

Meeting title:	Trust Board	Public Trust Board paper M
Date of the meeting:	7 th July 2022	
Title:	Cost Improvement Programme Plan Update	
Report presented by:	Moira Durbridge, Director of Quality Transformation and Efficiency Improvement	
Report written by:	<ul style="list-style-type: none"> Moira Durbridge, Director of Quality Transformation and Efficiency Improvement Ben Shaw, Director of Productivity 	

Action – this paper is for:	Decision/Approval		Assurance	X	Update	X
Where this report has been discussed previously	Transformation Programme Board – 16 th June 2022 Executive Finance and Performance Board – 28 th June 2022 Finance and Investment Committee – 30 th June 2022					

To your knowledge, does the report provide assurance or mitigate any significant risks? If yes, please detail which
<ul style="list-style-type: none"> Risks to delivering the £21m cash out target are identified within the paper. Achievement of the £35m CIP programme reduces the risk of the Trust not achieving its overall financial position. All efficiency schemes are subject to a QIA to ensure safety and quality is not imperilled.

Impact assessment
<ul style="list-style-type: none"> Patients - Impact from individual schemes to be determined by QIA process. Workforce - Impact from individual schemes to be determined by QIA process. Equality, Diversity & Inclusion – No impact Services - Impact from individual schemes to be determined by QIA process. Finance - To support UHL financial plan. Reputation/legal – None identified

Acronyms used:
<ul style="list-style-type: none"> CIP – Cost Improvement Programme EFPB – Executive Finance Performance Board FIC – Finance Investment Committee PID – Project Initiation Document MTFP – Medium Term Financial Plan NDR – Non-Domestic Rates QIA – Quality Impact Assessment RSP – Recovery Support Programme

Purpose of the Report

The purpose of the report is to provide a current position with respect to the 2022/23 efficiency programme and some further detail regarding the productivity savings.

This report has been presented to and discussed at the EFPB and FIC.

Recommendations

Executive Finance and Performance Board / FIC Members are asked to note the progress in the efficiency programme since the last report and to comment and approve the approach with respect to the £5m CIP gap.




























Summary

The Transformation Programme Team is developing a programme of transformation, efficiency and improvement work streams which include strategic and system schemes as well as in year transactional and tactical schemes.

Some of these efficiency schemes will employ improvement methodology and wider cultural changes of work to deliver and embed improvements. All schemes require a Quality Impact Assessment, the governance of which is closely monitored by the Transformation PMO and subject to separate reporting to EQB and the Quality Committee.

1. MAIN REPORT DETAIL

1.1 The overall M2 (May 2022) CIP position is shown in the table below:

CIP POSITION												
Reporting Month:		May 2022		Actual delivery equals or exceeds 90% plan 								
				Actual delivery is greater than 25% but less than 90% plan 								
				Actual delivery is less than 25% of plan 								
CIP Category	In Month Plan (£'000)	In Month Actual (£'000)	In Month Variance (£'000)	RAG In Month Plan vs In month Actual	YTD Plan (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	RAG YTD Plan vs YTD Actual	FY Plan (£'000)	FY Actual / FOT (£'000)	FY Variance (£'000)	RAG
1. CIP Budget Reduction - Current year new schemes	678	412	(267)		1,337	750	(587)		19,453	5,403	(14,050)	
2. CIP Budget Reduction - Prior Year Full Year Effect	176	177	1		389	391	2		1,018	1,045	27	
3. Other Run Rate Reduction	-	18	18		-	37	37		529	545	16	
Total Cash Releasing Savings	854	607	(247)		1,727	1,178	(548)		21,000	6,993	(14,007)	
4. Cost Avoidance	234	226	(9)		377	445	68		2,669	2,706	37	
5. Productivity Improvement	(70)	319	389		(48)	572	620		11,331	10,377	(954)	
Total Non Cash Releasing Schemes	165	545	380		329	1,017	688		14,000	13,083	(917)	
Grand Total	1,019	1,152	133		2,056	2,196	140		35,000	20,075	(14,924)	

1.2 This shows cash releasing savings in month of £607k against a target of £854k and productivity savings of £545k against a target of £165k. Forecast savings are £6,993k cash releasing and £13,083k productivity savings. This would represent a 57% achievement of the overall £35m programme and an improvement on the 44% reported in M1. It is anticipated that this position will improve as more schemes are identified and developed by the CMGs and Corporate Groups.

1.3 CMGs will need to focus their efforts on in-year cash releasing savings, and the Transformation Team will help them with this. This need to focus on the development of cash releasing savings is best shown by the top ten schemes by forecast delivery, with 93% of the value being productivity based.

Value Improvements (VIP)	CMG	Scheme Name	Total
4. Cost Avoidance	ESM	PTCDA	2,541
5. Productivity Improvement	ITAPS	Theatre Productivity	1,495
5. Productivity Improvement	RRCV	Beds LOS Reduction	1,021
5. Productivity Improvement	RRCV	Value Based Procurement - Remote Monitors	994
5. Productivity Improvement	RRCV	Complex Care and Proactive Care at Home	959
5. Productivity Improvement	MSS	Outpatient Productivity and Demand Management	829
1. CIP Budget Reduction - Current year new schemes	CSI	Althea Contract Review	736
5. Productivity Improvement	RRCV	Outpatient Productivity and Demand Management	649
5. Productivity Improvement	CHUGGS	Outpatient Productivity and Demand Management	647
5. Productivity Improvement	CHUGGS	Beds LOS Reduction	583
Total			10,455

2. MONTH 2 CIP POSITION BY CMG

2.1 The M2 (May 2022) CIP position by CMG is shown in the table below:

CMGs ¹	CIP Target £'000	Delivered YTD M2 £000	Forecast YTG M3 - M12 £000	Total Tracker Value £'000	Variance £'000	R £'000	A £'000	G £'000	Risk Adjusted FOT £'000
CHUGGS	3,399	136	2,129	2,265	(1,134)	1,890	91	284	307
CSI	2,572	349	1,552	1,901	(671)	69	66	1,766	1,782
ESM	7,259	597	2,722	3,319	(3,940)	528	-	2,791	2,791
Facilities	1,748	67	1,178	1,245	(503)	271	-	975	975
ITAPS	3,241	537	1,936	2,473	(768)	248	1,361	864	1,204
MSS	3,353	52	2,111	2,164	(1,189)	1,973	-	191	191
RRCV	5,447	230	4,478	4,708	(739)	-	-	4,708	4,708
WCH	2,126	107	1,335	1,442	(684)	255	-	1,187	1,187
Corporate	815	115	389	504	(311)	100	-	404	404
Research	40	5	50	55	15	-	-	55	55
Stretch	5,000	-	-	-	(5,000)	-	-	-	-
Total	35,000	2,196	17,880	20,075	(14,925)	5,334	1,518	13,224	13,603

2.2 The breakdown by CMG shows that all CMGs are still in the process of identifying projects, completing PIDs & QIAs as well as completing the trackers. The July report will show an improved position against the original planned target.

3. 2022 / 23 PROGRESS

3.1 The Transformation Team continues to meet fortnightly with CMGs and monthly with Corporate Teams to support with the identification and delivery of savings schemes. The Transformation Progress Meetings will support the identification and delivery of service transformation and improvement schemes as well as CIP delivery.

3.2 As part of our RSP exit work, we are endeavouring to identify more strategic, transformational CIP schemes in addition to in-year tactical / transactional schemes. These will increasingly contribute to the MTFP currently being worked on by colleagues in Finance.

3.3 The Transformation Team will ensure system-wide spreadsheets and trackers are completed and that this information aligns with our internal CIP reports. We will continue to report monthly to system partners on CIP identification and delivery and on cross-system efficiency opportunities.

4. STRETCHING CIP / BRIDGING THE GAP

4.1 The table below outlines the current draft scheme list that will support the Trust to deliver the additional £5m CIP to achieve an overall annual CIP plan of £21m.

4.2 It should be noted that this list is currently **in development** and as such, has not been allocated to the relevant CMGs or Corporate functions. Schemes will continue to be worked through during June with a view to allocating finalised schemes to the relevant CMGs or Corporate areas in July. Schemes that cannot be allocated at this stage (e.g. investment slippage) will be held and recorded on a central CIP tracker until the point where those budgets impacted are confirmed.

4.3 The Transformation Team are also monitoring the potential for any additional schemes that could be added to the programme, including any further non-recurrent CIP. For example, this includes monitoring the Trust's recruitment activity.

- For example, this includes monitoring the Trust's recruitment activity where an additional 435 additional WTEs were planned in 22/23 (this is before the transfer of E&F staff to LPT). Cumulatively, as at the end of month 2 the total number of substantive posts was 82 behind plan (60 in M1 and 22 in M2). The Transformation Team will work with the Workforce Team to understand whether this slippage has a financial benefit and record appropriately.

Idea	Description	Estimated PYE 22/23 Cash Saving (not currently in trackers)	
		Est. Lower £	Est. Upper £
Non Recurrent Income	Non recurrent end of year income e.g. HEEM, Virtual Wards, CNST	£ 2,000,000	£ 2,000,000
Investment slippage	22/23 slippage in revenue investments	£ 500,000	£ 1,000,000
HCTED	Review of HCTED contract and reimbursement	£ 363,731	£ 969,948
HCA Recruitment	Nursing Midwifery HCA Recruitment	£ 250,000	£ 500,000
Private Patients - Over Delivery	Additional income beyond original plan of £277k. Revised rates currently being negotiated with private providers are 35% higher (rates had not been reviewed since 2012!)	£ 150,000	£ 300,000
Finance Stretch 22/23	Finance CIP already £10k over delivered; additional schemes actively being explore / delivered: - Apprenticeship NI reclaim (£100k TBC) - Internal Audit (£75k) - Bad Debt reduction from PP and Cedar system (£100k) - Late Payments Fee Reduction (e.g. security) - £TBC - Annual VAT Audit - £TBC	£150,000	£325,000
E&F Stretch	Additional E&F schemes e.g. waste reduction etc.	£ 100,000	£ 250,000
Dolphin Mattresses	Only three Trusts are large users of Dolphin mattresses (UHL, Nottingham, Liverpool Heart); Dolphin mattresses cost the Trust £20k each to rent per annum and UHL is by far the largest user nationally.	£ 50,000	£ 175,000
Stellcept	UHL is the largest national user of Stellcept. There is the potential to review the usage across the Trust.	£ 18,750	£ 67,000

Taxi Reduction	Review of taxi spend - demand management exercise to address key areas of spend	£ 10,000	£ 30,000
Space Management and County Hall	Consider move to hot desking / agile working arrangements for certain functions / areas. E.g. potential to terminate lease on County Hall and utilise space at the Reconfiguration PMO. IT have a new desk booking system which would support this approach. This could be expanded to a system opportunity given both LPT and CCGs have unused offices at County Hall and elsewhere.	TBC	TBC
Commercial Strategy and Focus	Increase the Trust's Commercial Focus: - Estates - catering / retail etc. - Private Patients - Overseas Patients - CMGs - e.g. specialised tendering activity - Corporate - selling of services outside the Trust - Non-NHS - R&D - commercialising innovations - University & Education - Pharmacy / Pathology - commercialising activities and selling to other Trusts. - Bids / External funding	TBC	TBC
Specialised Commissioner Income	TBC	TBC	TBC
Virtual Ward Money	TBC	TBC	TBC
Capital purchase of remaining rental beds	Purchase of Eye Theatre Trolleys x 10 with Capital (£60k) - 16 week leadtime	TBC	TBC
Cubiquity Printing	Review of cubiquity expenditure and potential demand management challenge	TBC	TBC
		£ 3,592,481	£ 5,616,948

5. PRODUCTIVITY SCHEMES

5.1 At the last meeting we shared the financial impact (non-cash releasing) from the productivity schemes being worked on across the programme, as outlined in the table below.

	Beds LOS Reduction	Cardiac Remote monitors (CRM)	Complex Care and Proactive Care at Home	Continue to deliver CUJES and LUECS service in the community	Emergency Admission Avoidance - PTCDA Project - Care Homes	End of Life Community Based Services	Endoscopy Workforce	Expanding the Community Continence Team to meet clinical guidelines and prevent escalation into acute Urology and Gastro-	Medical / Consultant - Job Planning	Medicines optimisation in care homes	Ophthalmology UHL Recruit	Outpatient Productivity and Demand Management	Theatre Productivity	Grand Total
CHUGGS	590		396		941	166	211	120		209		1,969	124	4,726
CSI											85			85
ESM	938													938
ITAPS									120			47	1,411	1,578
MSS	337		63	39					461			849	143	1,892
RRCV	1,021	994	959						43			649	46	3,712
WCH	252											659	89	1,000
Grand Total	3,138	994	1,418	39	941	166	211	120	624	209	85	4,173	1,813	13,931
													Estates	69
													Total	14,000

5.2 The table below now outlines the potential impact on activity from these targeted improvements by both CMG and Speciality. It should be noted that the outpatient and theatre improvements should provide an incremental improvement in activity if delivered as planned. The length of stay (beds) improvement is already factored in to the original plan and Trust Bed Bridge.

Summary Of Improvements By CMG And Speciality					
CMG	Speciality	Outpatients		Theatres	Beds
		Deflected Follow Ups	Deflected First Appointments	Theatres Cases Improvement	2022/23 Incremental Bed Efficiency
CHUGGS	General Surgery	3,803	199	987	
	Urology	6,545	176	415	
	Beds			0	7
CHUGGS Total		10,348	375	1,402	7
ESM	Dermatology	1,459	429	0	
	Gastroenterology	4,078		70	
	Neurology	4,566	553	0	
	Rheumatology	8,005	3,419	0	
	Beds			0	11
ESM Total		18,108	4,401	70	11
ITAPS	Pain Management	3,440	170	256	
	Sleep	3,330	6	0	
ITAPS Total		6,770	176	256	
MSS	Breast Care			64	
	Ear Nose And Throat	3,726	352	265	
	Maxillofacial	3,241	262	57	
	Ophthalmology			729	
	Orthopaedics	6,811	203	-7	
	Paediatric ENT			44	
	Paediatric Maxillofacial			117	
	Paediatric Ophthalmology			2	
	Paediatric Plastic Surgery			-8	
	Plastic Surgery			-176	
	Beds			0	4
MSS Total		13,778	817	1,087	4
RRCV	Cardiac Surgery			66	
	Cardiology	8,464	1,867	-10	
	Renal Surgery			97	
	Thoracic Surgery	6,657	814	-20	
	Vascular Surgery			-7	
	Beds			0	12
RRCV Total		15,121	2,681	126	12
W&C	Adult Congenital Heart			3	
	Gynaecology	6,771	2,202	321	
	Paed Gastro			85	
	Paediatric Bronchoscopy			12	
	Paediatric Cardiac Surgery			2	
	Paediatric Orthopaedics			180	
	Paediatric Surgery			331	
	Paediatric Urology			0	
	Beds			0	3
W&C Total		6,771	2,202	934	3
Grand Total		70,896	10,652	3,876	37
Based on 2 months actual and 10 months forecast					

5.3 The Transformation Team will continue to work with the CMGs to fully understand and track the potential activity consequences from the various transformation programmes under way.

6. NEXT STEPS

6.1 Between now and the next meeting the Transformation Team will:

- i) Work with the CMGs to fully understand and track the potential activity consequences from the various transformation programmes under way.
- ii) Engage with the Workforce Team to understand any non-recurrent CIP from recruitment slippage.

- iii) Continue engagement with the System Transformation Team and PMO to fully understand the status of the system enabled schemes and expedite delivery.

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June 2022

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