

AGENDA ITEM NO:**UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST
BOARD OF DIRECTORS
FRIDAY 3 DECEMBER 2010**

Title:	BUSINESS CASE OUTCOMES PERFORMANCE REPORT
Responsible Director:	Executive Director of Delivery
Contact:	Harvir Atkar, Head of Planning

Purpose:	This paper provides an assessment of performance for identified business cases against non-financial anticipated outcomes, expenditure performance, and delivery of income targets. A risk assessment score has been allocated taking account of performance against these three factors and likelihood of performance being delivered in line with plan in the future.
Confidentiality Level & Reason:	N/A
Annual Plan Ref:	Strategic Enabler 2: To deliver the best in quality outcomes and efficiency.
Key Issues Summary:	This report contains assessment of 17 cases in line with BoD delegated financial authority limits. The outcomes of 10 of these cases have been assessed as being fully delivered. Additional detail has been provided for the remaining cases in Appendix A or, where further discussion is required, in Section 4 to demonstrate further action taken or planned to bring performance back in line with anticipated outcomes.
Recommendations:	The Board of Directors is requested to: Accept the report on progress against business case outcomes and action taken for exception items. Agree that cases that have been assessed as achieved (risk assessment score of 1) should be removed from the outcome monitoring process.

Signed:	Date: 23 November 2010
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BOARD OF DIRECTORS
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BUSINESS CASE OUTCOMES PERFORMANCE REPORT
PRESENTED BY THE EXECUTIVE DIRECTOR OF DELIVERY

1. Purpose

The paper provides an assessment of performance for identified business cases against non-financial anticipated outcomes, expenditure performance, and delivery of income targets. A risk assessment score has been allocated taking account of performance against these three factors and likelihood of performance being delivered in line with plan in the future.

2. Background

The current process for monitoring performance against the delivery of business case outcomes forms part of the Performance Review structure. As part of this process, a progress update is provided for all non-financial outcomes, expenditure performance, and income performance. Where performance is off target, additional detail is included to explain the variance and proposed corrective action. The submission of this paper supports the strengthening of this process to ensure that the success of business case outcome delivery is discussed up to Board level and any considerations regarding potential disinvestment are also discussed. It is proposed that the Chief Executive's Advisory Group and the Board of Director's receive six monthly reports on business case outcomes performance.

3. Assessment Process

The business cases have been assessed against three factors: delivery of anticipated non-financial outcomes, expenditure performance, and delivery of income targets. Appendix A provides a summary of the cases which have reached a stage where business case outcome performance can be assessed and reported. The three factors have been allocated a traffic light assessment. Each case has also been risk assessed and allocated a score between 1 and 5. This assessment is based upon the level of underperformance and likelihood of performance being delivered in line with plan in the future. Where a score of 3 or above has been assigned, additional detail is provided in Section 4 of this report to explain variance from target and remedial action taken/planned. Appendix A also provides a recommendation for each case with regard to next steps.

4. Exception Reports

The detail in this section should be cross-referenced with Appendix A. Although a summary of issues is provided in the 'comments' column in the appendices, the sections below provide additional detail for cases that require particular note and further discussion.

4.1 Development of a Hyper-Acute Stroke Service (Ref 5)

The development was delivered within budget and activity and income targets have been met. However, one of the four non-financial outcomes remains a risk. Overall LOS for stroke patients has reduced from 14.8 days in 2009/10 to 13.9 days to date in Q1 2010/11. Between April and September performance against the national CQC target for 90% LOS was below target. October performance was above target, however, this target remains a risk with the current capacity issues. The performance indicators report provides details of actions being taken to deliver further improvements against the LOS target.

4.2 Appointment of 3 Consultants each with an Interest in Acute Medicine (Ref 8)

This case, as a whole, delivered a small contribution in 2009/10 following a reduction in emergency length of stay from an average of 4.49 days in 2008/09 to 4.27 days in 2009/10. This allowed the reduction of acute medicine bedholding from 253 to 235 beds. In 2010/11, there has been activity growth of 9% and the issue of delayed discharges has had a significant impact brought about by problems with social services. The number of delayed discharges this year translates to 28 beds. This has resulted in the use of trolley bays and the opening of beds taking the bedholding to 293 beds. The additional costs for acute medicine are £872k to month 5.

Average length of stay across Medicine is as follows:

	2009/10	2010/11 April – August
General Medicine	4.66	3.14
Geriatric Medicine	6.31	6.75
Respiratory Medicine	3.83	3.57

Reducing length of stay is a key objective within the Division and it is recognised that the potential of the New Hospital is yet to be fully maximised. A group is in place, led by Neil Gittoes, Divisional Director, to deliver further improvements in reducing length of stay and addressing the issues around delayed discharges. The performance indicators report provides further detail regarding the level of delayed discharges and actions being taken to address performance.

4.3 Proposal to Invest in Radiotherapy Staffing (Ref 10)

In line with the business case proposal, the 8th linear accelerator (linac) was opened, and additional staffing added to the existing complement of linacs to ensure quality and safety. However, the anticipated increase in activity in line with the National Radiotherapy Advisory Group report has not been realised. The Trust ensures that patients are being given optimal treatment whilst maintaining some of the lowest waiting times in the country.

Table 1: Financial Performance

	2007/08	2008/09	2009/10
<u>Plan as per business case</u>			
Additional Income	836,152	1,806,549	3,530,595
Capital Charges	(246,960)	(260,977)	(331,863)
Revenue Costs	(48,077)	(309,953)	(1,102,390)
Net Position	541,115	1,235,619	2,096,342
<u>Actual performance</u>			
Additional Income	117,913	790,049	1,139,446
Capital Charges	(246,960)	(260,977)	(331,863)
Revenue Costs	0	(71,034)	(210,135)
Net Position	(129,047)	458,037	597,448

Vacancies are currently being held as part of the Divisional mitigation plan. The exit strategy for this case going forward is to reconsider the replacement of the linac in room 9 (or otherwise) following the installation of the Tomotherapy machine which was recently approved. There are currently 2 linacs scheduled for replacement on the capital programme, the first due in 2011/12, with another due in 2012/13.

The Division has recently presented a paper on the appointment of additional oncology consultants which are partly to fill other Trust's requirement for clinical oncology support. This is expected to fill a gap in the treatment planning of cancer patients in neighbouring Trusts and generate additional radiotherapy referrals. This is through increased patient workload and improved representation at multidisciplinary team (MDT) meetings.

In addition, the Division aims to duplicate and surpass the success of other centres which followed the introduction of newer technology. The introduction of Tomotherapy, the pending business case for Cyberknife and the possibility for Proton Beam Therapy all position the Trust well and should further generate additional referrals. These developments also offer further limited opportunities to reduce the total conventional linac complement subject to an assessment of linac capabilities.

The Division is also in discussion with a nearby Trust regarding the provision of additional clinical oncologist support for skin and breast cancer patients. The resulting radiotherapy currently goes to another provider and it is thought that a good proportion of this work would be diverted to UHB should agreement be reached.

Future radiotherapy business cases have and will take account of the underperformance associated with these papers.

5. **Future Reporting Arrangements**

A progress report on business case outcomes will be submitted to CEAG and BoD on a 6 monthly basis in line with the delegated authority limits. In the interim, business case outcomes will be assessed by the Business Case Evaluation Group that will meet on a quarterly basis.

6. **Recommendations**

The Board of Directors is requested to:

- 6.1 **Accept** the report on progress against business case outcomes and action taken for exception items.
- 6.2 **Agree** that cases that have been assessed as achieved (risk assessment score of 1) should be removed from the outcome monitoring process.

Tim Jones
Executive Director of Delivery

BUSINESS CASE OUTCOME PERFORMANCE OVERVIEW

APPENDIX A

Ref	Title of Business Case	Division	COOG	CEAG	BoD	Non-Financial Outcomes Performance	Expenditure Performance	Income Performance	Risk Assessment	Comments	Recommendation
1	Appointment of Additional Anaesthetic Consultant Posts	1	Jan-09					N/A	2	Delay in appointing led to spend on premium rate sessions in the interim. Total 2009/10 spend including premium rate cover was £634,233 against plan of £500,265. Expenditure in 2010/11 expected to be broadly in line with plan (£522,659). 0.38 WTE currently not appointed to and covered by premium rate sessions. This will be incorporated into job plans or new posts this summer as all anaesthetic job plans are currently being reviewed and reorganised as a result of the new hospital move.	Review in 6 months as part of business case outcomes performance report.
2	Development of the Interventional Cardiology Service including the Appointment of 2 Interventional Consultant Cardiologists	2	Sep-08	Dec-08	Jan-09				1	Overall this case is meeting the income plan set although there is an overperformance on CRT-p cases and new outpatients offsetting underperformance on ICDs and follow up outpatients.	Remove from business case outcome monitoring process.
3	Replacement Consultant in Hepatology	2	Nov-08	Dec-08					1		Remove from business case outcome monitoring process.
4	Deliver Sustained Growth in Kidney Transplant Activity	2	Jan-08	Apr-08					1		Remove from business case outcome monitoring process.
5	Development of a Hyper-Acute Stroke Service	3	Oct-08						3	Capacity problems have led to general medicine outliers occupying stroke beds leading to performance being under the national stroke target for length of stay.	Continue monthly monitoring of length of stay target as part of performance indicators report.
6	Appointment of Consultant Neurologist	3	Jan-09	Mar-09	Mar-09				1		Remove from business case outcome monitoring process.
7	Expansion of Neurosurgery to Achieve the 18 Week Referral to Treatment Target	3	Feb-08	Apr-08	Apr-08				1		Remove from business case outcome monitoring process.
8	Appointment of 3 Consultants each with an Interest in Acute Medicine	3		Aug-08 and Feb-09	Sep-08			N/A	4	Increase in activity has led to a current bedholding above the initial level contained in this paper. This has resulted in additional costs for acute medicine of £872k to month 5.	Follow up paper from Division to CEAG detailing full risk management plan.
9	Proposal to Appoint an Additional Consultant Haematologist	4	Aug-08	Sep-08	Sep-08				2	No suitable applicants for post therefore additional activity and income not delivered. Post currently being readvertised.	Review in 6 months as part of business case outcomes performance report.
10	Proposal to Invest in Radiotherapy Staffing	4		Apr-08					4	Activity outlined in NRAG report has not been realised, therefore income is below target. Total variance against plan in 2009/10 was £1,767k. 7WTE posts are currently being held to reduce costs. 2 linacs due for replacement in 2011/12 and 2012/13 which may not be replaced to reduce costs, dependent on Tomotherapy and Cyberknife business cases.	Follow up paper from Division to CEAG detailing full risk management plan.
11	Proposal to Appoint an Additional Consultant in Histopathology	4		Sep-08	Sep-08			N/A	2	No suitable applicants for post. Following readvertisement substantive and locum appointment made in July 2010.	Review in 6 months as part of business case outcomes performance report.

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APPENDIX A

Ref	Title of Business Case	Division	COOG	CEAG	BoD	Non-Financial Outcomes Performance	Expenditure Performance	Income Performance	Risk Assessment	Comments	Recommendation
12	Request for Substantive Consultant Dermatologist	5	Jul-08	Aug-08				N/A	2	Complaints received due to overbooking of clinics. Performance should improve with the substantive appointments. Expenditure was in excess of plan while locum costs were incurred for community clinics.	Review in 6 months as part of business case outcomes performance report.
13	Appointment of Consultant in Rheumatology	5	Jul-08	Sep-08	Sep-08				1		Remove from business case outcome monitoring process.
14	Request for the Appointment of 2 Consultant Plastic Surgeons	5		May-08	May-08				1		Remove from business case outcome monitoring process.
15	Consultant Surgeon with a Special Interest in Hands	5		Nov-08	Jan-09				1		Remove from business case outcome monitoring process.
16	ICT Resources - (Appointment of Additional Substantive and Non Substantive Posts)	Corporate		Jan-09	Feb-09			N/A	1		Remove from business case outcome monitoring process.
17	Request Funding for Continuing Infection Control Measures in 2009/2010	Corporate		Jan-09				N/A	1		Remove from business case outcome monitoring process.