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Chair, Health Overview & Scrutiny Panel
Customer, Community & Democratic Services
Portsmouth City Council
Civic Offices
Guildhall Square
Portsmouth
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14 November 2012

Our Ref: UW/sk/res/1058

Dear Councillor Eddis

Re: Update letter from Portsmouth Hospitals NHS Trust

I write to provide the Health Overview & Scrutiny Panel with an update from Portsmouth Hospitals NHS Trust. Our last update letter to you was in June of this year, and it is timely to reflect on some of the important challenges and achievements for the Trust.

We have continued to improve our performance with positive trends identified across a number of national targets and indicators. Our public Board reports provide a thorough monthly update on these and are published on our website www.porthosp.nhs.uk.

There has been much work carried out with regard to dementia care, with staff receiving training and screening patients achieving 100% for on-ward referrals as a target related to the Dementia CQUIN.

With one in three people over the age of 65 now going on to develop dementia and numbers predicted to increase as people live longer, the Trust has renewed its focus on vulnerable patients by launching an internal dementia strategy. We all need to be more aware of what we can do to help patients with dementia, not least because they often feel vulnerable and in need of reassurance and support. Health and social care professionals can play a key role in helping the person retain their sense of identity and feelings of self-worth.

To further support this work the Trust and its contractors Carillion have begun a programme to revamp our elderly care wards to make the environment more user-friendly for patients. The official re-opening of the F4 ward took place on 29 October with the Lord Mayor of Portsmouth, and Carol Elliot, Alzheimer's Society. Changes range from the use of contrasting colours as visual aids to help with recognition and way finding; clear bold signage for the rooms; a new ward reception with staff facing toward patients and visitors and large clear decorative furnishings.

Another initiative is the serving of high tea on older people wards. This replaces the second hot meal of the day with a wider choice of finger foods which will increase the number of calories for elderly patients in our care and stop them from losing weight in hospital. On the menu are sandwiches on platters offering choice on the day, plus quiche; pork pies; sausage rolls; cake of the day and ice cream. In addition soup can be served in a mug as a hot drink supplement to boost calorie intake. A cake of the day also brings a bit of fun to tea time. The range of food means that patients can choose what they want and eat which also helps them maintain their independence.

Increasingly Queen Alexandra Hospital is experiencing an unprecedented demand in the Emergency Department (ED) with a 10% rise in attendances seen in the month of October, and emergency admissions to hospital being 4.5% above plan. Some days are particularly busy and in recent months attendances have been as high as 360 in one day for a department that is really only designed to serve around 250 people.

The Trust has made a number of arrangements to help it cope with these short term peaks in demand. This includes increasing the number of senior doctors in its Emergency Department and using M&L (a private provider) as well as deploying nursing staff from around the Trust to manage queues management.

Over 60% of emergency presentations are out-of-hours, a proportion that is around 10% higher than the national average. This is often because people do not contact their out-of-hours GP, but instead come directly to the Emergency Department. More work will be done to highlight the national 'Choose Well' initiative and ensure that the public is aware of alternative options to the Emergency Department such as the 111 Out of Hours service and urgent care centres such as the ones at Guildhall Walk and St Mary's as well as Gosport War Memorial Hospital.

Whilst the Trust is paid in full for every Emergency Department attendance it only receives 30% of its costs for those patients that may subsequently require an emergency admission to the hospital. This is under nationally set reimbursement arrangements relating to emergency admissions that are designed to incentivise the whole health economy to work together to avoid unnecessary hospital admissions. The Trust is working closely with its partners to solve broader problems that cause unnecessary admissions but, at the present time, this arrangement does create a real financial pressure for the hospital, since the costs of treating these patients routinely exceed any income received.

The Trust entered the 2012/13 financial year facing a challenging financial agenda with the requirement to make efficiency savings of £27m. This is a substantial target representing about 7% of the Trust's total turnover. The requirement to save such a large amount of money is driven by two main factors. Firstly the prices the hospital can charge for treating patients have been reduced by 1.5% as part of national policy implemented by the Department of Health. This simply reflects the overall tightening of public sector purse strings and the subsequent impact on NHS funding as a whole. In addition to this, the Trust, like many businesses, faces rising costs. These are associated with staff pay increases, rising drug costs, utility prices and general inflationary pressures across all budget areas.

This combination of declining income and rising costs contributes to the Trust facing the scale of savings challenge that it does. This is however, not markedly different from any the challenge facing other NHS hospitals up and down the country. The scale of this financial challenge is reflected in the Trust's reported mid-year financial position. This shows the Trust reporting a £7.4m deficit on income and expenditure at this point in the time. The Trust's overall target for the year is a £4.3m surplus so a considerable recovery is required over the second half of the financial year.

Whilst the Trust is behind plan after six months of the financial year, it can be further explained by a number of key factors. Firstly, delivery of the Trust's savings plan has been behind schedule with only £6.5m of savings achieved compared to a targeted position of £9.7m. The Trust will therefore be pushing its saving schemes very hard over coming months to close this gap. In addition, as described above, the increased emergency activity has also caused a problem for the Trust in the year with attendances at A&E being above plan. The pressures relating to emergency patients can cause financial problems as the Trust is required to employ extra staff and beds, often at short notice, which can mean expensive agency staff are used. In addition the payment regime for emergency admissions can be punitive with the Trust only receiving a 30% marginal rate of the full price for each additional patient treated under national rules.

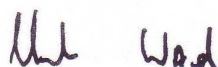
The Trust recognises that this financial position is adrift of where it needs to be to ensure the Trust achieves its financial targets for the year. It is important that that position is improved as the Trust will need to demonstrate financial stability in order to proceed and be successful with an application for Foundation Trust status. A range of plans are therefore in place to help recover the financial position over coming months including working hard with other organisations in the local health system to address the emergency workload pressures highlighted above.

Although a challenging time for the Trust, both in terms of changes to the NHS and increased demand for our services, we continue to innovate and receive much national acclaim and awards for our staff. Recent honours have included positive coverage of the Trust's specialist alcohol team in the BBC Panorama programme and Sister Sue Atkins from the Alcohol Nurse Specialist Team came second, highly commended, in the national Nurse of the Year Awards.

Our Award winning diabetes service has won first place in the national quality in care awards for their super six model, and the Queen Alexandra Hospital has been ranked first nationally in achieving key quality standards for hip fracture care. The Trust has also won the Employer of the Year – Public Sector accolade for the work that we do with Modern Apprentices, which has totalled over 30 in the last two years. There are many more which I could go on to list, but I will instead look forward to keeping you up to date with Trust matters through our regular meetings and updates.

Finally, we are continuing to engage with the public about our Foundation Trust application. We are meeting all of our milestones in our Tripartite Formal Agreement and working closely with partners on our journey towards application. We will also shortly be holding community meetings, which are chaired by our Council of Governors. These meetings are held twice a year and give us an opportunity to hear from the public direct about their thoughts on our services and developments at the hospital. The Panel will receive an invite to the meetings shortly and venues include Waterlooville, Gosport, Fareham and at Queen Alexandra Hospital.

Yours sincerely

A handwritten signature in purple ink, appearing to read 'Ursula Ward'.

Ursula Ward MSc MA
Chief Executive