hours in any given month.

The RAG rating for the fill rate is rated as:

Green: Greater than 90% but less than 110%

Amber Less than 90% OR greater than 110%

Red Less than 80% OR greater than 130%

The principle being that any shortfall below 90% may have some level of impact on the delivery of care. However this is dependent on both acuity and dependency. Acuity is the term used to describe the clinical needs of a patient or group of patients, whilst dependency refers to the support a patient or group of patients may need with activities such as eating, drinking, or washing.

High fill rates (those greater than 110%) would indicate significant changes in acuity and dependency. This results in the need for short notice additional staff and as a consequence may have a detrimental impact on the quality of patient care.

The exception reporting rationale is overall RAG rated according to professional judgement against the following expectations:

- The ward maintained a nurse to patient ratio of 1:5 – 1:7
- Acuity and dependency within expected tolerances
- Workforce issues such as significant vacancy
- Quality & safety data
- Overall staffing levels
- Risks posed to patients as a result of the above

The **overall** RAG status gives an indication of the safety levels of the ward, compared to professional judgement as set out in the Staffing Escalation Policy. The arrow indicates improvement or deterioration when compared to the previous month. The thresholds for the overall rating are set out below:

RAG	Details
	<p>Minor or No impact: Staffing levels are as expected and the ward is considered to be safely staffed taking into consideration workloads, patient acuity and skill mix.</p> <p>RN to patient ratio of 1:7 or better Skill mix within recommended guidance Routine sickness/absence not impacting on safe care delivery Clinical Care given as planned including clinical observations, food and hydration needs met, and drug rounds on time.</p> <p>OR</p> <p>Staffing numbers not as expected but reasonable given current workload and patient acuity.</p>
	<p>Moderate Impact: Staffing levels are not as expected and minor adjustments are made to bring staffing to a reasonable level.</p> <p>OR</p> <p>Staffing numbers are as expected, but given workloads, acuity and skill mix additional staff may be required.</p> <p>Requires redeployment of staff from other wards RN to Patient ratio >1:8 Elements of clinical care not being delivered as planned</p>

	<p>Significant Impact:</p> <p>Staffing levels are inadequate to manage current demand in terms of workloads, patient acuity and skill mix.</p> <p>Key clinical interventions such as intravenous therapy, clinical observations or nutrition and hydration needs not being met.</p> <p>Systemic staffing issues impacting on delivery of care. Use of non-ward based nurses to support services RN to Patient ratio >1:9</p> <p>Need to instigate Business Continuity</p>
<p>Which Committees have reviewed the information prior to Board submission?</p> <ul style="list-style-type: none"> ▪ N/A 	
<p>Reason for submission to the Board (decision, discussion, information, assurance etc.) ¹</p> <p>Assurance</p>	

¹ All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

November'17		Day		Night		Overall Care Hours per pt day	Nurse Sensitive Indicators						Financial review		
Hospital Site name	Ward name	Average fill rate registre d nurses/m idwives	Average fill rate care staff (%)	Average fill rate registre d nurses/m idwives	Average fill rate care staff (%)		FFT Response Rate	FFT Score % Positive	Falls	PU ward acquired	Overall RAG Status	Comments	Budget £	Actual £	Variance £ (overspend)
MAIDSTONE	Acute Stroke	103.3%	94.2%	100.0%	126.7%	7.6	21.9%	100.0%	1	0		11 nights of enhanced care needs	132,329	142,131	(9,802)
MAIDSTONE	Cornwallis	113.3%	83.3%	98.9%	100.0%	7.0	50.0%	91.5%	2	0			72,057	72,317	(260)
MAIDSTONE	Coronary Care Unit (CCU)	98.3%	83.3%	98.3%	N/A	10.5	220.0%	95.5%	0	0		CSW fill rate for CCU an accepted risk as unit is co-located on Culpepper. Staff rotate during shift as needed.	106,475	103,883	2,592
MAIDSTONE	Culpepper	100.0%	100.0%	100.0%	110.0%	6.9	71.4%	100.0%	0	0					
MAIDSTONE	John Day	95.4%	112.2%	98.0%	101.7%	6.8	94.5%	88.5%	3	1		Increased CSW fill rate to ensure sufficient staff (head count) to maintain care delivery (11 shifts)	127,486	146,071	(18,585)
MAIDSTONE	Intensive Treatment Unit (ITU)	85.5%	N/A	83.1%	N/A	48.7	71.4%	100.0%	0	0			174,246	145,636	28,610
MAIDSTONE	Pye Oliver	100.0%	84.7%	100.0%	100.0%	6.6	41.5%	95.5%	7	2	↑	Improvements seen in falls prevention	100,557	113,563	(13,006)
MAIDSTONE	Chaucer	84.5%	108.0%	138.3%	150.0%	8.9	26.8%	93.8%	5	1		Escalated at night 27 nights.	109,535	108,494	1,041
MAIDSTONE	Lord North	96.0%	76.7%	98.9%	106.7%	7.6	27.5%	100.0%	2	0		Reduced CSW fill rate an accepted risk.	101,914	90,406	11,508
MAIDSTONE	Mercer	110.0%	93.3%	100.0%	95.0%	5.9	50.0%	100.0%	13	0			101,227	90,627	10,600
MAIDSTONE	Edith Cavell	100.0%	92.7%	100.0%	140.0%	5.8	81.8%	77.8%	5	2		12 nights of enhanced care requirements.	84,754	82,574	2,180
MAIDSTONE	Urgent Medical Ambulatory Unit (UMAU)	94.8%	97.3%	132.2%	176.7%	9.5	13.1%	93.9%	4	0		Escalated overnight throughout month.	104,359	128,475	(24,116)
TWH	Stroke/W22	95.0%	94.7%	99.3%	107.8%	11.8	150.0%	93.3%	11	0	↓	Increased number of falls in month. 11 against a threshold of 7.	163,074	152,002	11,072
TWH	Coronary Care Unit (CCU)	100.0%	90.0%	100.0%	N/A	12.1	108.6%	100.0%	1	0			61,501	65,427	(3,926)
TWH	Gynaecology/ Ward 33	101.7%	88.3%	100.0%	100.0%	7.9	33.1%	100.0%	1	0		CSW rate an accepted risk.	74,602	79,706	(5,104)
TWH	Intensive Treatment Unit (ITU)	93.3%	93.3%	93.3%	53.3%	28.8	100.0%	66.7%	0	0			192,154	177,127	15,027
TWH	Medical Assessment Unit	94.4%	98.3%	114.7%	104.4%	7.0	56.0%	91.8%	10	0		Ambulatory care bay escalated overnight.	162,758	182,289	(19,531)
TWH	SAU	97.8%	90.0%	100.0%	100.0%	5.1	0.0%	0.0%	0	0			54,119	59,617	(5,498)
TWH	Ward 32	97.2%	97.8%	100.0%	108.3%	7.0	0.0%	0.0%	4	1			122,788	140,666	(17,878)
TWH	Ward 10	92.2%	91.7%	75.0%	201.7%	8.4	0.0%	0.0%	1	0		25 nights of enhanced care needs - cohorted approach as up to 6 patients needing enhanced supervision (requiring 2 additional CSWs per night).	112,453	115,772	(3,319)
TWH	Ward 11	102.4%	101.1%	102.5%	106.7%	6.9	0.0%	0.0%	1	0			110,018	120,421	(10,403)
TWH	Ward 12	94.7%	100.8%	98.9%	100.0%	6.7	27.1%	93.8%	11	0	↔	Falls remain above threshold of 6	122,915	118,824	4,091
TWH	Ward 20	101.1%	100.0%	98.9%	121.1%	5.5	66.7%	88.9%	16	0	↔	16 nights of enhanced care. Rated as amber due to continued high falls rate.	106,507	104,511	1,997
TWH	Ward 21	97.8%	97.8%	85.3%	145.0%	6.5	57.1%	96.4%	7	0		RN shifts x 5 not covered at night. Increased number of CSW required to support observation. 3 patients on L2 (NIV) support	133,012	121,852	11,160
TWH	Ward 2	93.3%	106.0%	100.0%	116.7%	6.8	71.0%	81.8%	9	0		12 nights of enhanced care needs.	124,028	215,301	(91,273)
TWH	Ward 30	98.0%	86.6%	100.0%	96.7%	6.6	0.0%	0.0%	16	1	↔	CSW fill rate an accepted risk. Unable to fill via bank. Some cross cover support provided by ward 31	108,041	114,739	(6,698)
TWH	Ward 31	100.6%	93.7%	97.5%	100.0%	7.4	2.5%	100.0%	7	2			129,736	131,043	(1,307)
Crowborough	Birth Centre	100.0%	100.0%	100.0%	100.0%				0	0			85,997	75,193	10,804
TWH	Ante-Natal	98.3%	100.0%	98.3%	100.0%	8.3	56.1%	96.1%	0	0		Low fill rate of RN at night on Delivery Suite was covered by 'the floor' . Midwives move between Ante-Natal and Delivery as required (following the woman thru labour). All women in established labour received 1:1 care.	615,174	680,440	(65,266)
TWH	Delivery Suite	96.7%	91.7%	59.9%	86.7%	23.8			0	0					
TWH	Post-Natal	97.2%	90.0%	92.5%	78.0%	6.5			0	0					
TWH	Gynae Triage	93.3%	100.0%	98.3%	93.3%				0	0			11,974	12,317	(343)
TWH	Hedgehog	105.0%	40.0%	89.4%	150.0%	7.6	23.8%	94.2%	1	0		15 nights of 1 RN short. Needing to cover 2 high dependency cases. Therefore additional CSW staff utilised to ensure appropriate levels of observation maintained. Reduced fill rate on days an accepted risk to ensure cover at night.	185,654	184,979	675
MAIDSTONE	Birth Centre	98.3%	100.0%	100.0%	96.7%				0	0			63,527	59,996	3,531
TWH	Neonatal Unit	106.0%	100.0%	102.8%	73.3%	12.2			0	0			167,377	171,417	(4,040)
MAIDSTONE	MSSU	105.4%	75.0%	100.0%	N/A		23.8%	94.2%	0	0			40,769	37,120	3,649
MAIDSTONE	Peale	126.7%	58.3%	106.7%	80.0%	9.2	0.0%	0.0%	1	0		RN fill rate due, in part, to 'natural movement' of staff following earlier skill mix review.	70,239	69,975	264
TWH	SSSU	100.0%	94.2%	100.0%	100.0%				6	0		fill rate does not fully reflect the need to provide support to Recovery when escalated.	66,724	136,014	(69,290)
MAIDSTONE	Whatman	119.6%	100.0%	128.9%	110.0%	6.2	100.0%	84.6%	5	2		RMN covered required 24/7 throughout month.	90,070	117,901	(27,831)
MAIDSTONE	A&E	98.3%	90.0%	99.5%	93.3%		16.6%	90.0%	4	0			205,143	174,269	30,874
TWH	A&E	98.9%	91.1%	100.8%	93.3%		16.2%	91.2%	3	0			311,866	316,067	(4,201)
Total Establishment Wards													4,907,159	5,159,159	(252,000)
Additional Capacity beds													39,307	32,370	6,937
Other associated nursing costs													2,337,722	2,586,682	(248,960)
Total													7,284,188	7,778,211	(494,023)

RAG Key

Under fill

Over fill

Trust Board meeting – December 2017

12-12 Quarterly mortality data	Medical Director
<p>Summary / Key points</p> <p>This report is submitted in line with guidance from the National Quality Board, March 2017. This stipulates that Trusts are required to collect and publish on a quarterly basis specified information on deaths. This should be through a paper and an agenda item to a public board meeting in each quarter to set out the Trust's policy and approach (by then end of Quarter 2) and publication of the data and learning points (from Quarter 3 onwards).</p> <p>This report also provides an update into the further actions that have subsequently been taken to understand and improve our Trust position, as a previous outlier, in regard to the Hospital Standardised Mortality Ratio (HSMR).</p> <p>This report is based upon the Trust's most recent data, published by Dr Foster for the period of September 2016 – August 2017.</p>	
<p>Which Committees have reviewed the information prior to Board submission?</p> <ul style="list-style-type: none"> ▪ N/A 	
<p>Reason for submission to the Board (decision, discussion, information, assurance etc.) ¹</p> <p>Information, assurance and discussion</p>	

¹ All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

Mortality Surveillance Report

Hospital Standardised Mortality Ratio (HSMR)

The HSMR is a calculation used to monitor death rates in a trust. The HSMR is based on a subset of diagnoses which give rise to around 80% of in-hospital deaths. HSMRs are based on the routinely collected administrative data often known as Hospital Episode Statistics (HES), Secondary Uses Service Data (SUS) or Commissioning Datasets (CDS).

Measuring hospital performance is complex. Dr Foster understands that complexity and is clear that HSMRs should not be used in isolation, but rather considered with a basket of other indicators that give a well-rounded view of hospital quality and activity.

HSMR Current Performance

The standard HSMR calculation uses a 12 month rolling view of our performance. The latest results of this are shown below in Fig. 1. The 12 months September 2016 to August 2017 show our HSMR to be 104.3, which is an improved position from 105.4 reported last month and moves us into an expected level.

Figure 1. Rolling 12 Month view

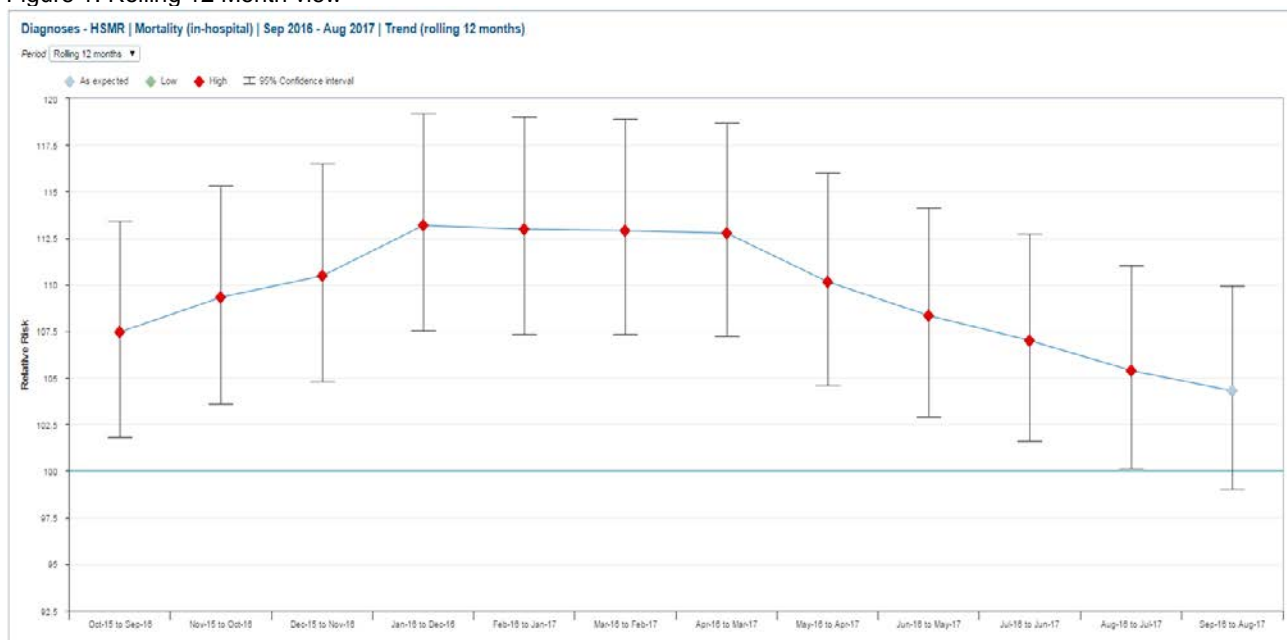
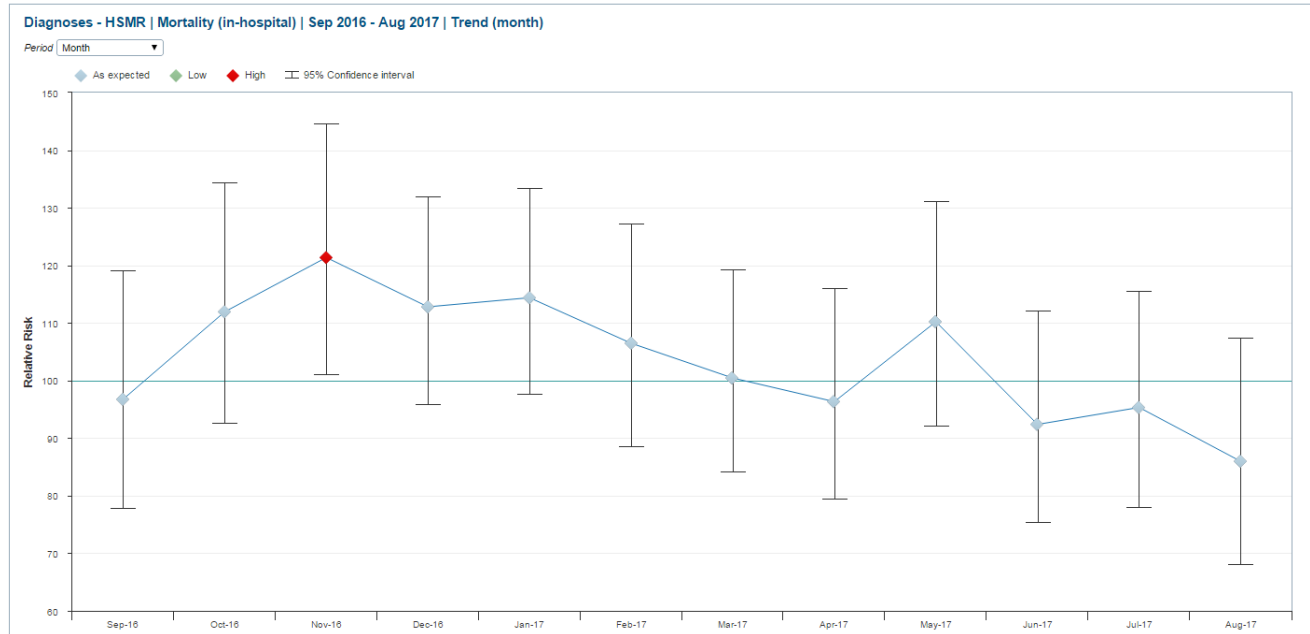


Figure 2. Presents a monthly view of our HSMR performance, which also demonstrates a reduction from November 2016. The latest month should be viewed with caution as this often shows a false position due to the lag in coding activity, however, viewing the previous month, so July 2017 in this case, still demonstrates a sustained improvement.

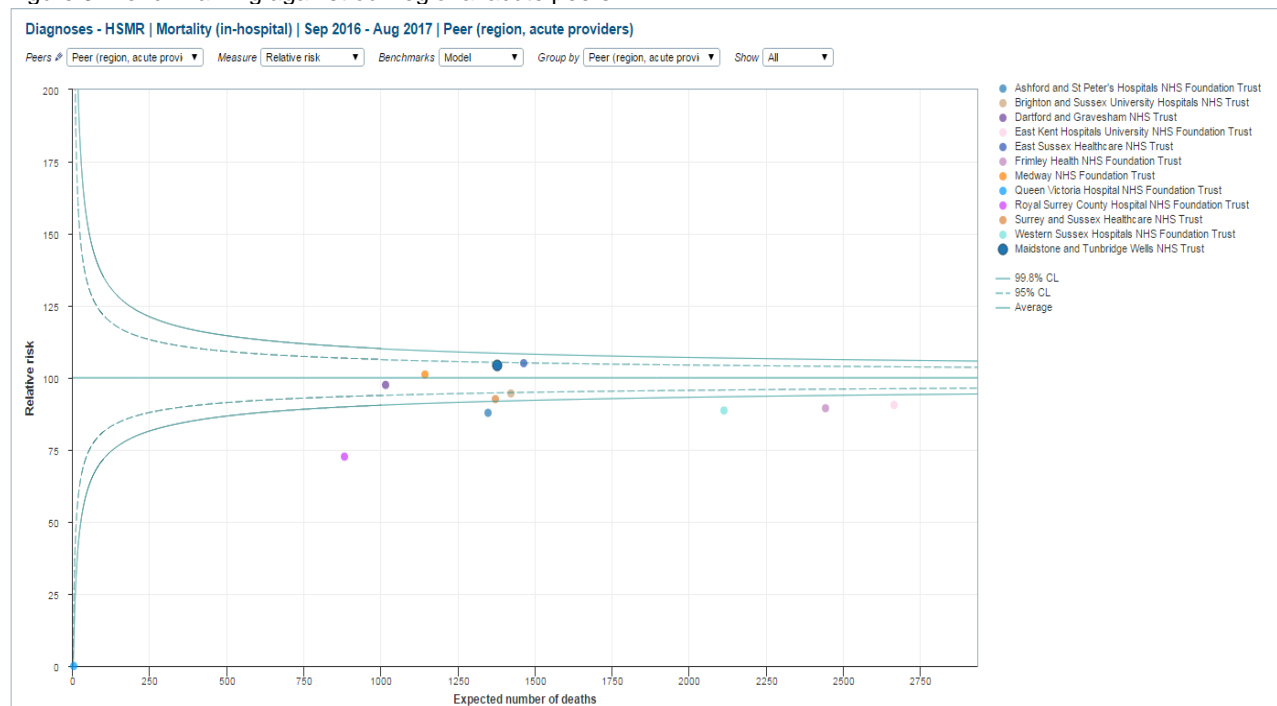
Figure 2. Monthly view



Benchmarking

Dr Foster also enables us to benchmark our performance against our peers. There are various peer groups available e.g. GIRFT and Carter groups, but our local acute peers have been selected below in Fig. 3. This demonstrates the Trust to be an outlier against this group, with only East Sussex having a worse position for this period.

Figure 3. Benchmarking against our regional acute peers



Understanding and Improving upon a high HSMR

Guidance from Dr Foster has been instrumental in directing the work of the Mortality Surveillance Group (MSG). In line with this progress has been made, and continues in regard to:-

- **Coding-** poor depth of coding can affect HSMR and it is recommended that coders and clinicians work more closely together.

Expected Deaths- Comorbidities

There are various factors that influence the level of 'expected' deaths assigned to a Trust for the purposes of reporting the HSMR these include; Sex, Age, Diagnosis, type, time and month of

admission, Socio-economic factors, palliative care and diagnosis/procedure subgroups. One of the key factors is patients Co-morbidities (based on Charlson score) as this informs the Trust's casemix. Of the 1436 deaths recorded in the period September 2016 to August 2017, 277 had no comorbidities recorded; 19.3% (the previous quarter was reported as 19.5%).

Figure 4. Deaths with a Charlson score of zero recorded by age

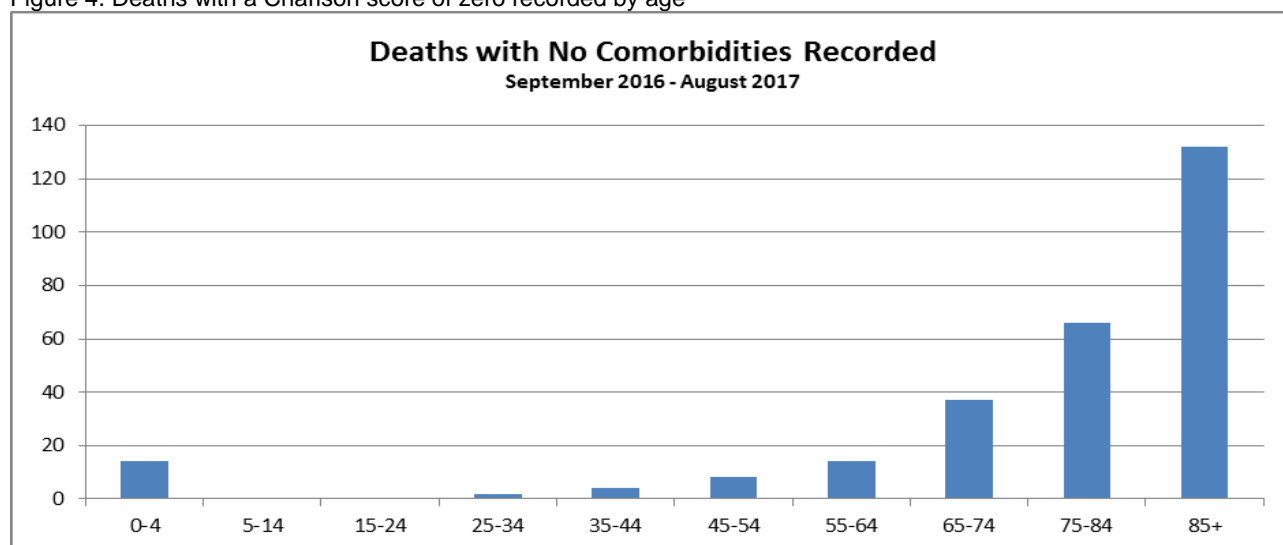
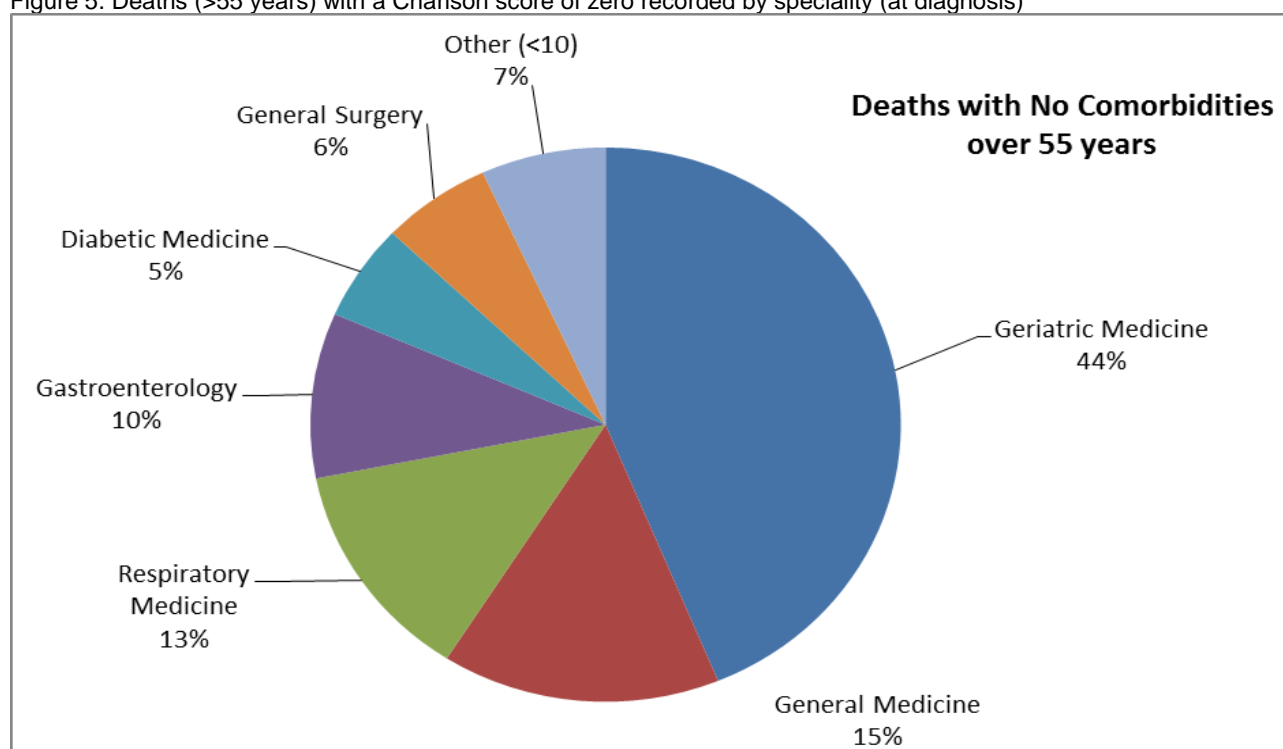


Figure 5. Deaths (>55 years) with a Charlson score of zero recorded by speciality (at diagnosis)



Some targeted work with General Medicine and Geriatric Medicine will be undertaken to address this potential under-reporting of comorbidities to ensure the 'expected' deaths assigned to the Trust are accurate.

- Process- at this point, consider is there a potential issue with quality of care.

CUSUM (Cumulative SUM control chart) is a method of identifying areas where there are unexpected cumulative numbers of mortalities which have occurred following treatment for a specific diagnosis; this can be both due to more and less than expected deaths. The chart below (Fig. 6) demonstrates the diagnosis groups where the Trust has received negative alerts when using a 'high' (99%) detection threshold over the past 12 months.

Figure 6. Dr Foster CUSUM alerts

Relative risk & CUSUM alerts										
Title	CUSUM	Vol	Obs	Exp	%	Relative risk	Trend	LOS	Readm.	Peers
All Diagnoses	1 9	104578	1747	1636.8	1.7	106.7				
HSMR (56 diagnosis groups)	2	34015	1436	1376.8	4.2	104.3				
Cancer of bone and connective tissue	1	11	2	0.6	18.2	330.8				
Cancer of liver and intrahepatic bile duct		48	12	5.8	25.0	208.7				
Congestive heart failure, nonhypertensive		577	89	65.2	15.4	136.6				
Fracture of neck of femur (hip)	1	572	47	34.7	8.2	135.3				
Non-Hodgkin's lymphoma	1	272	19	11.1	7.0	171.1				
Occlusion or stenosis of precerebral arteries	1	3	1	0.1	33.3	1399.0				
Pancreatic disorders (not diabetes)	1	328	17	9.7	5.2	175.9				
Phlebitis, thrombophlebitis and thromboembolism	1	117	1	1.4	0.9	72.2				
Pneumonia		1987	336	289.4	16.9	116.1				
Residual codes, unclassified	5	2448	61	26.8	2.5	227.7				
Senility and organic mental disorders	1	170	23	11.8	13.5	194.9				
Syncope	1	689	4	2.4	0.6	164.7				

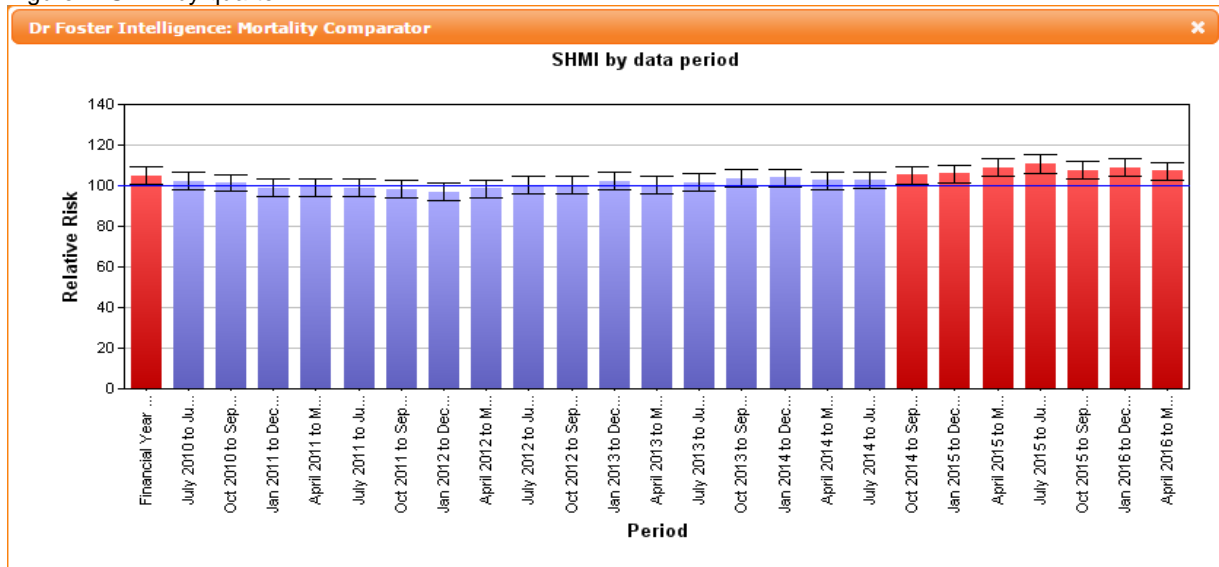
These alerts are regularly discussed at the Mortality Surveillance group with patient level data supplied to the Mortality leads to review. To date fractured neck of femurs, pneumonia, non-Hodgkin's lymphoma and phlebitis have had further reviews undertaken.

Summary Hospital-Level Mortality Indicator (SHMI)

SHMI is a measure of mortality and performance which includes all deaths in hospital regardless of diagnosis, in addition to all those individuals who die within 30 days of discharge from hospital.

SHMI published by HSCIC for the period April 2016 – March 2017 shows SHMI as 1.0717 which is banded as level 2 "as expected". Publication of the next data series for the period July 2016 to June 2017 will be published later in December 2017. Figure 7 shows how the SHMI for the Trust has decreased very slightly in the latest period of data report.

Figure 7. SHMI by quarter



SHMI - Supplementary information: Depth of Coding

In the pack of information provided as part of the SHMI release each quarter, there is information included about depth of coding. As can be seen from the table below, MTWs mean depth for non-elective admissions is higher than the national average and our local acute peers. This also highlights that our coding of secondary diagnosis is rich as the maximum has been reached.

Provider name	Mean coding depth for non-elective admissions	Maximum number of secondary diagnosis codes for non-elective admissions
England	4.2	19
Dartford and Gravesham NHS Trust	2.8	15
East Kent Hospitals University NHS Foundation Trust	3.3	13
Maidstone and Tunbridge Wells NHS Trust	4.5	19
Medway NHS Foundation Trust	4.4	19

SHMI - Supplementary information: Palliative Care Coding

Information is also included about our palliative care coding and as can be seen below, the Trust's coding is slightly higher than the England levels. Previously this had been an area where MTW fell below the national average, so this shows an improved position.

Provider name	Observed deaths	Number of deaths with palliative care diagnosis coding	Number of deaths with either palliative care speciality or diagnosis coding	Percentage of deaths with palliative care diagnosis coding	Percentage of deaths with either palliative care speciality or diagnosis coding
England	293,623	89,539	90,140	30.5	30.7
Dartford and Gravesham NHS Trust	1,497	700	700	46.8	46.8
East Kent Hospitals University NHS Foundation Trust	4,203	1,069	1,069	25.4	25.4
Maidstone and Tunbridge Wells NHS Trust	2,420	745	745	30.8	30.8
Medway NHS Foundation Trust	1,885	602	602	31.9	31.9

SHMI - Supplementary information: Deaths split by deprivation quintile

The pack includes a breakdown of deaths split by deprivation quintile and the following table highlights that proportion deaths at MTW in each. This shows that 3.2% of our deaths fall in quintile 1 'most deprived', whereas 38.8% of our deaths fall into quintile 5 'least deprived'. This profile is significantly different than the national average and our local acute peers.

Provider name	Percentage of deaths in deprivation quintile 1 (Most)	Percentage of deaths in deprivation quintile 2	Percentage of deaths in deprivation quintile 3	Percentage of deaths in deprivation quintile 4	Percentage of deaths in deprivation quintile 5 (Least)	Percentage of deaths where the deprivation quintile cannot be derived
England	20.5	20.2	20.5	19.8	17.3	1.6
Dartford and Gravesham NHS Trust	*	23.6	19.8	25.9	20.8	*
East Kent Hospitals University NHS Foundation Trust	16.4	21.9	26.0	28.5	6.9	0.2
Maidstone and Tunbridge Wells NHS Trust	3.2	6.9	21.0	29.8	38.8	0.3
Medway NHS Foundation Trust	18.8	26.9	19.4	19.8	14.8	0.3

* indicates value suppressed for the purposes of disclosure control

The next steps for us to identify a suitable peer group base on this profile and we will be talking to Dr Foster to identify relevant Trusts to benchmark ourselves against

The Mortality Surveillance Group (MSG):-

The MSG has been operational in its current format since February 2016 and has made consistent progress in improving the reported position of Mortality reviews, with acknowledgment that 100% compliance needs to be reached. The latest local position is:

Position of Mortality Reviews – (Apr - Aug 17)

Trust	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	YTD
No of Deaths	151	167	130	132	143	121	844
No of Completed Reviews	94	88	64	54	46	16	362
%age completed reviews	62.3%	52.7%	49.2%	40.9%	32.2%	13.2%	42.9%
No of Completed Reviews within agreed timescale	47	39	39	40	27	11	203
%age completed review within agreed timescale	31%	23%	30%	30%	19%	9%	24%
Unavoidable deaths, No Suboptimal Care	80	74	58	46	41	11	310
Unavoidable Death, Suboptimal care	12	13	5	4	3	0	37
Suboptimal care, possible Serious Incident	1	0	0	2	0	0	3
Suboptimal care, a Serious Incident	0	1	0	0	0	0	1
Unknown Classification	1	0	1	2	2	5	11
%age Unavoidable deaths, No Suboptimal Care	85%	84%	91%	85%	89%	69%	86%
%age Unavoidable Death, Suboptimal care	13%	15%	8%	7%	7%	0%	10%
%age Suboptimal care, possible Serious Incident	1%	0%	0%	4%	0%	0%	1%
%age Suboptimal care, a Serious Incident	0%	1%	0%	0%	0%	0%	0%

The percentage of mortality reviews completed still demonstrates significant time delays, with multifactorial reasons, such as access to notes, rostering of staff to undertake reviews, administrative processes etc. The new Mortality review process is anticipated to be less time consuming with the majority of patients not requiring a more in-depth review which we hope will improve our performance indicators. The new process commenced on the 2nd October with some transitional challenges which continues to be closely monitored.

Learning from Mortality Reviews

The learning identified and discussed has included:-

- Review of Fractured neck of femurs has raised concern in regard to access to theatre within 36hrs, this provided further evidence for the business case for the funding of Theatre 6. The impact of this should be seen imminently.
- The review of patients who were coded as having died from pneumonia has demonstrated that MTW should not be an outlier for pneumonia deaths and that there does not seem to be any trend of sub-optimal care that would lead to avoidable deaths from pneumonia.
- In addition the review has shown an inaccuracy in the completion of the medical certification of death with respect to cause of death, further support for our junior medical staff is required.
- Benchmarking of our organisation with local trusts in regard to the coding list that is used to record co-morbidities to satisfy the requirements of Dr Foster.
- Local learning for Acute & Emergency medicine following declaration of SI following Mortality review:-
 - Revise the process for reviewing blood gases, local audit to be undertaken.
 - Frequency of observations, assurance required, local audit to be undertaken.
 - Adherence to VTE thromboprophylaxis guidelines and raised awareness in regard to the need to escalate concerns and report on Datix.
- Local learning for specialist medicine following declaration of SI following mortality review:-
 - Guidance to be shared at clinical governance meeting re the potential for hiatus hernias to strangulate and rapidly deteriorate.

Learning from Deaths Project Working Group.

The project group has been operational since May 2017 and set up in response to the National agenda for learning from deaths. The objectives of the group are:-

National Objectives

- Sarah Dunnett, Non-Executive Director and Peter Maskell, Medical Director have agreed to take responsibility for the Mortality agenda.
- The reporting of MSG to the Trust Clinical Governance Committee who subsequently report to TME and the Quality Committee.
- The production of a Policy for undertaking case record reviews, aligned with the Structured Judgement Review (SJR) methodology (Royal College of Physicians – 2016). This was published in September 2017.
- Implementation of the Structured Judgement Review methodology on the 2nd October 2017.
- A review of the skills and training required to support this agenda.
- A review of the arrangements for engaging with families and carers of bereaved families (*note, further National guidance is being developed in this area*)
- Quarterly collection and publication of specified information on deaths, from April 2017, via a paper and agenda item on the Trust's Public Board agenda.
- A summary of mortality review data in the June 2018 Quality Accounts, including an assessment of the impact of the actions that the Trust has taken as a result of the information that has been collected.

In addition the Trust has identified the following local objectives:-

- Reducing the number of deaths with suboptimal care.
- Clarifying the role of the MSG in the extraction and dissemination of learning from this process.
- Understanding the role of the Informatics Team in monitoring and supporting this process.
- Reducing the observed rates of mortality, in line with expected rates, by specialty.

- Developing the process for the inclusion of 'services with alerts/alarms', via MSG who will instigate an audit if an area is flagged twice and a deep dive if the audit demonstrates any concerns.
- Understanding our mortality data better, facilitated by closer working with the Dr Foster Team.
- Collaborative working with neighbouring Trusts/STP Colleagues via the CoP process (Communities of Practice).
- Developing the service we provide to families and carers.
- Learning from our deaths, supported by the Learning Lessons Task and Finish Group.

Recent achievements include the inception of the new mortality review process, with the first patients being referred for Structured Judgement reviews.

In addition 4 of our Consultants have undertaken the national training in October and November, which gives us accreditation to train further clinicians thereby ensuring that the Trust has a resource of independent experts suitably qualified to undertake the Structured Judgement review process. Four additional Consultants have subsequently been trained.

National Quality Board Dashboard- July- September 2017.

The Trust's method of Mortality reviews currently codes into 4 categories 0-3 as above. The New Dashboard attached as an appendix however codes in categories of 1-6. The revised Mortality review process, which commenced on the 2nd October, will align these figures going forwards.

Next Steps:-

- Work with Directorate Leads to embed the new mortality review process and improve reporting figures.
- Work with coding to disseminate learning to clinicians via Clinical Governance sessions
- Work with Bereavement service to support medical teams with Cause of Death and ensure that Comorbidities considered for part 2
- Work with neighbouring hospital Trusts to investigate the potential to develop an online mortality review process to improve efficiency and data extraction for reports/reviews etc..
- Publication of information leaflets for staff and patients/carers/families on the Duty of Candour process onto Q-Pulse.
- Dr Foster lead added to list of attendees for MSG.
- Work to develop an aide for Junior Doctors on the requirements of the Coroner in regard to the medical certification of death form is currently being developed by the Legal Services Lead and will be published in the Junior Doctors Handbook and added to the local induction programme for all new starters.



Maidstone & Tunbridge Wells NHS Trust: Learning from Deaths Dashboard - September 2017-18



Description:

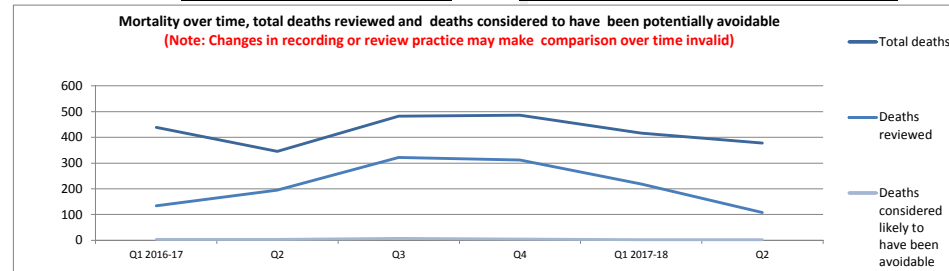
The suggested dashboard is a tool to aid the systematic recording of deaths and learning from care provided by NHS Trusts. Trusts are encouraged to use this to record relevant incidents of mortality, number of deaths reviewed and cases from which lessons can be learnt to improve care.

Summary of total number of deaths and total number of cases reviewed under the Structured Judgement Review Methodology

Total Number of Deaths, Deaths Reviewed and Deaths Deemed Avoidable (does not include patients with identified learning disabilities)

Total Number of Deaths in Scope		Total Deaths Reviewed		Total Number of deaths considered to have been potentially avoidable (RCP<=3)	
This Month	Last Month	This Month	Last Month	This Month	Last Month
114	138	12	45	0	0
This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter
378	416	108	218	2	2
This Year (YTD)	Last Year	This Year (YTD)	Last Year	This Year (YTD)	Last Year
794	1752	326	963	4	17

Time Series: Start date 2016-17 Q1 End date 2017-18 Q2



Total Deaths Reviewed by RCP Methodology Score

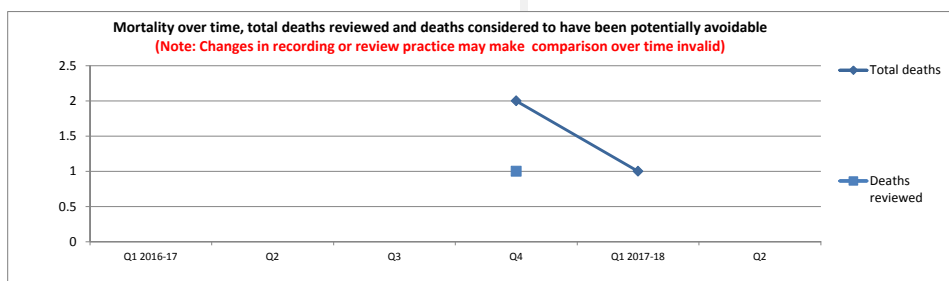
Score 1 Definitely avoidable	Score 2 Strong evidence of avoidability	Score 3 Probably avoidable (more than 50:50)	Score 4 Probably avoidable but not very likely	Score 5 Slight evidence of avoidability	Score 6 Definitely not avoidable
This Month 0 0.0%	This Month 0 0.0%	This Month 0 0.0%	This Month 0 0.0%	This Month 0 0.0%	This Month 12 100.0%
This Quarter (QTD) 0 0.0%	This Quarter (QTD) 0 0.0%	This Quarter (QTD) 2 1.9%	This Quarter (QTD) 0 0.0%	This Quarter (QTD) 6 5.6%	This Quarter (QTD) 100 92.6%
This Year (YTD) 0 0.0%	This Year (YTD) 1 0.3%	This Year (YTD) 3 0.9%	This Year (YTD) 0 0.0%	This Year (YTD) 26 8.0%	This Year (YTD) 296 90.8%

Summary of total number of learning disability deaths and total number reviewed under the LeDeR methodology

Total Number of Deaths, Deaths Reviewed and Deaths Deemed Avoidable for patients with identified learning disabilities

Total Number of Deaths in scope		Total Deaths Reviewed Through the LeDeR Methodology (or equivalent)		Total Number of deaths considered to have been potentially avoidable	
This Month	Last Month	This Month	Last Month	This Month	Last Month
0	0	0	0	0	0
This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter
0	1	0	0	0	0
This Year (YTD)	Last Year	This Year (YTD)	Last Year	This Year (YTD)	Last Year
1	2	0	1	0	0

Time Series: Start date 2016-17 Q1 End date 2017-18 Q2



Trust Board meeting – December 2017

12-13	Summary report from the Patient Experience Committee, 01/12/17	Committee Chair (Non-Executive Director)
<p>The Patient Experience Committee (PEC) met on 1st December 2017.</p> <p>The key matters considered at the meeting were as follows:</p> <ul style="list-style-type: none"> ▪ An update on actions raised at previous meetings was given and the following additional actions agreed. To: <ul style="list-style-type: none"> - Clarify the issues raised around insufficient levels of change in the car parking payment machines at Maidstone Hospital (MH) - Ensure that the issue of car parking ticket machines running out of tickets at MH was addressed as a Patient-Led Assessments of the Care Environment (PLACE) agenda item - Schedule an update at the next meeting on the identification of an appropriate vanity unit and mirror for use in patient bathrooms at Tunbridge Wells Hospital (TWH) ▪ A report was given on the recent guidance issued by the Department of Health on implementing changes to the NHS (Charges to Overseas Visitors) Regulations 2015, which mandated that all NHS hospitals were legally required to recover the full cost of treatment upfront for any non-urgent or planned care. It was noted that the Trust was working towards full compliance with these Regulations within 6 months ▪ A presentation was given on progress with the Stroke Care Review in Kent and Medway, and the Committee agreed to receive a further update on this matter at its meeting in March 2018, once public consultation on the shortlisted options had commenced ▪ The 6-monthly Stroke performance report was considered, which included updates on the Sentinel Stroke National Audit Programme (SSNAP) ratings for TWH and MH ▪ An update on Complaints & PALS contacts was received for Quarter 2. Committee members were invited to participate in a review of the complaints process in 2018 ▪ A report on Healthwatch Kent's activity was noted, along with its "Discharge from Hospital in West Kent" report which included the experiences of patients discharged from MH & TW ▪ An update was given on progress against the Patient Experience Quality Accounts priorities for 2017/18. It was agreed to invite the Matron Safeguarding Adults to liaise with the PEC's SEAP Advocacy Representative to consider if a presentation from Independent Mental Capacity Advocates (IMCAs) to Trust clinical staff would be appropriate ▪ A report on the PLACE Action Group was considered and it was agreed that an update on the maintenance and repair of portable hearing loops should be included in the PLACE report for the next meeting ▪ Notification of recent/planned service changes was received, which included updates on: the recent implementation of the new Allscripts Patient Administration System (PAS); progress with provision of the physical infrastructure for GP Streaming; and implementation of the "Hospital at Night" initiative ▪ A verbal update was delivered on progress against the Care Assurance programme for 2017, which included details of plans to provide more timely and user-friendly reports, and to ensure that the programme correlated with Quality Rounds. It was agreed that a written report on visits should be submitted to future PEC meetings ▪ The usual update on communications activity was noted and a verbal update given on plans to promote the patient representative role. It was agreed that future reports should contain information on the Trust's Membership, including any development plans ▪ An update on the 'Patients and their Medicines Group' was given, which noted the intention to re-form the Group in early 2018. It was agreed that a written report on the Group's activities should be provided for future PEC meetings ▪ The findings of the CQC's Emergency Department Survey 2016, and the actions planned by the Trust in response to the findings, were reported. These included efforts to better evaluate waiting times and the launch of the 'time to talk' campaign, which aimed to address the one deteriorating result received by the Trust for the question: If you were feeling distressed while you were in the emergency department, did a member of staff help to reassure you? ▪ An update on the CQC inspection of the Trust was given, including details of the inspections 		

conducted to date and of the announced visit on 12/13 December 2017

- The latest findings from the local patient survey (including the Friends and Family Test) were reported. It was noted that overall patient satisfaction has remained consistent for the year
- An update was received on the work of the PEC's sole sub-committee, the Patient Information and Leaflets Group (PILG). The backlog of leaflets awaiting publication was noted and it was reported that changes to the leaflet review and publication process would soon be introduced. It was agreed to ensure that an update on the status of the 2 leaflets which were furthest beyond their review date was given at the next PEC meeting
- A report from the Quality Committee meetings on 11/09, 13/09, 31/10 and 08/11/17 was received. It was agreed to schedule the report for the "Review of lessons learned" item at the Quality Committee 'deep dive' meeting in December 2017 for consideration at the next PEC
- A Band 5 Dietitian and Occupational Therapist attended the meeting and relayed some of their own experiences of working at the Trust, focused on aspects of patient experience. This included highlighting of issues relating to the provision of mealtime support to patients. Several Committee members responded with their own experiences of observing failures in the current system and it was agreed to highlight these concerns via the PEC's report to the Trust Board. It was additionally agreed to ensure that the issues raised were investigated and the findings reported to the next PEC meeting.
- A report from the Patient Representative Working Group was received

2. In addition to the actions noted above, the Committee agreed that:

- Relevant contact details should be provided in any reports which invited PEC member feedback
- The Trust main receptions should be informed of the venues of future PEC meetings
- A report on the appointment booking process for Outpatients should be received at the next PEC meeting
- The West Kent CCG representative on the PEC should be asked to ensure that details of on any external validation of GP referrals used by the CCG were included in its presentation scheduled for the next PEC meeting
- PEC members should be invited to propose agenda items in advance of future PEC meetings

3. The issues that need to be drawn to the attention of the Board are as follows:

- Concern was expressed by some Committee members in regard to the perceived lack of progress by the Trust in the provision of mealtime support to those who needed assistance

Which Committees have reviewed the information prior to Board submission?

- N/A

Reason for submission to the Board (decision, discussion, information, assurance etc.) ¹

Information and assurance

¹ All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

**Maidstone and
Tunbridge Wells
NHS Trust**

Trust Board meeting – December 2017



12-16 Request for additional working capital support	Chair of the Finance and Performance Committee
<p>The Trust's position in Month 7 moved adversely to plan by £3.86m (pre-STF) putting further pressure on the cash position. In addition the internal forecast for year end is currently suggesting a range of £18m to £21m year-end deficit (pre-STF). This is not sustainable through the current cash management strategies alone. Work has been undertaken to consider how the impact could be minimised, and the Trust has assessed that working capital finance of up to £15m will be required, unless the Trust's outturn significantly improves in the last quarter of the financial year.</p> <p>The enclosed report provides the details of the situation, and the proposed approach (which the Board is asked to approve). The Finance and Performance Committee was asked to review and support this approach at its meeting on 18/12/17, and the outcome of that review will be confirmed within the summary report from that Committee (which will be submitted separately to the Board).</p>	
<p>Which Committees have reviewed the information prior to Board submission?</p> <ul style="list-style-type: none"> Finance and Performance Committee, 18/12/17 	
<p>Reason for submission to the Board (decision, discussion, information, assurance etc.)¹</p> <ol style="list-style-type: none"> Approve the proposed loan application for the combined deficit working capital loan (£3.866m) and STF advance (£1.134m) i.e. £5m in total, to be drawn on 15/01/18. Specifically, to: <ol style="list-style-type: none"> Approve the financing proposed via the loan agreement (which is illustrated in Appendix 1, but for which the final version will not be available until 05/01/18) and the Board Resolution as set out below, in line with the enclosed Schedule 1 of the Loan facility documentation ("Conditions Precedent") i.e.: <ul style="list-style-type: none"> Approval that the loan facility can be signed by the Director of Finance under delegated authority Agreement to the terms of and the transactions contemplated by the loan subject to the Department of Health finalising the exact value and confirmation of financing product as a result of special measures regime Authorise the Director of Finance as the nominated officer to execute the agreement ("the Finance Documents") Authorise the Director of Finance, or Deputy Directors of Finance to manage the agreement i.e. to sign and/or despatch all documents and notices including any Utilisation Requests required under the agreement. Agree to the additional terms and conditions set out in the relevant schedule of the facility agreement (i.e. schedule 8) Approve a resolution to cover the same likely additional working capital loans required in February and March 2018, up to the value of a further £10m. 	

¹ All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

Background

The Trust currently has existing working capital loans relating to prior year deficits. In 2015/16 the Department of Health (DH) consolidated prior financing into a revenue support loan of £16.9m (1.5% per annum), and in 2016/17 the Trust made use of its Interim Revolving Working Capital Facility to the agreed level of £12.132m (3.5% interest per annum). In addition, DH agreed that loans were available as advance financing to cover the cash for expected Sustainability and Transformation (STF) payments given the significant time lag between accrual and actual cash settlement. The Trust has taken advantage of this for the Quarter 2 STF payment in 2017/18 (£2.235m) and this was covered by Trust Board approval in September 2017 up to the maximum potential value of £11.177m for the year. This is currently charged at the interest rate of 3.5%.

The Trust's submitted financial plan for 2017/18 did not include any additional working capital financing to support the recovery plan and agreed control total as the Trust's I&E plan was for a total of £4.5m deficit pre-STF, which would convert to a surplus of £6.7m after STF achievement.

Current position

During the year to date the Trust has managed its liquidity even though the actual position has been an I&E deficit through a combination of:

- Sustained dialogue with partner CCG and local Trusts to reduce the burden of intra-NHS debt. The Trust tends to be a net provider of services to other local Trusts and is therefore exposed to their cash pressures as trade creditors tend to be preferred in payment. This has been to some extent accentuated by the informal hosting of the STP, though this situation is improving for 2017/18.
- Managing our creditor position, taking into account the need to ensure continuity of key supplies.
- Effectively "borrowing" temporarily in the early part of the year from capital resource as the Trust's programme is back-ended in timing

Forecast position

The Trust's position in Month 7 moved adversely to plan by £3.86m (pre-STF) putting further pressure on the cash position. Work is taking place with the NHSI Regional Team to confirm the Trust's forecast outturn. This is scheduled for discussion at the Finance and Performance Committee on 18/12/17. The Trust has assessed that it could require up to £15m of working capital finance (unless the Trust's outturn significantly improves in the last quarter of the financial year).

The next draw down date for DH financing is 15/01/2018. The Trust therefore submitted a cash-flow in early December 2017 to NHS Improvement (NHSI), following discussion with the Regional team and the Capital and Cash lead, indicating that it was seeking an advance of £5m in January 2018, with likely further requirements of £5m in February and March 2018 respectively.

Following further discussion with NHSI the £5m loan for January has been approved, partly as deficit funding for the YTD position, and partly as advance of STF payments for Quarter 4. This position will need to be reviewed as the situation develops.

In practice the loan that will be issued will be one loan, with a term date of 3 years ahead, so that if the STF payment is not earned, the payment would in effect simply convert to the deficit basis. The main difference at this stage is that the interest rate will be lower (3.5%). If the Trust's forecast outturn formally changes to miss the control total, the DH may decide to apply the higher 6% rate that the Trust was previously charged for STF advances when it first entered Financial Special Measures and prior to an agreed recovery plan being accepted.

If the DH approves the loan application the documentation will be issued on 05/01/18, with a likely deadline of 10/01/18 to return the completed forms, along with a Trust Board resolution supporting the application (and agreeing to the terms of the loan).

The form of the loan is expected to be the same as the type used for the STF payments i.e. an "uncommitted single currency interim revenue support facility agreement". Appendix 1 contains the

most recent version of such a loan agreement that the Trust agreed for STF advance payment, which brought the Quarter 1 advance up to the value of the Quarter 2 level at 3.5% interest rate.

Governance

The Finance and Performance Committee has been asked, at its meeting on 18/12/17, to provide its support for this loan application of £5m for the January 2018 drawdown.

In addition, in order to avoid repeating this approach for the likely future working capital support loans in February and March 2018, the Finance and Performance Committee was asked to support a recommendation that the Trust Board also pass a resolution to cover the same likely additional working capital loans required in February and March 2018, up to the value of a further £10m.

The Trust Board is therefore asked to approve the delegation of its authority to the Director of Finance, to execute these further working capital loan applications in 2017/18, with the same clauses required by NHSI for all the working capital loans. The agreement document will include the “additional terms and conditions” in schedule 8 (as illustrated within Appendix 1) which have been common to all the financing agreements in the last three years, and to which the Trust has already signed up on each previous financing loan agreement.

However, if the further working capital loans are not needed, or not needed to the extent of the further £10m, the Finance and Performance Committee and Trust Board will be duly notified.

Recommendation:

The Trust Board is asked to:

1. Approve the proposed loan application for the combined deficit working capital loan (£3.866m) and STF advance (£1.134m) i.e. £5m in total, to be drawn on 15/01/18. Specifically, to:
 - a. Approve the financing proposed via the loan agreement (which is illustrated in Appendix 1, but for which the final version will not be available until 05/01/18) and the Board Resolution as set out below, in line with the enclosed Schedule 1 of the Loan facility documentation (“Conditions Precedent”) i.e.:
 - Approval that the loan facility can be signed by the Director of Finance under delegated authority
 - Agreement to the terms of and the transactions contemplated by the loan subject to the Department of Health finalising the exact value and confirmation of financing product as a result of special measures regime
 - b. Authorise the Director of Finance as the nominated officer to execute the agreement (“the Finance Documents”)
 - c. Authorise the Director of Finance, or Deputy Directors of Finance to manage the agreement i.e. to sign and/or despatch all documents and notices including any Utilisation Requests required under the agreement.
 - d. Agree to the additional terms and conditions set out in the relevant schedule of the facility agreement (i.e. schedule 8)

The proposed resolution is enclosed in Appendix 2. As noted above, the actual Agreement document will not be provided to the Trust until 05/01/18, but the Agreement, including the Trust Board resolution, needs to be authorised by the Trust by 10/01/18. As this is therefore before the date of the next scheduled Trust Board meeting, the Board is asked to delegate the authority to approve the resolution to the Chair of the Trust Board, on the basis that the terms of the Agreement are not materially different to the terms illustrated in Appendix 1.

2. Approve a resolution to cover the same likely additional working capital loans required in February and March 2018, up to the value of a further £10m. This resolution also delegates the authority to approve the likely February and March agreements to the Chair of the Trust Board, on the same terms and conditions (and using a document equivalent to that in Appendix 2). As noted above, the interest rate for each loan may be 6%.

N.B. This is for illustrative purposes only - the actual Agreement will not be received by the Trust until 05/101/18

DATED 3RD NOVEMBER 2017

MAIDSTONE AND TUNBRIDGE WELLS NHS TRUST
(as Borrower)

and

THE SECRETARY OF STATE FOR HEALTH
(as Lender)

£558,000.

UNCOMMITTED SINGLE CURRENCY INTERIM REVENUE SUPPORT
FACILITY AGREEMENT

REF NO: DHPF/ISUCL/RWF/2017-11-01/A

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THIS AGREEMENT is dated

2017 and made between:

- (1) **MAIDSTONE AND TUNBRIDGE WELLS NHS TRUST** of **Maidstone Hospital, Hermitage Land, Maidstone, Kent, ME16 9QQ** (the "**Borrower**" which expression shall include any successors in title or permitted transferees or assignees); and
- (2) **THE SECRETARY OF STATE FOR HEALTH** as lender (the "**Lender**" which expression shall include any successors in title or permitted transferees or assignees).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Account**" means the Borrower's account held with the Government Banking Service.

"**Act**" means the National Health Service Act 2006 as amended from time to time.

"**Additional Terms and Conditions**" means the terms and conditions set out in Schedule 8.

"**Agreed Purpose**" means working capital expenditure for use only if it has insufficient working capital available as set out under the Terms of this Agreement, to maintain the provision of the Borrower's services in its capacity as an NHS Body. For the purposes of this agreement, working capital expenditure shall include repayment of outstanding loans under any working capital facility provided by the Lender to the Borrower.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Available Facility**" means the Facility Amount less:

- (A) all outstanding Loans; and
- (B) in relation to any proposed Utilisation, the amount of any Loan that is due to be made on or before the proposed Utilisation Date.

"**Availability Period**" means two years from and including the date of this Agreement. The Availability Period may be extended, at the Borrower's option, subject to no outstanding Event of Default. Any extension can be for a period of up to twelve months, subject to the Availability Period expiring no later than the Final Repayment Date.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general banking business in London.

"**Capital Limit**" means the overall maximum net inflow/outflow from investing activities incurred by the Borrower as set by the Lender for any relevant financial year

"**Cash Balance**" means the Borrower's available cash balances, whether held within the Government Banking Service or otherwise, on the Utilisation Date to the Monday preceding the 18th day of the following Month.

"**Cashflow Forecast**" means the Borrower's current rolling 13 week cashflow forecast in a form to be agreed with the Lender from time to time (and as prepared on behalf of the Borrower's Board). The forecast must include all utilisations and proposed utilisations under any agreement with the Lender for the relevant period.

"Compliance Framework" means the relevant Supervisory Body's frameworks and/or any replacement to such frameworks for monitoring and assessing NHS Bodies and their compliance with any consents, permissions and approvals.

"Dangerous Substance" means any natural or artificial substance (whether in a solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any such other substance) capable of causing harm to the Environment or damaging the Environment or public health or welfare including any noxious, hazardous, toxic, dangerous, special or controlled waste or other polluting substance or matter.

"Default" means an Event of Default or any event or circumstance specified in Clause 18 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"Default Rate" means the official bank rate (also called the Bank of England base rate or BOEBR) plus 300 basis points per annum.

"Deficit Limit" means the Surplus/Deficit outturn for the Borrower set by the Lender for any relevant financial year before impairments and transfers.

"Environment" means the natural and man-made environment and all or any of the following media namely air (including air within buildings and air within other natural or man-made structures above or below ground), water (including water under or within land or in drains or sewers and inland waters), land and any living organisms (including humans) or systems supported by those media.

"Environmental Claim" means any claim alleging liability whether civil or criminal and whether actual or potential arising out of or resulting from the presence at on or under property owned or occupied by the Borrower or presence in or escape or release into the environment of any Dangerous Substance from any such property or in circumstances attributable to the operation of the Borrower's activities or any breach of any applicable Environmental Law or any applicable Environmental Licence.

"Environmental Law" means all statutes, instruments, regulations, orders and ordinances (including European Union legislation, regulations, directives, decisions and judgements applicable to the United Kingdom) being in force from time to time and directly enforceable in the United Kingdom relating to pollution, prevention thereof or protection of human health or the conditions of the Environment or the use, disposal, generation, storage, transportation, treatment, dumping, release, deposit, burial, emission or disposal of any Dangerous Substance.

"Environmental Licence" shall mean any permit, licence, authorisation, consent or other approval required by any Environmental Law or the Planning (Hazardous Substances) Act 1990.

"Event of Default" means any event or circumstance specified as such in Clause 18 (*Events of Default*).

"Facility" means the uncommitted interim support facility made available under this Agreement as described in Clause 2 (*The Facility*).

"Facility Amount" means **£558,000**, at the date of this Agreement and thereafter that amount to the extent not cancelled, reduced or transferred by the Lender or the Borrower (as may be amended by the Lender from time to time).

"Final Repayment Date" means 18 November 2020.

"Finance Documents" means:

- (A) this Agreement; and
- (B) any other document designated as such by the Lender and the Borrower.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with any applicable Audit Code for NHS Bodies, any applicable Manual for Accounts for NHS Bodies and Annual Report Guidance for NHS Bodies, be treated as a finance or capital lease;
- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (G) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (H) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (I) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H) above.

"Government Banking Service" means the body established in April 2008 being the banking shared service provider to government and the wider public sector incorporating the Office of HM Paymaster General (OPG).

"Interest Payment Date" means the last day of an Interest Period.

"Interest Period" means, in relation to a Loan, the period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

"Interest Rate" means 3.50% per annum, or other applicable interest rate that shall be notified by the Lender to the Borrower in respect of each Loan upon Utilisation.

“Licence” means the licence issued by Monitor to any person who provides a health care service for the purposes of the NHS.

“Limits” means the Deficit Limit and/or the Capital Limit where set out in the Finance Document

"Loan" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"Material Adverse Effect" means a material adverse effect on:

- (A) the business or financial condition of the Borrower;
- (B) the ability of the Borrower to perform any of its material obligations under any Finance Document;
- (C) the validity or enforceability of any Finance Document; or
- (D) any right or remedy of the Lender in respect of a Finance Document.

“Minimum Cash Balance” means £1,000,000

“Monitor” means the sector regulator for health care services in England or any successor body to that organisation

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (A) (subject to paragraph (C) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (B) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (C) if a period begins on the last Business Day of a calendar month, that period shall end on the last Business Day in the calendar month in which that period is to end,

provided that the above rules will only apply to the last Month of any period.

“NHS Body” means either an NHS Trust or an NHS Foundation Trust , or any successor body to that organisation.

“NHS Improvement” means the body incorporating the roles of Monitor and the NHS Trust Development Authority and acting as the health sector regulator providing healthcare transformation, regulatory and patient safety expertise.

“NHS Trust Development Authority” means the body responsible for monitoring the performance of NHS Trusts and providing assurance of clinical quality, governance and risk in NHS Trusts, or any successor body to that organisation;

"Original Financial Statements" means a certified copy of the audited financial statements of the Borrower for the financial year ended 31st March 2016.

"Participating Member State" means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

"Party" means a party to this Agreement.

"Permitted Security" means:

- (A) normal title retention arrangements arising in favour of suppliers of goods acquired by the Borrower in the ordinary course of its business or arising under conditional sale or hiring agreements in respect of goods acquired by the Borrower in the ordinary course of its business;
- (B) liens arising by way of operation of law in the ordinary course of business so long as the amounts in respect of which such liens arise are not overdue for payment;
- (C) any existing Security listed in Schedule 7;
- (D) any Security created or outstanding with the prior written consent of the Lender; and
- (E) any other Security securing in aggregate not more than £150,000 at any time.

"Relevant Consents" means any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration of whatsoever nature necessary or appropriate to be obtained for the purpose of entering into and performing the Borrower's obligations under the Finance Documents.

"Relevant Percentage" means in respect of each Repayment Date, the percentage figure set opposite such Repayment Date in the Repayment Schedule.

"Repayment Dates" means the repayment dates set out in the Schedule 6 (Repayment Schedule).

"Repayment Instalment" means each instalment for the repayment of the Loan referred to in Clause 6.2.

"Repayment Schedule" means the repayment schedule set out in Schedule 6 (*Repayment Schedule*).

"Repeating Representations" means each of the representations set out in Clause 14 (*Representations*), other than those under Clauses 14.9, 14.10, 14.12.2 and 14.16.2.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Supervisory Body" means NHS Improvement, incorporating and representing both of the bodies previously known as the NHS Trust Development Authority and Monitor..

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

"Test Date" means the Utilisation Date and each Interest Payment Date.

"Unpaid Sum" means any sum due and payable but unpaid by the Borrower under the Finance Documents.

"Utilisation" means a utilisation of the Facility.

"Utilisation Date" means the date of a Utilisation, on which a drawing is to be made under the Facility, such date to be the Monday preceding the 18th day of any month.

"Utilisation Request" means a notice substantially in the form set out in Schedule 2 (*Utilisation Request*).

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and other tax of a similar nature, whether imposed in the UK or elsewhere.

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in any Finance Document to:

- (A) the **"Lender"**, the **"Borrower"** the **"Supervisory Body"** or any **"Party"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (B) **"assets"** includes present and future properties, revenues and rights of every description;
- (C) a **"Finance Document"** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated;
- (D) **"indebtedness"** shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (E) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (F) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (G) **"repay"** (or any derivative form thereof) shall, subject to any contrary indication, be construed to include **"prepay"** (or, as the case may be, the corresponding derivative form thereof);
- (H) a provision of law is a reference to that provision as amended or re-enacted;
- (I) a time of day is a reference to London time; and
- (J) the word **"including"** is without limitation.

1.2.2 Section, Clause and Schedule headings are for ease of reference only.

1.2.3 Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

1.2.4 A Default (other than an Event of Default) is **"continuing"** if it has not been remedied or waived and an Event of Default is **"continuing"** if it has not been waived or remedied to the satisfaction of the Lender.

1.3 Third party rights

1.3.1 Except as provided in a Finance Document, the terms of a Finance Document may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

- 1.3.2 Notwithstanding any provision of any Finance Document, the Parties to a Finance Document do not require the consent of any third party to rescind or vary any Finance Document at any time.

2. THE FACILITY

- 2.1 Subject to the terms of this Agreement, the Lender makes available to the Borrower an uncommitted sterling interim support facility in an aggregate amount equal to the Facility Amount under the terms of which the Lender may, in its sole and absolute discretion, provide Loans to the Borrower from time to time, unless the Lender, in its sole and absolute discretion, has previously notified the Borrower of the termination of the Facility.
- 2.2 This agreement is not, nor shall it be deemed to constitute, a commitment on the part of the Lender to make any extension of credit to or for the account of the borrower and may not be relied upon by the Borrower for any financing.
- 2.3 The Lender reserves the right to revoke or withdraw this agreement and the facility in its sole and absolute discretion at any time.
- 2.4 The Facility shall be utilised by the Borrower for the purposes of and/or in connection with its functions as an NHS Body.

3. PURPOSE

3.1 Purpose

The Borrower shall apply all Loans towards financing or refinancing the Agreed Purpose.

3.2 Pending application

Without prejudice to Clause 3.1 (*Purpose*), pending application of the proceeds of any Loan towards financing or refinancing the Agreed Purpose, the Borrower must deposit such proceeds in the Account.

3.3 Monitoring

The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Borrower may not deliver the first Utilisation Request unless the Lender has received all of the documents and other evidence listed in Schedule 1 (*Conditions precedent*) in form and substance satisfactory to the Lender or to the extent it has not received the same, it has waived receipt of the same. The Lender shall notify the Borrower promptly upon being so satisfied.

4.2 Further conditions precedent

The Lender will only comply with a Utilisation Request if on the date of the Utilisation Request and on the proposed Utilisation Date:

- 4.2.1 No Event of Default might reasonably be expected to result from the making of an Utilisation other than those of which the Lender and Borrower are aware;
- 4.2.2 the Repeating Representations to be made by the Borrower with reference to the facts and circumstances then subsisting are true in all material respects; and,

- 4.2.3 the Borrower has provided to the Lender its most recent 13 week cash flow forecast, together with any other information that may from time to time be required.

5. UTILISATION

5.1 Utilisation

- 5.1.1 The Borrower may take Loans from time to time hereunder, subject to receipt by the Lender from the Borrower, of a Utilisation Request in accordance with this Agreement and an appropriate Cashflow Forecast.
- 5.1.2 The Utilisation Request must be for an amount not greater than the amount specified under Clause 5.4.2
- 5.1.3 Where agreed by the Lender, the proceeds of a Utilisation may be used to repay outstanding loans under any working capital facility between the Lender and the Borrower provided that:
- (A) Such agreement is granted by the Lender;
 - (B) any request is included in the Cashflow Forecast; and
 - (C) that such repayment is received by the Lender on the same working day as the Utilisation.

5.2 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request not later than 11.00 a.m. five Business Days before the proposed Utilisation Date unless otherwise agreed.

- 5.2.1 The Borrower may only issue one Utilisation Request per Month unless otherwise agreed.

5.3 Completion of a Utilisation Request

The Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (A) the proposed Utilisation Date is a Business Day within the Availability Period; and
- (B) the currency and amount of the Utilisation comply with Clause 5.4 (*Currency and amount*).

5.4 Currency and amount

- 5.4.1 The currency specified in the Utilisation Request must be sterling.
- 5.4.2 The amount of each proposed Loan must be an amount which is not more than the amount required to maintain a Cash Balance equivalent to the Minimum Cash Balance for a period from the Utilisation Date to the Monday preceding the 18th day of the following Month
- 5.4.3 The amount of each proposed Loan must be an amount which is not more than the Available Facility and which is a minimum of £150,000 or, if less, the Available Facility.

5.5 **Payment to the Account**

The Lender shall pay each Loan:

- 5.5.1 by way of credit to the Account and so that, unless and until the Lender shall notify the Borrower to the contrary, the Lender hereby consents to the withdrawal by the Borrower from the Account of any amount equal to the relevant Loan provided that any sums so withdrawn are applied by the Borrower for the purposes for which the relevant Loan was made;
- 5.5.2 if the Lender so agrees or requires, on behalf of the Borrower directly to the person to whom the relevant payment is due as specified in the relevant Utilisation Request; or
- 5.5.3 in such other manner as shall be agreed between the Lender and the Borrower.

6. **PAYMENTS AND REPAYMENT**

6.1 **Payments**

- 6.1.1 The Borrower shall make all payments payable under the Finance Documents without any Tax Deductions, unless a Tax Deduction is required by law.
- 6.1.2 The Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly.
- 6.1.3 If a Tax Deduction is required by law to be made by the Borrower, the amount of the payment due from the Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- 6.1.4 If the Borrower is required to make a Tax Deduction, the Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- 6.1.5 Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower shall deliver to the Lender evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

6.2 **Repayment**

The Borrower shall repay the aggregate value of all outstanding Loans drawn under the Facility in full on or before the last day of the current Availability Period as set out in Schedule 6 (*Repayment Schedule*).

6.3 **Reborrowing**

The Borrower may not reborrow any part of the Facility which is repaid or prepaid.

7. **PREPAYMENT AND CANCELLATION**

7.1 **Illegality**

If it becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain all or any part of the Loans:

- 7.1.1 the Lender shall promptly notify the Borrower upon becoming aware of that event;

- 7.1.2 upon the Lender notifying the Borrower, the Available Facility will be immediately cancelled; and
- 7.1.3 the Borrower shall repay such Loans on the last day of the Interest Period for Loans occurring after the Lender has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law).

7.2 **Voluntary cancellation**

The Borrower may, if it gives the Lender not less than seven days' (or such shorter period as the Lender may agree) and not more than fourteen days' prior notice, cancel the whole or any part (being a minimum amount of £100,000) of the Facility Amount.

7.3 **Voluntary prepayment of Loans**

The Borrower may, if it gives the Lender not less than seven days' (or such shorter period as the Lender may agree) and not more than thirty days' prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of £250,000).

7.4 **Restrictions**

- 7.4.1 Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- 7.4.2 Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid without premium or penalty and applied against the outstanding Repayment Instalments in inverse order of maturity.
- 7.4.3 The Borrower shall not repay or prepay all or any part of the Loan or cancel all or any part of the Available Facility except at the times and in the manner expressly provided for in this Agreement.
- 7.4.4 No amount of the Available Facility cancelled under this Agreement may be subsequently reinstated.

7.5 **Automatic Cancellation**

At the end of the Availability Period the undrawn part of the Available Facility will be cancelled.

8. **INTEREST**

8.1 **Calculation of interest**

The rate of interest on each Loan for each Interest Period is the Interest Rate.

8.2 **Payment of interest**

The Borrower shall pay accrued interest on each Loan on the last day of each Interest Period.

8.3 **Default interest**

- 8.3.1 If the Borrower fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on Unpaid Sums from the due date up to the date of actual payment (both before and after judgment) at the Default Rate. Any interest

accruing under this Clause 8.3 shall be immediately payable by the Borrower on demand by the Lender.

- 8.3.2 Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9. INTEREST PERIODS

9.1 Interest Payment Dates

The Interest Period for each Loan shall be six Months, provided that any Interest Period which begins during another Interest Period shall end at the same time as that other Interest Period (and, where two or more such Interest Periods expire on the same day, the Loans to which those Interest Periods relate shall thereafter constitute and be referred to as one Loan).

9.2 Shortening Interest Periods

If an Interest Period would otherwise overrun the relevant Repayment Date, it shall be shortened so that it ends on the relevant Repayment Date.

9.2A Payment Start Date

Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

9.3 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

9.4 Consolidation of Loans

If two or more Interest Periods end on the same date, those Loans will be consolidated into and be treated as a single Loan on the last day of the Interest Period.

10. PREPAYMENT AMOUNT

10.1.1 If all or any part of the Loans are subject to a voluntary prepayment pursuant to Clause 7.3 (*Voluntary prepayment of Loans*), the Borrower shall pay to the Lender on the relevant prepayment date the Prepayment Amount in respect of the same.

10.1.2 For as long as the Secretary of State for Health remains the Lender, the Lender will consider waiving the Prepayment Amount in cases where the Borrower can demonstrate to the Lender's satisfaction that the voluntary prepayment results from the Borrower's proper use of genuine surplus funds resulting from a sale of assets or trading activities.

11. INDEMNITIES

11.1 Currency indemnity

11.1.1 If any sum due from the Borrower under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (A) making or filing a claim or proof against the Borrower;

- (B) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall as an independent obligation, within five Business Days of demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- 11.1.2 The Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

11.2 Other indemnities

The Borrower shall, within five Business Days of demand, indemnify the Lender against any cost, loss or liability incurred by the Lender as a result of:

- 11.2.1 the occurrence of any Event of Default;
- 11.2.2 a failure by the Borrower to pay any amount due under a Finance Document on its due date;
- 11.2.3 funding, or making arrangements to fund, all or any part of the Loans requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by the Lender alone); or
- 11.2.4 the Loans (or part of the Loans) not being prepaid in accordance with a notice of prepayment given by the Borrower.

11.3 Indemnity to the Lender

The Borrower shall promptly indemnify the Lender against any cost, loss or liability incurred by the Lender (acting reasonably) as a result of:

- 11.3.1 investigating any event which it reasonably believes is a Default; or
- 11.3.2 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

11.4 Environmental indemnity

The Borrower shall promptly indemnify the Lender within five Business Days of demand in respect of any judgments, liabilities, claims, fees, costs and expenses (including fees and disbursements of any legal, environmental consultants or other professional advisers) suffered or incurred by the Lender as a consequence of the breach of or any liability imposed under any Environmental Law with respect to the Borrower or its property (including the occupation or use of such property).

12. MITIGATION BY THE LENDER

12.1 Mitigation

- 12.1.1 The Lender shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to Clause 7.1

(Illegality) including transferring its rights and obligations under the Finance Documents to another entity owned or supported by the Lender.

12.1.2 Clause 12.1.1 does not in any way limit the obligations of the Borrower under the Finance Documents.

12.2 Limitation of liability

12.2.1 The Borrower shall indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 12.1 (Mitigation).

12.2.2 The Lender is not obliged to take any steps under Clause 12.1 (Mitigation) if, in its opinion (acting reasonably), to do so might be prejudicial to it.

13. COSTS AND EXPENSES

13.1 Enforcement costs

The Borrower shall, within three Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

14. REPRESENTATIONS

The Borrower makes the representations and warranties set out in this Clause 14 to the Lender on the date of this Agreement.

14.1 Status

14.1.1 It is an NHS Body in accordance with the provisions of the Act.

14.1.2 It has the power to own its assets and carry on its business as it is being conducted.

14.2 Binding obligations

The obligations expressed to be assumed by it in each Finance Document are legal, valid, binding and enforceable obligations.

14.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it is party do not and will not conflict with:

14.3.1 any law or regulation applicable to it;

14.3.2 its constitutional documents; or

14.3.3 any agreement or instrument binding upon it or any of its assets.

14.4 Power and authority

It has the power to enter into, exercise its rights under, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

14.5 Validity and admissibility in evidence

All Authorisations required:

14.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

14.5.2 to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

14.6 **Relevant Consents**

14.6.1 All Relevant Consents which it is necessary or appropriate for the Borrower to hold have been obtained and effected and are in full force and effect.

14.6.2 There exists no reason known to it, having made all reasonable enquiries, why any Relevant Consent might be withdrawn, suspended, cancelled, varied, surrendered or revoked.

14.6.3 All Relevant Consents and other consents, permissions and approvals have been or are being complied with.

14.7 **Governing law and enforcement**

14.7.1 The choice of English law as the governing law of the Finance Documents will be recognised and enforced by the courts of England and Wales.

14.7.2 Any judgment obtained in England in relation to a Finance Document will be recognised and enforced by the courts of England and Wales.

14.8 **Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document.

14.9 **No filing or stamp taxes**

It is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in any jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

14.10 **No default**

14.10.1 No Event of Default might reasonably be expected to result from the making of an Utilisation other than those of which the Lender and Borrower are aware.

14.10.2 No other event which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which might have a Material Adverse Effect might reasonably be expected to result from the making of an Utilisation other than those of which the Lender and Borrower are aware.

14.11 **No misleading information**

14.11.1 All factual information provided by or on behalf of the Borrower in connection with the Borrower or any Finance Document was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

14.11.2 Any financial projections provided to the Lender by or on behalf of the Borrower have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

14.11.3 Nothing has occurred or been omitted and no information has been given or withheld that results in the information referred to in Clause 14.12.1 being untrue or misleading in any material respect.

14.12 **Financial statements**

14.12.1 Its financial statements most recently delivered to the Lender (being on the date of this Agreement, the Original Financial Statements) were prepared in accordance with any applicable Audit Code for NHS Bodies, any applicable Manual for Accounts for NHS Bodies and Annual Report Guidance for NHS Bodies and/or any other guidance with which NHS Bodies are (or in the case of the Original Financial Statements were) required to comply.

14.12.2 Its financial statements most recently delivered to the Lender (being on the date of this Agreement, the Original Financial Statements) fairly represent its financial condition and operations during the relevant financial year.

14.12.3 There has been no material adverse change in the business or financial condition of the Borrower since the date to which its financial statements most recently delivered to the Lender were made up.

14.13 **Ranking**

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law.

14.14 **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it.

14.15 **Environmental Matters**

14.15.1 It is and has been in full compliance with all applicable Environmental Laws and there are, to the best of its knowledge and belief after reasonable enquiry, no circumstances that may prevent or interfere with such full compliance in the future, in each case to the extent necessary to avoid a Material Adverse Effect and the Borrower has not other than in the ordinary course of its activities placed or allowed to be placed on any part of its property any Dangerous Substance and where such Dangerous Substance has been so placed, it is kept, stored, handled, treated and transported safely and prudently so as not to pose a risk of harm to the Environment.

14.15.2 It is and has been, in compliance in all material respects with the terms of all Environmental Licences necessary for the ownership and operation of its activities as presently owned and operated and as presently proposed to be owned and operated.

14.15.3 It is not aware, having made reasonable enquiries, of any Environmental Claim.

14.16 **Repetition**

The Repeating Representations are deemed to be made by the Borrower by reference to the facts and circumstances then existing on the date of each Utilisation Request and on the first day of each Interest Period.

15. INFORMATION UNDERTAKINGS

The undertakings in this Clause 15 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any part of the Facility is available for utilisation.

15.1 Financial statements

The Borrower shall supply to the Lender its audited financial statements for each financial year and its financial statements for each financial half year (including any monitoring returns sent to the appropriate Supervisory Body), in each case when such statements are provided to the appropriate Supervisory Body.

15.2 Requirements as to financial statements

15.2.1 Each set of financial statements delivered by the Borrower pursuant to Clause 15.1 (Financial statements) shall be certified by a director of the Borrower, acting on the instructions of the board of directors of the Borrower, as fairly representing its financial condition as at the date as at which those financial statements were drawn up.

15.2.2 The Borrower shall procure that each set of financial statements delivered pursuant to Clause 15.1 (Financial statements) is prepared in accordance with any applicable Audit Code for NHS Bodies and any applicable Manual for Accounts for NHS Bodies and Annual Report Guidance for NHS Bodies or in the case of the Original Financial Statements in accordance with such guidelines with which NHS Bodies are required to comply.

15.3 Information: miscellaneous

The Borrower shall supply to the Lender:

15.3.1 copies or details of all material communications between the Borrower and the relevant Supervisory Body, including all relevant official notices received by the Borrower promptly after the same are made or received and, upon the Lender's request, any other relevant documents, information and returns sent by it to the appropriate Supervisory Body;

15.3.2 copies or details of all material communications between the Borrower and its members or its creditors (or in each case any class thereof), including all official notices received by the Borrower promptly after the same are made or received and upon the Lender's request any and all other documents dispatched by it to its members or its creditors (or in each case any class thereof), promptly after they are sent to such members or creditors;

15.3.3 details of any breaches by the Borrower of the Compliance Framework;

15.3.4 details of any breaches by the Borrower of the Licence or the terms of their Licence;

15.3.5 details of any other financial assistance or guarantee requested or received from the Secretary of State for Health other than in the ordinary course of business promptly after the same are requested or received;

15.3.6 upon the Lender's request, information regarding the application of the proceeds of the Facility;

15.3.7 promptly upon becoming aware of them, the details of any litigation, arbitration and/or administrative proceedings which are current, threatened or pending against the Borrower which would reasonably be expected to have a Material Adverse Effect;

15.3.8 promptly, such further information regarding the financial condition, business and operations of the Borrower as the Lender may reasonably request to the extent the same are relevant to the Borrower's obligations under this Agreement or otherwise significant in the assessment of the Borrower's financial performance and further to the extent that the disclosure of information will not cause the Borrower to be in breach of any obligation of confidence owed to any third party or any relevant data protection legislation; and

15.3.9 any change in the status of the Borrower after the date of this Agreement

15.4 **Notification of default**

15.4.1 The Borrower shall notify the Lender of any Default (and the steps being taken to remedy it) promptly upon becoming aware of its occurrence.

15.4.2 Promptly upon a request by the Lender, the Borrower shall supply a certificate signed by two of its directors (acting on the instructions of the board of directors of the Borrower) on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

15.5 **Other information**

The Borrower shall promptly upon request by the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself or on behalf of a prospective transferee) in order for the Lender (or such prospective transferee) to carry out and be satisfied with the results of all necessary money laundering and identification checks in relation to any person that it is required to carry out pursuant to the transactions contemplated by the Finance Documents.

16. **GENERAL UNDERTAKINGS**

The undertakings in this Clause 16 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any part of the Facility is available for utilisation.

16.1 **Authorisations**

The Borrower shall promptly:

16.1.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and

16.1.2 supply certified copies to the Lender of any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in England of any Finance Document.

16.2 **Compliance with laws**

The Borrower shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents and shall exercise its powers and perform its functions in accordance with its constitutional documents.

16.3 **Negative pledge**

16.3.1 The Borrower shall not without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed) create or permit to subsist any Security over any of its assets save for any Permitted Security.

16.3.2 The Borrower shall not:

- (A) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by it;
 - (B) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (C) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (D) enter into any other preferential arrangement having a similar effect,
- in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

16.4 **Disposals**

16.4.1 The Borrower shall not in a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary sell, lease, transfer or otherwise dispose of any material asset without the prior written consent of the Lender.

16.4.2 Clause 16.4.1 does not apply to:

- (A) any sale, lease, transfer or other disposal where the higher of the market value or consideration receivable does not (in aggregate) in any financial year exceed 10% of the total net assets of the Borrower as at the end of the most recent financial year end for which audited financial statements have been published.
- (B) any sale, lease, transfer or other disposal expressly identified in Schedule 8..

16.5 **Merger**

Without prejudice to Clause 16.4 (disposals) the Borrower shall not, without the prior written consent of the Lender, enter into nor apply to the relevant Supervisory Body (including pursuant to Section 56 of the Act) to enter into any amalgamation, demerger, merger or corporate reconstruction.

16.6 **Guarantees**

The Borrower will not, without the prior written consent of the Lender, give or permit to exist any guarantee or indemnity by it of any obligation of any person, nor permit or suffer any person to give any security for or guarantee or indemnity of any of its obligations except for guarantees and indemnities:

- 16.6.1 made in the ordinary course of the Borrower's business as an NHS Body ; and
- 16.6.2 which when aggregated with any loans, credit or financial accommodation made pursuant to Clause 16.7 (*Loans*) do not exceed £1,000,000 (or its equivalent in any other currency or currencies) in aggregate in any financial year.

16.7 **Loans**

The Borrower will not make any investment in nor make any loan or provide any other form of credit or financial accommodation to, any person except for investments, loans, credit or financial accommodation:

- 16.7.1 made in the ordinary course of the Borrower's business as an NHS Body ;

16.7.2 made in accordance with any investment policy or guidance issued by the relevant Supervisory Body; and

16.7.3 which when aggregated with any guarantees or indemnities given or existing under Clause 16.6 (*Guarantees*) do not exceed £1,000,000 (or its equivalent in any other currency or currencies) in aggregate in any financial year.

16.8 Consents

The Borrower must ensure that all Relevant Consents and all statutory requirements, as are necessary to enable it to perform its obligations under the Finance Documents to which it is a party, are duly obtained and maintained in full force and effect or, as the case may be, complied with.

16.9 Activities

The Borrower will not engage in any activities other than activities which enable it to carry on its principal purpose better, if to do so may, in the Lender's opinion, have a Material Adverse Effect.

16.10 Environmental

The Borrower shall:

16.10.1 obtain, maintain and comply in all material respects with all necessary Environmental Licences in relation to its activities and its property and comply with all Environmental Laws to the extent necessary to avoid a Material Adverse Effect;

16.10.2 promptly upon becoming aware notify the Lender of:

- (A) any Environmental Claim current or to its knowledge threatened;
- (B) any circumstances likely to result in an Environmental Claim; or
- (C) any suspension, revocation or notification of any Environmental Licence;

16.10.3 indemnify the Lender against any loss or liability which:

- (A) the Lender incurs as a result of any actual or alleged breach of any Environmental Law by any person; and
- (B) which would not have arisen if a Finance Document had not been entered into; and

16.10.4 take all reasonable steps to ensure that all occupiers of the Borrower's property carry on their activities on the property in a prudent manner and keep them secure so as not to cause or knowingly permit material harm or damage to the Environment (including nuisance or pollution) or the significant risk thereof.

16.11 Constitution

The Borrower will not amend or seek to amend the terms of its authorisation as an NHS Body or the terms of its constitution without the prior written consent of the Lender, in each case if to do so would be reasonably likely to have a Material Adverse Effect.

16.12 The relevant Supervisory Body

The Borrower will comply promptly with all directions and notices received from the relevant Supervisory Body to the extent failure to do so might have a Material Adverse Effect and will, upon the Lender's request, provide reasonable evidence that it has so complied.

16.13 **Additional Terms and Conditions**

The Borrower will comply promptly with the Additional Terms and Conditions.

17. **COMPLIANCE FRAMEWORK**

17.1 **Compliance**

The Borrower shall ensure at all times that it complies with its Licence and/or any other terms and conditions set by the relevant Supervisory Body.

17.2 **Advance Notification**

Without prejudice to the Borrower's obligations under Clause 17.1 (*Compliance*), if the Borrower becomes aware at any time after the date of signing of the Agreement that it is or is likely to breach any of the terms referred to in Clause 17.1 and/or a material failure under the requirements of the Compliance Framework is likely, it shall immediately notify the Lender of the details of the impending breach.

18. **EVENTS OF DEFAULT**

Each of the events or circumstances set out in this Clause 18 is an Event of Default.

18.1 **Non-payment**

The Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

18.1.1 its failure to pay is caused by administrative or technical error; and

18.1.2 payment is made within two Business Days of its due date.

18.2 **Compliance Framework and Negative Pledge**

Any requirement of Clause 17 (*COMPLIANCE FRAMEWORK*) or Clause 16.3 (*Negative Pledge*) is not satisfied.

18.3 **Other obligations**

18.3.1 The Borrower does not comply with any term of:

(A) Clause 15.5 (*Notification of default*); or

(B) Clause 16 (*General Undertakings*).

18.3.2 The Borrower does not comply with any term of any Finance Document (other than those referred to in Clause 18.1 (*Non-payment*), Clause 18.2 (*Compliance Framework and Negative Pledge*) and Clause 18.3.1 (*Other obligations*)) unless the failure to comply is capable of remedy and is remedied within ten Business Days of the earlier of the Lender giving notice or the Borrower becoming aware of the failure to comply.

18.4 **Misrepresentation**

Any representation or statement made or deemed to be made by the Borrower in any Finance Document or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

18.5 **Cross default**

- 18.5.1 Any Financial Indebtedness of the Borrower is not paid when due nor within any originally applicable grace period.
- 18.5.2 Any Financial Indebtedness of the Borrower is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- 18.5.3 Any commitment for any Financial Indebtedness of the Borrower is cancelled or suspended by a creditor of the Borrower as a result of an event of default (however described).
- 18.5.4 Any creditor of the Borrower becomes entitled to declare any Financial Indebtedness of the Borrower due and payable prior to its specified maturity as a result of an event of default (however described).
- 18.5.5 No Event of Default will occur under this Clause 18.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within Clauses 18.5.1 to 18.5.4 is less than £250,000 (or its equivalent in any other currency or currencies).

except that for as long as the Secretary of State for Health remains the Lender, the provisions of Clause 18.5 relate to Financial Indebtedness owed to any party but do not apply to amounts owed to other NHS bodies in the normal course of business where a claim has arisen which is being disputed in good faith or where the Borrower has a valid and contractual right of setoff.

18.6 **Insolvency**

- 18.6.1 The Borrower is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- 18.6.2 A moratorium is declared in respect of any indebtedness of the Borrower.

18.7 **Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step is taken:

- 18.7.1 in relation to a composition, assignment or arrangement with any creditor of the Borrower; or
 - 18.7.2 in relation to the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Borrower or any of its assets; or
 - 18.7.3 in relation to the enforcement of any Security over any assets of the Borrower,
- or any analogous action, proceedings, procedure or step is taken in any jurisdiction.

18.8 **Appointment of a Trust Special Administrator**

An order, made as required under The Act for the appointment of a Trust Special Administrator.

18.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower having an aggregate value of £250,000 and is not discharged within ten Business Days.

18.10 Repudiation

The Borrower or any other party to a Finance Document repudiates any of the Finance Documents or does or causes to be done any act or thing evidencing an intention to repudiate any Finance Document.

18.11 Cessation of Business

Other than with the prior written approval of the Lender, the Borrower ceases, or threatens to cease, to carry on all or a substantial part of its business or operations.

18.12 Unlawfulness

It is or becomes unlawful for the Borrower or any other party to a Finance Document to perform any of its obligations under any Finance Document.

18.13 Material adverse change

Any event or circumstance or series of events or circumstances occurs which, in the reasonable opinion of the Lender, has or is reasonably likely to have a Material Adverse Effect.

18.14 Additional Terms and Conditions

In the reasonable opinion of the Lender, the Borrower fails to make reasonable efforts to comply with the Additional Terms and Conditions.

18.15 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Lender may by notice to the Borrower:

18.15.1 cancel the Facility whereupon it shall immediately be cancelled; and/or

18.15.2 declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

18.15.3 declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Lender.

19. ASSIGNMENTS AND TRANSFERS**19.1 Assignments and transfers by the Lender**

Subject to this Clause 19, the Lender may:

19.1.1 assign any of its rights; or

19.1.2 transfer by novation any of its rights and obligations,

to another entity owned or supported by the Lender or to a bank or a financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of

making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**").

19.2 **Conditions of assignment or transfer**

19.2.1 The consent of the Borrower is required for an assignment or transfer by the Lender, unless:

- (A) the assignment or transfer is to an entity owned or supported by the Lender; or
- (B) a Default is continuing.

19.2.2 The consent of the Borrower to an assignment or transfer must not be unreasonably withheld or delayed. The Borrower will be deemed to have given its consent twenty Business Days after the Lender has requested it unless consent is expressly refused (and reasons for such refusal are given) by the Borrower within that time.

provided that nothing in this Clause shall restrict the rights of the Secretary of State for Health to effect a statutory transfer.

19.3 **Disclosure of information**

The Lender may disclose to any person:

- 19.3.1 to (or through) whom the Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under the Finance Documents;
- 19.3.2 with (or through) whom the Lender enters into (or may potentially enter into) any transaction under which payments are to be made by reference to, any Finance Document or the Borrower;
- 19.3.3 to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation;
- 19.3.4 which are investors or potential investors in any of its rights and obligations under the Finance Documents and only to the extent required in relation to such rights and obligations;
- 19.3.5 which is a governmental, banking, taxation or other regulatory authority and only to the extent information is required to be disclosed to such authority,

any information about the Borrower and/or the Finance Documents as the Lender shall consider appropriate if, in relation to Clauses 19.3.1, 19.3.2 and 19.3.4 the person to whom the information is to be given has agreed to keep such information confidential on terms of this Clause 19.3 provided always that the Lender shall comply with any relevant data protection legislation.

19.4 **Assignment and transfer by the Borrower**

The Borrower may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

20. **ROLE OF THE LENDER**

20.1 **Rights and discretions of the Lender**

20.1.1 The Lender may rely on:

- (A) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
- (B) any statement made by a director, authorised signatory or authorised employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

20.1.2 The Lender may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

20.1.3 The Lender may act in relation to the Finance Documents through its personnel and agents.

20.1.4 Notwithstanding any other provision of any Finance Document to the contrary, the Lender is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty or duty of confidentiality.

20.2 **Exclusion of liability**

20.2.1 Without limiting Clause 20.2.2, the Lender will not be liable for any omission or any act taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

20.2.2 The Borrower may not take any proceedings against any officer, employee or agent of the Lender in respect of any claim it might have against the Lender or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Lender may rely on this Clause. Any third party referred to in this Clause 20.2.2 may enjoy the benefit of or enforce the terms of this Clause in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

20.2.3 The Lender will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Lender if the Lender has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Lender for that purpose.

20.2.4 The Lender shall not be liable:

- (A) for any failure by the Borrower to give notice to any third party or to register, file or record (or any defect in such registration, filing or recording) any Finance Document; or
- (B) for any failure by the Borrower to obtain any licence, consent or other authority required in connection with any of the Finance Documents; or
- (C) For any other omission or action taken by it in connection with any Finance Document unless directly caused by its gross negligence or wilful misconduct.

21. **PAYMENT MECHANICS**

21.1 **Payments**

21.1.1 The Borrower shall receive notification 10 working days prior to each payment required under a Finance Document, the Borrower shall make the same available to the Lender (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Lender as being customary

at the time for settlement of transactions in the relevant currency in the place of payment.

21.1.2 Payment shall be collected through Direct Debit from a Borrower's account with the Government Banking Service.

21.2 **Distributions to the Borrower**

The Lender may (with the consent of the Borrower or in accordance with Clause 22 (*Set-off*)) apply any amount received by it for the Borrower in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Borrower under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

21.3 **Partial payments**

If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under the Finance Documents, the Lender shall apply that payment towards the obligations of the Borrower in such order and in such manner as the Lender may at its discretion decide.

21.4 **No set-off**

All payments to be made by the Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

21.5 **Business Days**

21.5.1 Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

21.5.2 During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

21.6 **Currency of account**

21.6.1 Subject to Clauses 21.6.2 to 21.6.5, sterling is the currency of account and payment for any sum due from the Borrower under any Finance Document.

21.6.2 A repayment of the Loan or Unpaid Sum or a part of the Loan or Unpaid Sum shall be made in the currency in which the Loan or Unpaid Sum is denominated on its due date.

21.6.3 Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

21.6.4 Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

21.6.5 Any amount expressed to be payable in a currency other than sterling shall be paid in that other currency.

21.7 **Change of currency**

21.7.1 Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

- (A) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Lender (after consultation with the Borrower); and
- (B) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Lender (acting reasonably).

21.7.2 If a change in any currency of a country occurs, this Agreement will, to the extent the Lender (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

22. SET-OFF

The Lender may set off any matured obligation due from the Borrower under the Finance Documents against any matured obligation owed by the Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

23. NOTICES

23.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be given in person, by post, fax or by electronic communication.

23.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

23.2.1 in the case of the Borrower, that identified with its name below; and

23.2.2 in the case of the Lender, that identified with its name below,

or any substitute address, email address, fax number or department or officer as the Borrower may notify to the Lender by not less than five Business Days' written notice.

23.3 Delivery

23.3.1 Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

- (A) if by way of fax, when received in legible form; or
- (B) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 23.2 (*Addresses*), if addressed to that department or officer.

23.3.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).

23.4 **Electronic communication**

23.4.1 Any communication to be made between the Borrower and the Lender under or in connection with this Agreement and any other Finance Document may be made by electronic mail or other electronic means, if the Borrower and the Lender:

- (A) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
- (B) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (C) notify each other of any change to their address or any other such information supplied by them.

23.4.2 Any electronic communication made between the Borrower and the Lender will be effective only when actually received in readable form and only if it is addressed in such a manner as the Borrower and the Lender, as the case may be, specify for this purpose.

24. **CALCULATIONS AND CERTIFICATES**

24.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

24.2 **Certificates and Determinations**

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24.3 **Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the London interbank market differs, in accordance with that market practice.

25. **PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

26. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial

exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

27. AMENDMENTS AND WAIVERS

Any term of the Finance Documents may only be amended or waived in writing.

28. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

29. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with English law.

30. DISPUTE RESOLUTION

The Parties agree that all disputes arising out of or in connection with this Agreement will be settled in accordance with the terms of Schedule 5.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

N.B. This is for illustrative purposes only -
the actual Agreement will not be received
by the Trust until 05/10/18

SCHEDULE 1: CONDITIONS PRECEDENT

1. Authorisations

- 1.1 A copy of a resolution of the board of directors of the Borrower:
- (A) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
 - (B) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (C) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
 - (D) Confirming the Borrower's undertaking to comply with the Additional Terms and Conditions
- 1.2 A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in this Schedule 1 and provided to the Lender is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Financial Information

Updated financial statements of the Borrower unless otherwise available.

3. Finance Documents

- 3.1 This Agreement (original).
- 3.2 The original or certified copy (as the Lender shall require) of any Finance Document not listed above.

4. General

- 4.1 A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.
- 4.2 Evidence that the fees, costs and expenses then due from the Borrower pursuant to Clause 13 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.

SCHEDULE 2: UTILISATION REQUEST

From: []

To: The Secretary of State for Health

Dated:

Dear Sirs

**Maidstone and Tunbridge Wells NHS Trust – £
dated [] (the "Agreement")**

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)

Amount: [] or, if less, the Available Facility

Payment Instructions: [Relevant account to be specified here]

3. We confirm that each condition specified in Clause 4.2 (Further conditions precedent) is satisfied on the date of this Utilisation Request.

4. We represent and warrant that the Loan will be applied solely towards working capital requirements of the Borrower in its requirement as an NHS Trust/NHS Foundation Trust.

5. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for and on behalf of the Board of Directors
Maidstone and Tunbridge Wells NHS TrustMaidstone and Tunbridge Wells NHS Trust

SCHEDULE 3: NOT USED

N.B. This is for illustrative purposes only -
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by the Trust until 05/10/18

SCHEDULE 4: ANTICIPATED DRAWDOWN SCHEDULE

NOT USED.

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by the Trust until 05/10/18

SCHEDULE 5: DISPUTE RESOLUTION

1. NEGOTIATION

If any claim, dispute or difference of whatsoever nature arising out of or in connection with this Agreement ("**Dispute(s)**") arises, the Parties will attempt in good faith to settle it by negotiation. Each Party will nominate at least one management representative ("**Authorised Representative**") who shall attend and participate in the negotiation with authority to negotiate a solution on behalf of the Party so represented.

2. MEDIATION

It shall be a condition precedent to the commencement of reference to arbitration that the Parties have sought to have the dispute resolved amicably by mediation as provided by this paragraph 2.

2.1 Initiation of Mediation Proceeding

- (A) If the Parties are unable to settle the Dispute(s) by negotiation in accordance with paragraph 1 within 15 days, either Party may by written notice upon the other initiate mediation under this paragraph 2. The notice initiating mediation shall describe generally the nature of the Dispute.
- (B) Each Party's Authorised Representative nominated in accordance with paragraph 1 shall attend and participate in the mediation with authority to negotiate a settlement on behalf of the Party so represented.

2.2 Appointment of Mediator

- (A) The Parties shall appoint, by agreement, a neutral third person to act as a mediator (the "Mediator") to assist them in resolving the Dispute. If the Parties are unable to agree on the identity of the Mediator within 10 days after notice initiating mediation either party may request the Centre for Effective Dispute Resolution ("CEDR Solve") to appoint a Mediator.
- (B) The Parties will agree the terms of appointment of the Mediator and such appointment shall be subject to the Parties entering into a formal written agreement with the Mediator regulating all the terms and conditions including payment of fees in respect of the appointment. If the Parties are unable to agree the terms of appointment of the Mediator within 10 days after notice initiating mediation either Party may request CEDR Solve to decide the terms of appointment of the Mediator
- (C) If the appointed Mediator is or becomes unable or unwilling to act, either Party may within 10 days of the Mediator being or becoming unable or unwilling to act follow the process at paragraph 2.3 to appoint a replacement Mediator and paragraph 2.4 to settle the terms of the appointment of the replacement Mediator.

2.3 Determination of Procedure

The Parties shall, with the assistance of the Mediator, seek to agree the mediation procedure. In default of such agreement, the Mediator shall act in accordance with CEDR Solve's Model Mediation Procedure and Agreement. The Parties shall within 10 days of the appointment of the Mediator, meet (or talk to) the Mediator in order to agree a programme for the exchange of any relevant information and the structure to be adopted for the mediation.

2.4 **Without Prejudice/Confidentiality**

All rights of the Parties in respect of the Dispute(s) are and shall remain fully reserved and the entire mediation including all documents produced or to which reference is made, discussions and oral presentations shall be strictly confidential to the Parties and shall be conducted on the same basis as "without prejudice" negotiations, privileged, inadmissible, not subject to disclosure in any other proceedings whatever and shall not constitute any waiver of privilege whether between the Parties or between either of them and a third party. Nothing in this paragraph 2.4 shall make any document privileged, inadmissible or not subject to disclosure which would have been discloseable in any reference to arbitration commenced pursuant to paragraph 3.

2.5 **Resolution of Dispute**

If any settlement agreement is reached with the assistance of the Mediator which resolves the Dispute, such agreement shall be set out in a written settlement agreement and executed by both parties' Authorised Representatives and shall not be legally binding unless and until both parties have observed and complied with the requirements of this paragraph 2.5. Once the settlement agreement is legally binding, it may be enforced by either party taking action in the High Court.

2.6 **Failure to Resolve Dispute**

In the event that the Dispute(s) has not been resolved to the satisfaction of either Party within 30 days after the appointment of the Mediator either party may refer the Dispute to arbitration in accordance with paragraph 3.

2.7 **Costs**

Unless the Parties otherwise agree, the fees and expenses of the Mediator and all other costs of the mediation shall be borne equally by the Parties and each Party shall bear their own respective costs incurred in the mediation regardless of the outcome of the mediation.

3. **ARBITRATION**

3.1 If the Parties are unable to settle the Dispute(s) by mediation in accordance with paragraph 2 within 30 days, the Dispute(s) shall be referred to and finally determined by arbitration before an Arbitral Tribunal composed of a single Arbitrator.

3.2 Any reference of a Dispute to arbitration shall be determined in accordance with the provisions of the Arbitration Act 1996 and in accordance with such arbitration rules as the Parties may agree within 20 days after notice initiating arbitration or, in default of agreement, in accordance with the Rules of the London Court of International Arbitration which Rules are deemed to be incorporated by reference into this clause.

3.3 London shall be the seat of the arbitration.

3.4 Reference of a Dispute to arbitration shall be commenced by notice in writing from one Party to the other Party served in accordance with the provisions of Clause 23 (Notices).

3.5 The Arbitral Tribunal shall be appointed as follows.

(A) Within 14 days of receipt of any notice referring a Dispute to arbitration the Parties shall agree the identity of the person to act as Arbitrator. In default of agreement or in the event the person so identified is unable or unwilling to act, either party shall be

entitled to request the President for the time being of the Chartered Institute of Arbitrators to appoint an Arbitrator for the Dispute and the parties shall accept the person so appointed.

- (B) If the Arbitrator becomes unwilling or unable to act, the procedure for the appointment of a replacement Arbitrator shall be in accordance with the provisions of paragraph 3.5(A).

3.6 The language of the arbitration shall be English.

N.B. This is for illustrative purposes only -
the actual Agreement will not be received
by the Trust until 05/10/18

SCHEDULE 6: REPAYMENT SCHEDULE

Repayment Date	Relevant Percentage
18 November 2020	100%

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by the Trust until 05/10/18

SCHEDULE 7: PERMITTED SECURITY – EXISTING SECURITY

NONE

N.B. This is for illustrative purposes only -
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by the Trust until 05/10/18

SCHEDULE 8: ADDITIONAL TERMS AND CONDITIONS

1. Surplus/Deficit and Capital Limits

- 1.1. The Lender has set a Surplus/Deficit Limit and/or a Capital Limit for the Borrower in consultation with the relevant Supervisory Body.
- 1.2. The Borrower understands and accepts these Limits in the recognition that any net expenditure in excess of the relevant Limit(s) cannot be funded by the Lender based upon the assumptions made by the Lender at the date of this Agreement.
- 1.3. The Borrower undertakes not to put forward any Utilisation Requests on this or any other Facility with the Lender that would result in Limits being exceeded by the Borrower without the explicit agreement of the Lender.
- 1.4. In the event that a utilisation is likely to lead to a Limit being exceeded, the Borrower shall inform the Lender two calendar months before any such utilisation may be submitted.
- 1.5. The Borrower will make no assumptions in any financial planning in relation to any financial support from the Lender beyond financing previously agreed to support the relevant Limit(s).
- 1.6. Limits may be adjusted by the Lender from time to time in consultation with the relevant Supervisory Body.
- 1.7. Performance against Limits will be monitored by the relevant Supervisory Body.

2. Nursing agency expenditure:

- 2.1. The Borrower undertakes to comply with nursing agency spending rules as set out in the letter of 1 September 2015 from David Bennett and Robert Alexander to NHS Foundation Trust and Trust Chief Executives as may be updated from time to time. In particular, the Borrower undertakes to:
 - 2.1.1. Procure all nursing agency staff through approved frameworks unless such action is otherwise authorised by the relevant Supervisory Body.
 - 2.1.2. Implement an annual maximum limit for agency nursing expenditure as a percentage of the total nursing staff budget as set out in the letter of 01 September 2015 or as otherwise notified by the relevant Supervisory Body.
 - 2.1.3. Implement any additional controls as may be required by the relevant Supervisory Body in relation to the planned introduction of price caps.
- 2.2. The Borrower additionally undertakes to Implement the NHS Employers Five High Impact Actions

3. Professional Services Consultancy Spend

- 3.1. The Borrower will not enter into any contract for the procurement of professional consultancy services with a value in excess of £50,000 without the prior approval of the relevant Supervisory Body. The value of multiple contracts issued in respect similar Terms of Reference will be aggregated, as though a single contract had been issued, in respect of the application of this clause.

4. VSM Pay Costs

- 4.1. Where the borrower is authorised as an NHS Foundation Trust, the Borrower will, via the Lender, seek the views of the appropriate Health Minister before making appointments to Boards/Executive Boards where the proposed annual salary exceeds £142,500.
- 4.2. Where the borrower is not authorised as an NHS Foundation Trust, the Borrower will, via the Lender, seek the approval of the appropriate Health Minister before making appointments to Boards/Executive Boards where the proposed annual salary exceeds £142,500.
- 4.3. The Borrower undertakes to implement the requirements in respect of the treatment of "off - payroll" workers included in the letter from David Nicholson to Chairs and Chief Executives of 20th August 2012, or any subsequent guidance issued by the Lender.
- 4.4. The Borrower shall apply the most recently updated version of standard redundancy terms for NHS staff in England to all newly appointed VSMs except where existing statutory terms take precedence. In addition the Borrower shall apply the most recently updated version of standard redundancy terms for NHS staff in England for existing VSMs where Section 16 is referenced in their contracts of employment.

5. Estate Costs

- 5.1. The Borrower undertakes to examine the overall running costs of Estates and Facilities against a benchmark group of similar NHS Trusts within 3 months from the date of this Agreement. Where higher than average costs are identified, and there is no valid reason for this, the Borrower will put in place an action plan to reduce these costs to match the agreed benchmark level. DH will need to satisfy itself that the benchmark is reasonable and plan is deliverable.

6. Surplus Land

- 6.1. The Borrower shall ensure that it has in place an up to date estates strategy covering a period at least 3 years from the date of this Agreement. The estates strategy should be informed by discussions with commissioners about clinical service requirements and consider options for rationalising the estate and releasing surplus land.
- 6.2. The report required in clause 6.1 shall identify surplus land and potentially surplus land to be released during the period from the date of this Agreement date to 31 March 2020.
- 6.3. The Borrower shall provide the Lender with a copy of its estate strategy within 6 weeks of the date of this Agreement or at a date otherwise agreed with the Lender. The Lender will need satisfy itself that the strategy is complete and deliverable for this condition to be satisfied.

7. Procure21

- 7.1. The Borrower will use the P21+ Procurement Framework for all publicly funded capital works, unless otherwise agreed with the relevant Supervisory Body.
- 7.2. Where the Borrower proposes to use an alternative procurement route, the Borrower will submit a business case to the relevant Supervisory Body for approval demonstrating that an alternative procurement route offers better Value for Money than the P21+ Procurement Framework.

8. Finance and Accounting and Payroll

- 8.1. The Borrower undertakes to commission NHS Shared Business Services to complete a baseline assessment of the Borrower's finance and accounting and payroll services to assess the benefit of the use, or increased use, of an outsourced service provider. The Borrower will provide full details of the outcome of this assessment to the Lender within 6 Months of the date of this Agreement.
 - 8.2. Where the assessment by NHS Shared Business Services supports the case for the use, or increased use, of an outsourced service provider, the Borrower will undertake an appropriate market testing exercise or use existing Government Framework Agreements to procure an outsourced service provider within a timescale to be agreed with the Lender.
9. Bank Staffing
- 9.1. The Borrower will undertake an assessment using the appropriate tool kit published on the NHS Centre for Procurement Efficiency to assess the benefit of the use, or increased use of an Outsourced Staff Bank provider. The Borrower commits to provide full details of the outcome of this assessment to the Lender within 6 Months of the date of this Agreement.
 - 9.2. Where an assessment using the appropriate tool kit published on the NHS Centre for Procurement Efficiency supports the case for the use of Outsourced Staff Bank provider, the Borrower will undertake an appropriate market testing exercise or use an existing Government Framework Agreement to procure an Outsourced Staff Bank provider within a timescale to be agreed with the Lender.
10. Procurement
- 10.1. The Borrower shall provide third party non-pay spend to the lender in a format specified by the Lender, within 6 months of the date of this Agreement, and at least annually thereafter, on the request of the Lender.
 - 10.2. The Borrower shall test the savings opportunities of increasing usage of the NHS Supply Chain and future editions and/or replacements of the NHS Catalogue within 6 months of the date of this Agreement and at least annually thereafter, on the request of the Lender.
 - 10.3. Any savings identified through the process set out in 10.2 will be pursued by the Borrower. Any identified savings which the Borrower does not intend to pursue must be notified to the Lender along with the reasons for not doing so.
 - 10.4. The Borrower will provide the Lender with current copies of its medical capital equipment asset register, medical equipment maintenance schedule, and capital medical equipment procurement plans within 6 months of the date of this Agreement, and at least annually thereafter on the request of the Lender.
11. Crown Commercial Services ("CCS")
- 11.1. The Borrower undertakes to test the scope of savings opportunities from CCS within 6 months of the date of this Agreement, subject to appropriate CCS resources being available to support this undertaking. Any savings identified as part of this process which the Borrower does not intend to pursue must be notified to the Lender with the reasons for not doing so.
 - 11.2. The Borrower additionally undertakes to provide details of its relevant requirements in support of all future collaborative procurements including e-auctions.
12. EEA and non-EEA Patient Costs Reporting

- 12.1. The Borrower undertakes to:
 - 12.1.1. Become a member of the EEA portal and actively report EHIC and S2 patient activity on the portal
 - 12.1.2. Provide an overview of the patient identification, billing and costs recovery systems in place with any planned improvements (for EEA and non-EEA patients)
 - 12.1.3. Participate and collaborate with local/national commissioners in the development of the new ""risk sharing"" model for non-EEA chargeable patients.
13. On request of the Lender, the Borrower agrees to provide timely information and enable appropriate access to parties acting on behalf of the Lender for the purposes of appropriate tracking and reporting of progress delivering the conditions set out within this Schedule.

N.B. This is for illustrative purposes only -
the actual Agreement will not be received
by the Trust until 05/10/18

SIGNATORIES

Borrower

For and on behalf of MAIDSTONE AND TUNBRIDGE WELLS NHS TRUST



By:

Name: Stephen Orpin

Position: Director of Finance

Address: Maidstone Hospital,
Hermitage Land,
Maidstone,
Kent,

ME16 9QQ

Email: stephen.orpin@nhs.net

Attention: Stephen Orpin

Lender

The Secretary of State for Health

By:

Name:

Address: Department of Health,
2nd Floor
Quarry House,
Quarry Hill,
Leeds, LS2 7UE

Email: providerfinance@dh.gsi.gov.uk

Trust Board Resolution



Statement from the Chair of the Trust Board of Maidstone and Tunbridge Wells NHS Trust regarding the Trust Board's approval of the Uncommitted Single Currency Interim Revenue Support Facility Agreement (reference: **TBC**).

A report was submitted to the Trust Board on 20/12/17, for scrutiny regarding the proposed loan.

This recommends that an Uncommitted Single Currency Interim Revenue Support Facility totalling £ 5 million is taken.

I confirm the Trust Board have accepted this recommendation and therefore approve the facility on behalf of the Trust.

In line with Schedule 1 of the Uncommitted Single Currency Interim Support Facility Agreement (henceforth referred to as the Finance Documents), I also:

- a. Approve the terms of, and the transactions contemplated by, the Finance Documents to which Maidstone and Tunbridge Wells NHS Trust is a party and resolving that it execute the Finance Documents to which it is a party;
- b. Authorise the Director of Finance to execute the Finance Documents to which Maidstone and Tunbridge Wells NHS Trust is a party on its behalf; and
- c. Authorise the Director of Finance and Deputy Directors of Finance to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and) to be signed and/or despatched by it under or in connection with the Finance Documents to which Maidstone and Tunbridge Wells NHS Trust is a party.
- d. Confirm the Trust's undertaking to comply with the Additional Terms and Conditions (listed within Schedule 8 of the "Uncommitted single currency interim revenue support facility agreement")

Signature

David Highton
Chair of the Trust Board
Maidstone and Tunbridge Wells NHS Trust

Date

Trust Board Meeting – December 2017

12-16	Finance and Performance Committee, 18/12/17 (incl. request for additional working capital support)	Committee Chair (Non-Exec. Director)
	<p>The Finance and Performance Committee met on 18th December 2017.</p> <p>1. The key matters considered at the meeting were as follows:</p> <ul style="list-style-type: none"> ▪ The actions from previous meetings were reviewed, and under the “Safety Moment”, the Assistant Trust Secretary reported that December’s theme was Acute Kidney Injury ▪ The month 8 financial performance, including that on the Cost Improvement Programme (CIP), was discussed in detail ▪ Arising from the scrutiny of the month 8 position, the Director of Finance agreed to: <ul style="list-style-type: none"> ○ Provide a comparative balance sheet projection at 31/03/18 against the situation at 31/03/17, to enable contextualisation of the current cash situation ○ Ensure additional focus is applied to the capital spend programme for 2017/18 against the original plan, to identify deviations from plan and ensure appropriate justification for any changes to plan ▪ The updated year-end forecast for 2017/18 was reviewed, prior to its confirmation by the Trust Board on 20/12/17 ▪ The month 8 non-finance, non-quality, related performance was discussed, and the Chief Operating Officer reported the latest position in relation to the A&E 4-hour, 62-day Cancer waiting time and Referral to Treatment (RTT) waiting time targets. The Chief Operating Officer agreed to consider the addition of a KPI within the monthly Trust performance dashboard to reflect Length of Stay (LOS) for the Ambulatory Care Unit / Acute Care Unit at Tunbridge Wells Hospital ▪ The usual monthly update on the Lord Carter efficiency review was received ▪ An update on the financial aspects of the Trust’s draft Planning submissions for 2018/19 was reviewed. The Director of Finance agreed to review the business plan for 2018/19 to reflect the suggestions made at the meeting (i.e. to reflect variable operational assumptions for LOS (e.g. based on reductions of 0.5, 1 & 1.5 days); patient flow and other operational variables) ▪ A quarterly update on the Apprenticeship Levy was provided, and the usual monthly report on breaches of the external cap on the Agency staff pay rate was noted. The Director of Finance agreed to clarify if the changes to the recruitment panel screening process referenced within the Apprenticeship Levy report had been reported in error ▪ A report on the recent findings from relevant Internal Audit reviews was received (such reports are received every 6 months) 	
	<p>2. In addition the agreements referred to above, the Committee agreed that:</p> <ul style="list-style-type: none"> ▪ The Director of Finance should provide the Chair of the Trust Board with details of the issues preventing / delaying completion of the Trauma and Orthopaedics prostheses agreement with STP partners to allow him to escalate the issue ▪ The Chair of the Trust Board highlighted that it was likely that the Trust would have to reimburse the Peggy Wood Foundation for equipment that had been accepted, but was not in use, by the Trust and as such was not fulfilling the Foundation’s charitable purposes. 	
	<p>3. The issues that need to be drawn to the attention of the Board are as follows:</p> <ul style="list-style-type: none"> ▪ The Trust’s proposed loan application for the combined deficit working capital loan (£3.866m) and STF advance (£1.134m) i.e. £5m in total, to be drawn on 15/01/18, was reviewed, and supported (this also features on the Trust Board agenda for 20/12/17, as the Board is asked to approve the application). The Committee further supported a recommendation that the Trust Board approves a resolution to cover the same likely additional working capital loans required in February and March 2018, up to the value of a further £10m. Full details are supplied within Attachment 12. 	
	<p>Which Committees have reviewed the information prior to Board submission?</p> <ul style="list-style-type: none"> ▪ N/A 	
	<p>Reason for receipt at the Board (decision, discussion, information, assurance etc.)</p> <p>Information and assurance</p>	