QMR 18 FEBRUARY 2016

How is the NHS performing?

ABOUT THIS REPORT

Our Quarterly Monitoring Report examines the views of finance directors on the productivity challenge they face, as well as some key NHS performance data to see how the NHS is performing.

REPORT AUTHORS

John Appleby, James Thompson, Joni Jabbal

£2.3bn

Our estimate of NHS trusts' deficit at the end of 2015/16

of trust finance directors said that quality of care in their local area has worsened in the past year

"It is touch and go whether the Department of Health will be able to balance its budget at the end of the year. At the same time, performance is deteriorating."

John Appleby, Chief Economist

8.2%

of patients are still waiting for a planned hospital admission after 18 weeks in December – the first time the target has been missed since it was introduced in April 2012

of trusts are concerned that they will not be able to meet nationally-imposed caps on their agency staff spending

9%

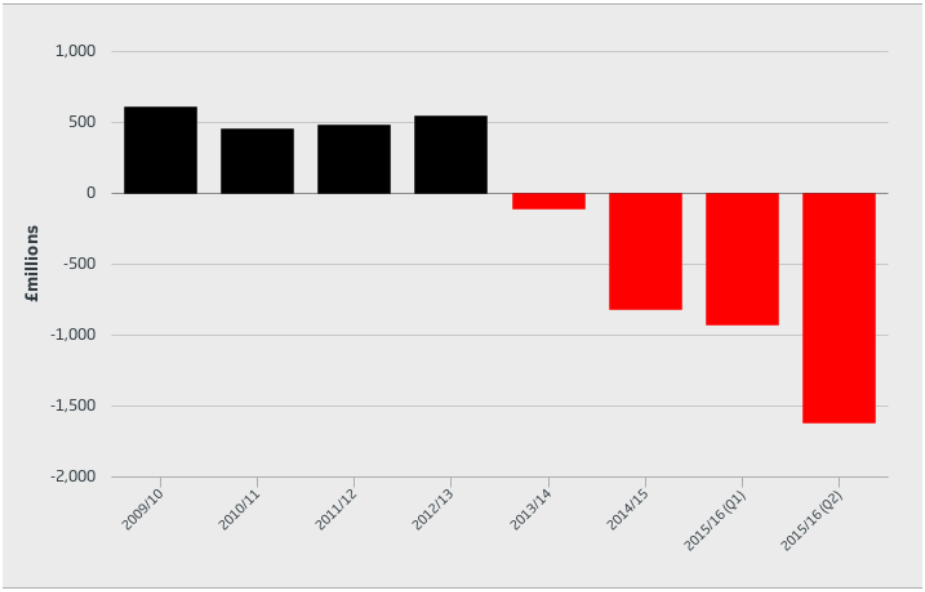
of patients waited longer than four hours in A&E over the quarter up to the end of December 2015 – the worst quarterly performance since 2003

Headlines

How is the NHS performing?

- With the NHS heading for the end of the financial year, the evidence from our latest survey of finance directors suggests widespread pessimism about the state of NHS finances and performance.
- Finances remain the dominant issue for the NHS as a whole. As the NHS Trust Development Authority and Monitor report, net provider overspending in the second quarter of this year amounted to £1.6 billion (Figure 1), with 76 per cent of all NHS provider organisations overspent – including 95 per cent of all acute trusts (NHS Trust Development Authority 2015; Monitor 2015). While forecasts would suggest an end-of-year overspend of around £2.2 billion (around 3 per cent of provider spend), planning guidance aims now to contain this to £1.8 billion (NHS England et al 2015).
- With an average overspend across all providers running at around £9 million a day six months into the year, there is huge pressure to meet this target. As the planning guidance makes clear, if all deficits are to be eradicated by the end of 2016/17, providers will be under intense pressure from NHS England, NHS Improvement and other national bodies to reduce spending while meeting performance targets and accelerating plans for transforming services in line with the *NHS five year forward view* (Forward View). The urgency of the financial situation is reflected in a marked return to hands-on central control: while there will be extra money next year following the Spending Review settlement, more than half of the increase will be allocated to trusts to sort out deficits on the basis of tough cost reduction targets.

Figure 1: NHS provider organisations financial position: 2009/10 to Q2 2015/16



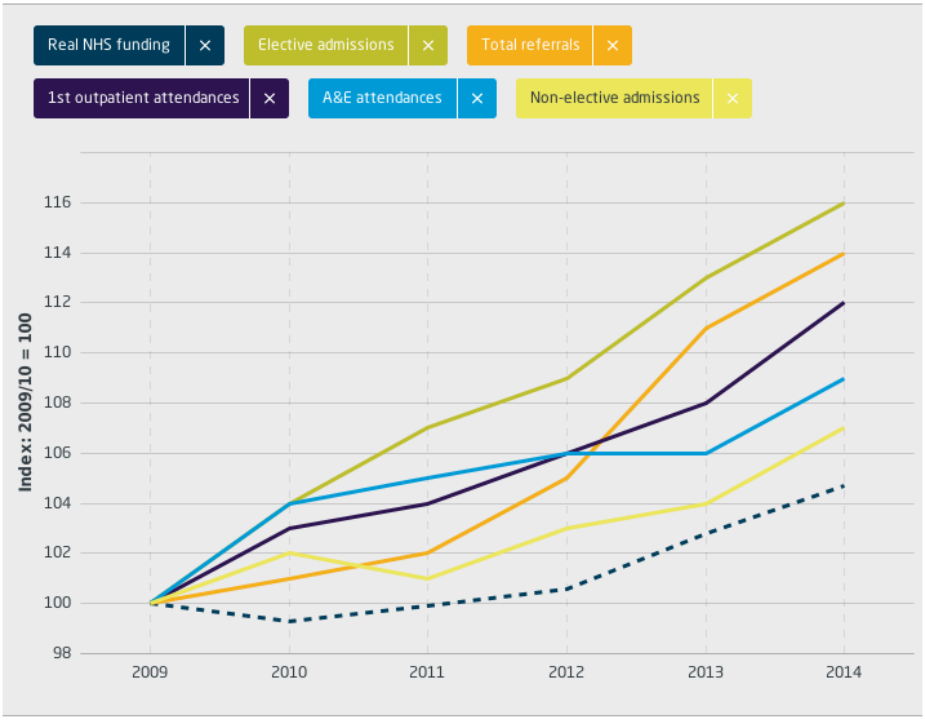
Data source: Department of Health Annual Accounts and Monitor and NHS TDA Board papers

Financial prospects for 2015/16

- Our latest survey of finance directors, carried out after the main planning guidance for 2016/17 was published (but spanning publication of various additional guidance documents such as the announcement of control totals for all providers), shows that 67 per cent expect to overspend by the end of this year – including 89 per cent of acute trusts. The net overspend across our sample of providers suggests they will overspend by £721 million, with more than 98 per cent of this (£708 million) forecast for acute trusts. Despite the aim of the planning guidance to contain overspending at £1.8 billion, scaling up our survey results across all providers suggests an overall deficit of around £2.3 billion by March this year.

- While commissioners' finances have been and remain less seriously challenged than providers', our survey confirms the forecasts in the September survey that around 18 per cent of CCGs predict an overspend by the end of the year – twice the proportion from our June survey.
- Meanwhile, pressures on secondary care providers continue to rise – as is evident from increasing trends in referrals and hospital activity. While more work means more income for providers, year-on-year real reductions in the tariff have attenuated income growth. However, rising trends in activity have outstripped real increases in NHS funding over the past few years – evidence of improved productivity (Figure 2).

Figure 2: Annual trends in hospital activity and overall NHS funding: 2009/10 to 2014/15



Data source: Monthly hospital activity www.england.nhs.uk

- Nevertheless, on the supply side, while cost improvement programme (CIP) targets for trusts remain at around 4.5 per cent of income, over the past four years there has been a broadly increasing trend in the proportion of finance directors reporting worries about meeting their CIP targets. The proportion of trust directors who say they are very or fairly concerned about meeting their savings target is 53 per cent – with the number very concerned (38 per cent) at its highest level since our surveys began. More broadly, both CCG and trust finance directors remain sceptical of the ability of the NHS as a whole to meet the efficiency targets set out by the Forward View over the years to 2020/21; around two-thirds thought there was a high or very high risk of failing to meet the 2 to 3 per cent annual efficiency target.
- Part of the national strategy to improve achievement of CIPs has been the imposition of a trust-by-trust cap on agency staff spending (Department of Health 2015). However, more than half (53 per cent) of finance directors are fairly or very concerned that they will not be able to contain agency spending within their limits and more than 20 per cent thought the agency limits would affect their ability to recruit the staff they would need to provide safe care to patients.
- While financial issues dominate the agenda for all NHS organisations, other worries persist. For example, asked whether patient care had improved, stayed the same or got worse over the past year in their local area, a majority – 53 per cent – of trust finance directors felt it had got worse – the highest proportion since our surveys began. And asked to identify their top three current concerns, trust finance directors list the four-hour waiting time target in A&E, delayed transfers of care and staff morale. This is a change from our past few surveys, with concern about A&E doubling – perhaps a reflection of winter pressures and growing problems in meeting the waiting time target (Figure 3).

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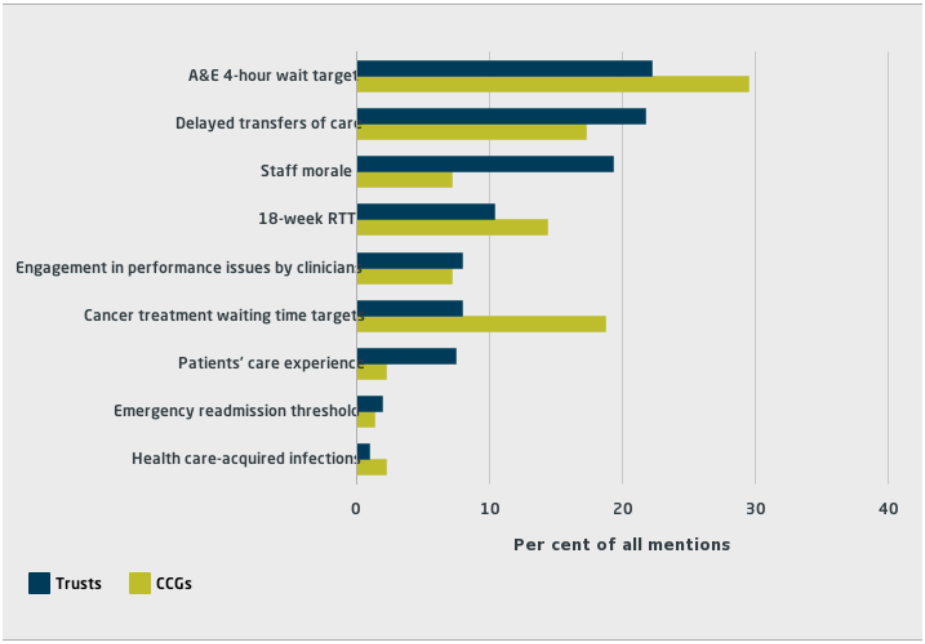
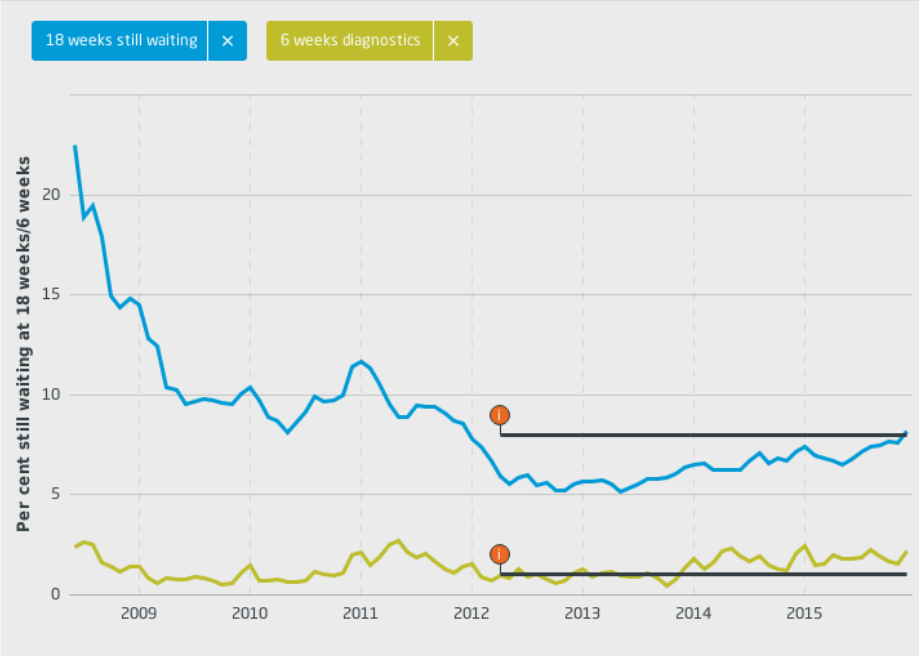
Figure 3: Which aspects of your organisation's performance are giving you most cause for concern at the moment? (NHS trust and CCG finance directors)



- Concern about A&E waiting times comes at a time when NHS England has dropped official weekly reporting of waiting times in favour of monthly reports published six weeks in arrears – despite the fact that weekly data is still compiled at local level. This has made it more difficult to monitor performance. However, the latest monthly statistics show a continuing increase with 9 per cent of patients waiting more than four hours; the target is 5 per cent. The target has now been missed every month (apart from one) since August 2014.
- Waiting times endured by A&E patients are symptomatic not so much of problems in emergency departments, but of problems with flow through the hospital system and in particular a squeeze on key resources – beds and staff – in other parts of the hospital. And indeed, the new elective waiting target has been breached across the country in December for the first time since it became the sole elective waiting time target last summer (Figure 4).

Figure 4: Percentage still waiting/having waited more than 18 weeks for treatment or more than six weeks for diagnostics



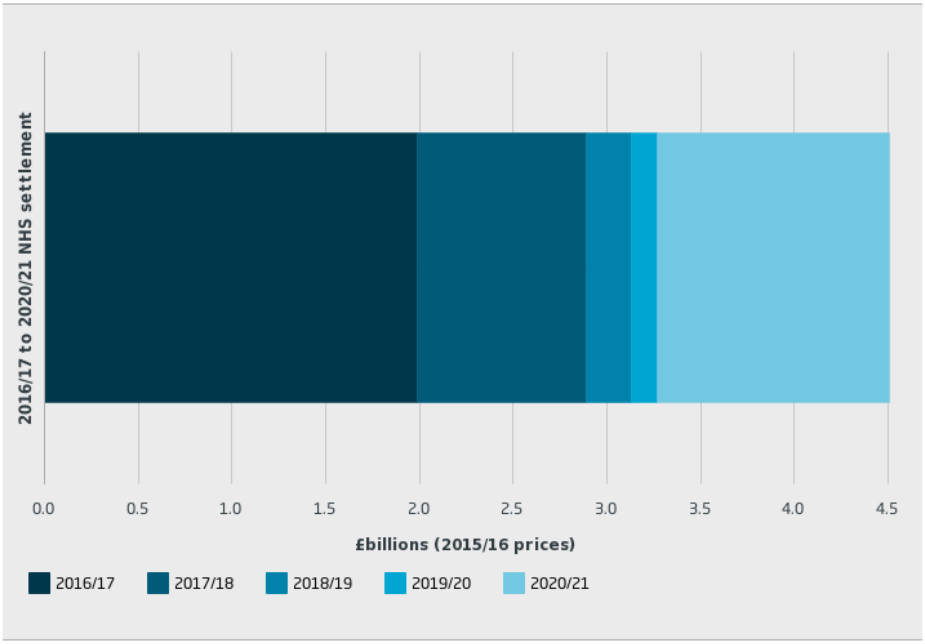
Data sources: Referral-to-treatment waiting times statistics www.england.nhs.uk; Diagnostic waiting times statistics www.england.nhs.uk

- Overall, our survey suggests that it is doubtful whether providers are able to meet the £1.8 billion deficit target. Additional funding of £205 million and a transfer of £950 million from capital to revenue budgets within the year will help to ameliorate provider overspending (HM Treasury 2016). There is, however, a serious possibility that the Department of Health's expenditure limit will be breached this year. In any case, supporting overspends in one part of the system with capital transfers is at best a very short-term solution to the funding problem the NHS faces.

Beyond 2015/16

- Looking beyond this financial year, the Spending Review has now provided a settlement for the NHS to 2020/21. While the government has chosen to provide an additional £8 billion (in fact, £8.4 billion) for NHS England – £22 billion less than the estimated funding demand to 2020/21 – this change is based on 2020/21 prices, a somewhat unconventional way of calculating real changes for public spending. The real increase for NHS England also depends on real cuts of £3.4 billion in non-NHS England spending, such as capital expenditure, the budgets for Health Education England, Public Health England and arm's-length bodies such as the Care Quality Commission (CQC) and the National Institute for Health and Care Excellence (NICE). Using 2015/16 prices, the overall real increase for the NHS as a whole by 2020/21 will in fact be just £4.5 billion.
- NHS England also asked for this parliament's settlement to be frontloaded. As Figure 5 shows, 44 per cent (around £2 billion, at 2015/16 prices) of the £4.5 billion increase will be allocated next year, with considerably less in later years – especially in 2018/19 and 2019/20 when real funding increases drop to just £240 million and £141 million respectively. This is a net figure; NHS England will see an increase of £3.7 billion next year and other spending areas a reduction of around £1.7 billion.

Figure 5: The staging of the real increase for the NHS to 2020/21



Data source: King's Fund estimates based on HM Treasury Spending Review 2015

References

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- HM Treasury (2016). *Central government supply estimates 2015-16: supplementary estimates.* HC-747. London: HM Treasury. Available at: www.gov.uk (accessed on 11 February 2016).
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1. Health care surveys

This report details the results of an online survey of NHS trust finance directors carried out between 7 January and 25 January 2016. We contacted 236 NHS trust finance directors to take part and 83 responded (35 per cent response rate). The sample included 38 acute trusts; 28 community and mental health trusts; 4 specialist trusts; 2 ambulance trusts and 11 unknown. This sample broadly reflects the composition of NHS providers in England.

In addition, we contacted 171 clinical commissioning group (CCG) finance leads and 50 responded (29 per cent response rate). Between them these finance leads covered 61 CCGs (29 per cent of CCGs).

Respondents were asked about their organisation's financial situation and the financial outlook for their local health economy over the past financial year; the state of patient care in their area; the financial situation looking ahead to 2016/17; the key organisational challenges facing trusts and CCGs; and workforce issues.

2. Projected end-of-year financial balance: 2015/16

- These figures confirm that NHS providers are heading towards an unprecedented end-of-year deficit.
- Halfway through 2015/16, NHS trusts and foundation trusts reported a net overspend of £1.6 billion. Monitor and the NHS Trust Development Authority suggested that this could imply an end-of-year deficit in the region of £2.2 billion (Monitor 2015; NHS Trust Development Authority 2015).
- Our third survey for this financial year confirms this extremely difficult financial situation: 67 per cent of all providers forecast a deficit for the end of year and 89 per cent of acute trusts are expecting to overspend (Figure 6).
- The total net deficit forecast for the end of 2015/16 for the 83 provider organisations surveyed amounted to £721 million. For acute providers the net deficit is £708 million (ranging from £3.7 to £62 million). Scaled up for each type of provider organisation, these figures suggest a net overall provider deficit across the NHS by the end of this financial year of around £2.3 billion.
- The financial situation for CCGs has been and remains less precarious than for providers. However, the latest survey confirms our September finding with the proportion of CCGs forecasting an overspend by the end of the year almost double that in the previous two quarters (Figure 7).

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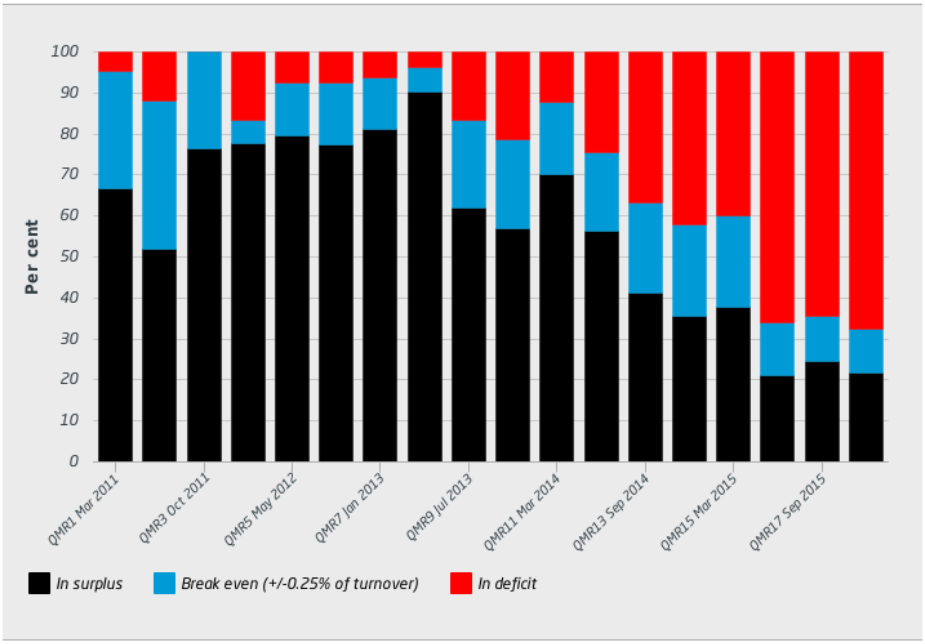
Figure 6: What is your organisation's forecast end-of-year financial situation?



QMR 1-4 based on a panel of 50 trust finance directors

Respondent comments

"Only in surplus due to significant profit on land sales. Without these, deficit would be around £3.6 million, or 3 per cent of turnover."

– Mental health trust

"(In deficit) Driven by agency premium costs in difficult to recruit cardiac critical care."

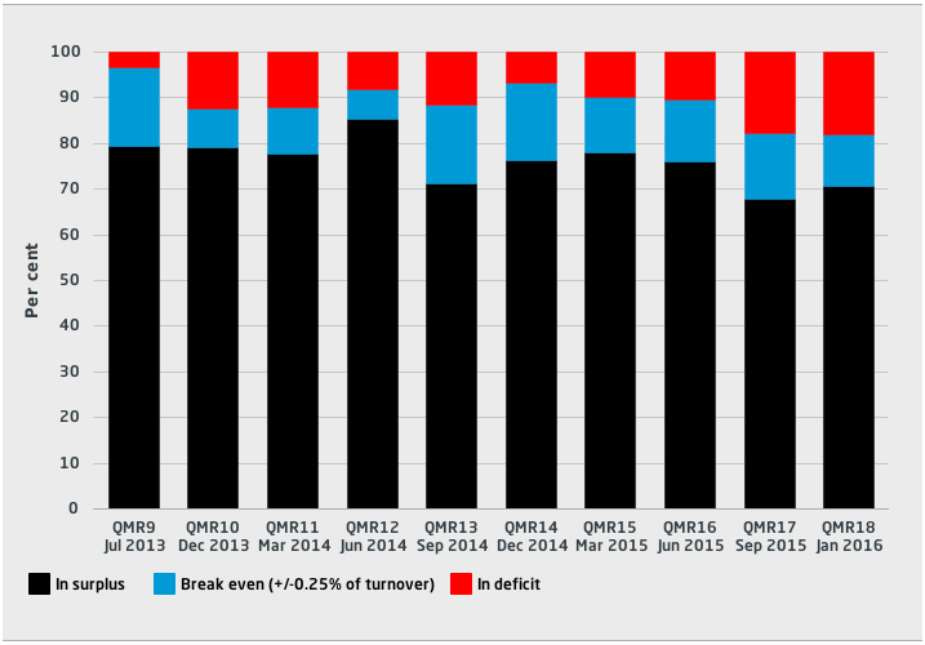
– Specialist trust

"(In deficit) The first time in the 15 years of the organisation."

– Teaching hospital (acute and community)

CCG LEADS

Figure 7: What is your organisation's forecast end-of-year financial situation?



50 CCG finance leads answered this question for the 61 CCGs they cover collectively.
CCGs only surveyed since their establishment in April 2013.

Respondent comments

"Target surplus as set by NHS England only, and significant risk to delivery still exists."

"The CCG is planning to deliver the NHS England business rules in 2015/16, this includes a 1 per cent surplus."

"In-year deficit, utilising previous surplus."

"Surplus is from carry forward. Real position is in-year deficit."

3. In-year financial support

- Around 64 per cent of finance directors reported that their forecast position this year would include additional financial support, either via loans, additions to their public dividend capital (PDC) from the Department of Health, or drawing on their own reserves (Figure 8).

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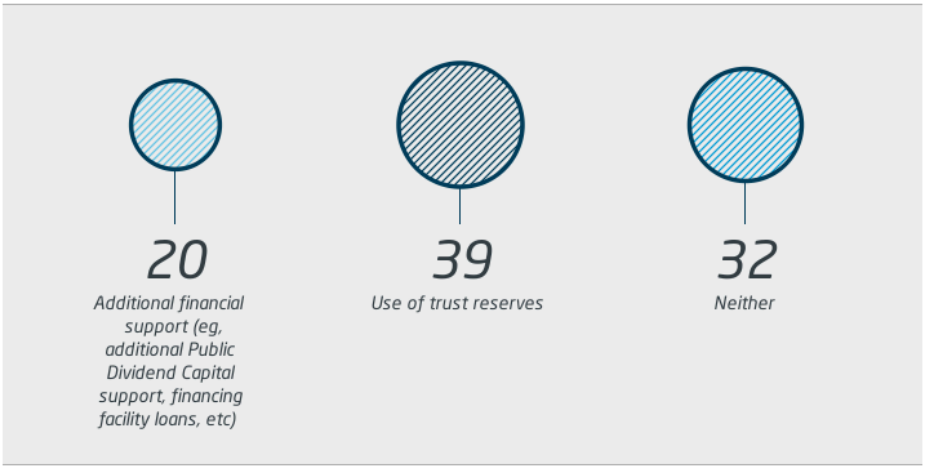
Figure 8: What is your forecast end-of-year outturn likely to depend on?



Only foundation trusts are allowed to retain surpluses. Respondents were allowed to select more than one form of additional financial support.

Respondent comments

"Funding assumed from local commissioners linked to winter pressures and additional cost of patients whose discharge has been delayed."

– Acute teaching (additional financial support)

"We are using non-recurrent support and borrowing cash from the ITFF (independent trust financing facility)."

– Acute foundation trust (additional financial support and trust reserves)

"Property sales and capping agency costs."

– Community and mental health foundation trust (neither)

"We need a £37 million cash loan in February to be able to pay staff and suppliers in the last two months. CCGs paid us in 10 months, instead of 12."

– Medium-sized acute district general hospital (additional financial support)

"Cupboard will soon be bare."

– Acute, multi-site district general hospitals (trust reserves)

4. Cost improvement and QIPP programmes (2015/16)

- The average cost improvement programme (CIP) target for trusts for 2015/16 is 4.5 per cent, ranging from 1.8 per cent to 8.5 per cent of turnover.
- The average quality, innovation, productivity and prevention (QIPP) target for CCGs for 2015/16 is 2.5 per cent, ranging from 0.8 per cent to 4.8 per cent of allocation (Figure 9).
- While CIP/QIPP targets have remained at similar levels for a number of years, confidence in the ability to achieve plans has been reducing each year since 2011. Around 53 per cent of all NHS trust finance directors now feel

fairly or very concerned about achieving their savings plans this year (Figure 10); this is the most pessimistic finance directors have been at this time of year since our survey began.

- CCG finance leads were more optimistic than their counterparts. However, just under a third (29 per cent) of all CCG finance leads were fairly or very concerned about achieving their QIPP plans this year (Figure 11).

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Figure 9: Trusts and CCGs CIP/QIPP targets for 2015/16

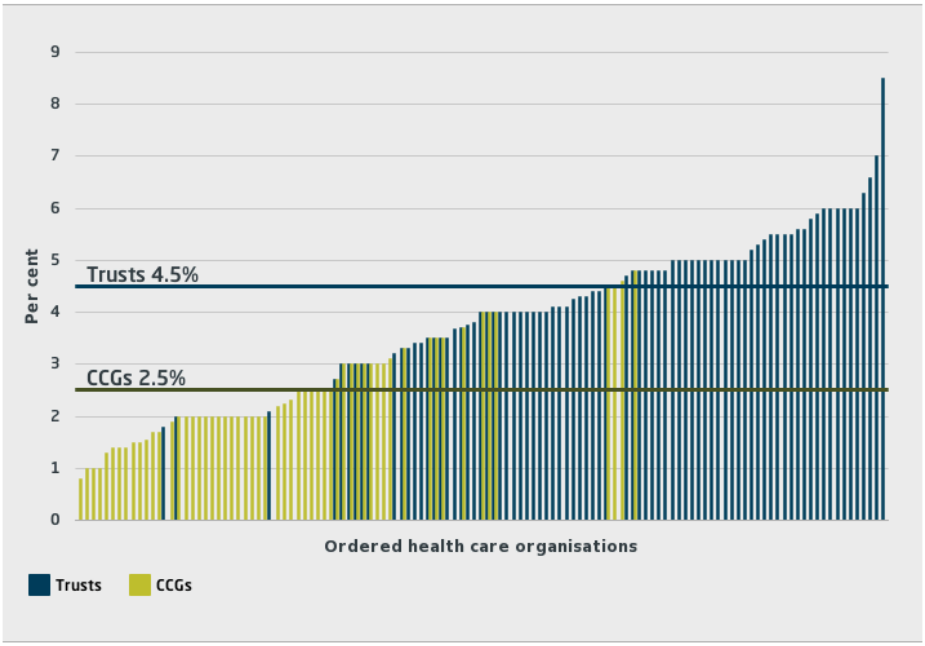

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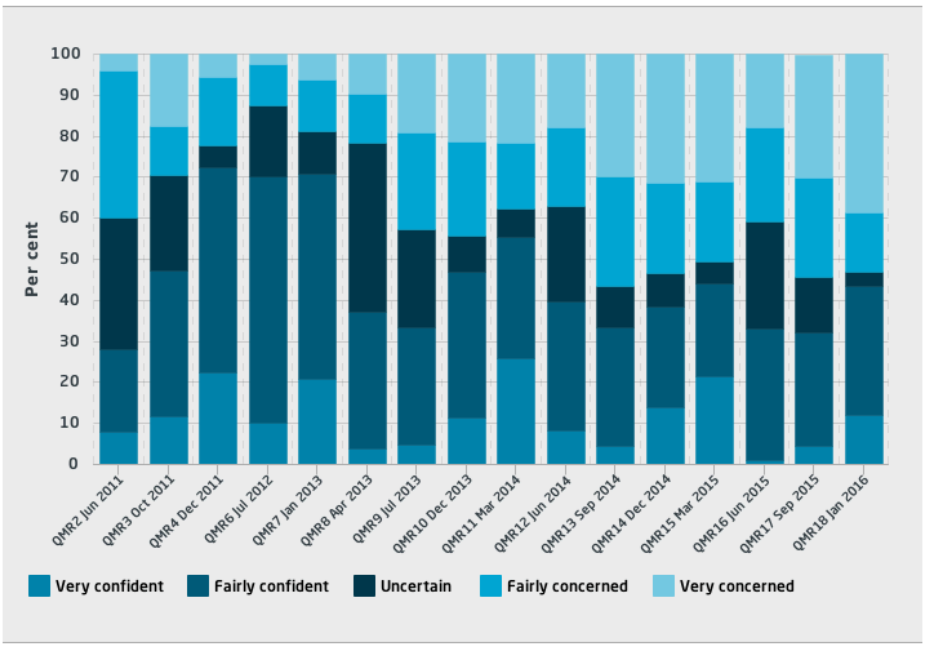
Figure 10: How confident are you of achieving your CIP target?



QMR1-4 based on a panel of 50 finance directors. QMR1 and QMR5 excluded as wording of responses not compatible with other quarters' data.

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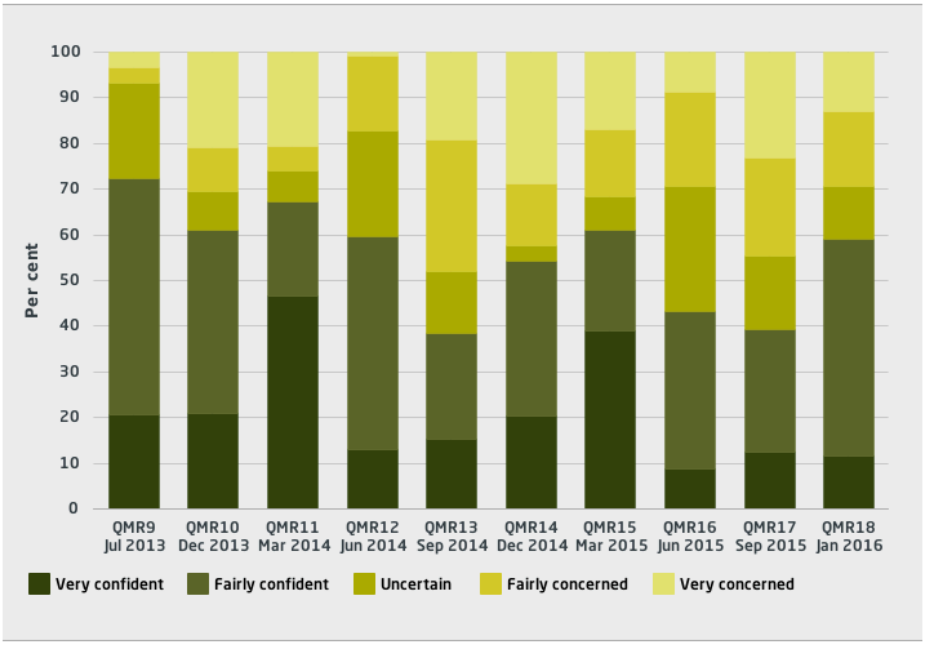
Figure 11: How confident are you of achieving your QIPP target?



50 CCG finance leads answered this question for the 61 CCGs they cover collectively.
CCGs only surveyed since their establishment in April 2013.

Respondent comments

"Although we are confident of achieving QIPP, much of this is being met non-recurrently in 2015/16."

"Some savings involved reducing activity levels, but demand this year has outstripped our ability to prove that the required activity-based savings have been made."

"Slippage on schemes but covered by reserves other mitigations, managed in overall position."

5. The state of patient care

- For the first time, a majority (53 per cent) of trust finance directors felt that care had worsened in their local area in the past year (Figure 12), and a total of 46 per cent of all CCG finance leads thought that care in their local area had worsened over the past year (Figure 13).

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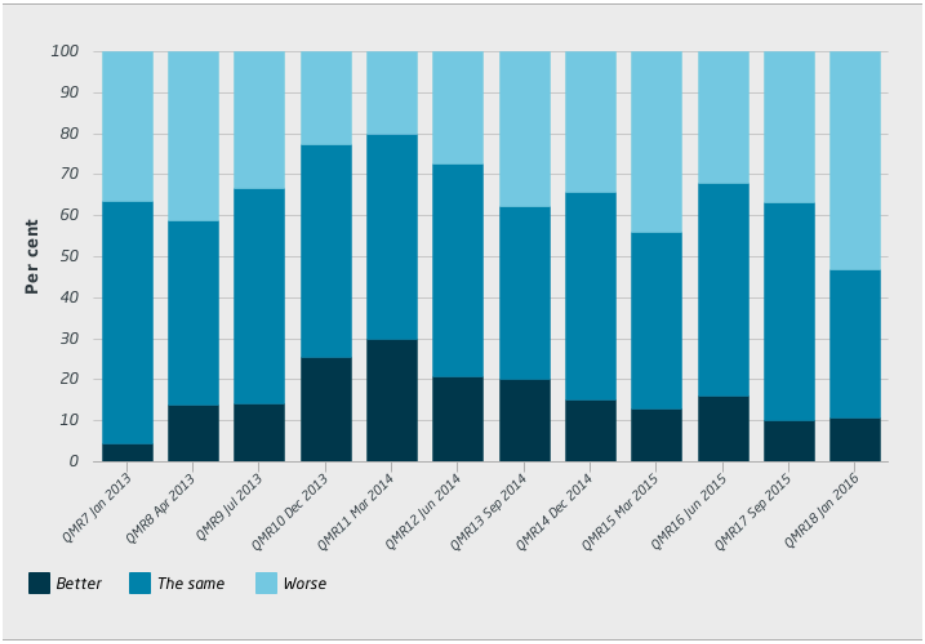
Figure 12: Thinking about the NHS in your local area, in the past 12 months, do you think it has got better, worse, or stayed the same in terms of patient care?



Question not asked before QMR6.

Respondent comments

"Acute hospitals all deteriorating."

– Community foundation trust (worse)

"Delays to discharge are certainly worse. Some other issues including access to diagnostic services has improved."

– Acute teaching (the same)

"This time last year my view would have been that the financial pressures were not making the quality of care worse. This has, however, changed. The deepening deficits in the hospitals and the severe cuts to adult social care are now worsening the care that the system can provide."

– Acute hospital NHS trust (worse)

"Seems to be some genuine joint working among commissioners that is feeding through to providers so that we can contribute to genuine joint win/win solutions."

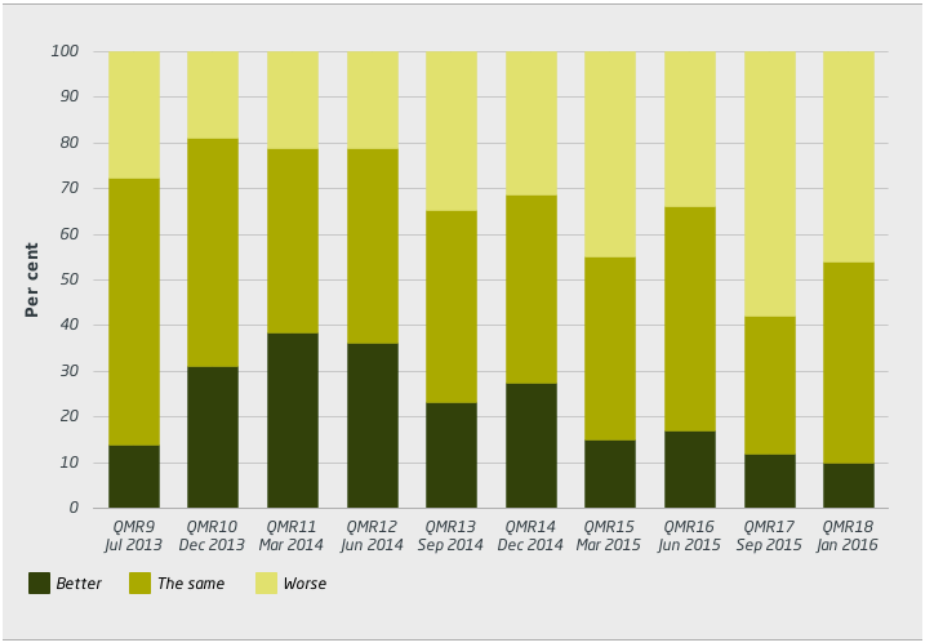
– Mental health foundation trust (better)

"Medical outliers impacting surgical capacity = safari ward rounds = extended length of stay. Cancelling electives."

– Acute, multi-site district general hospital (worse)

CCG LEADS

Figure 13: Thinking about the NHS in your local area, in the past 12 months, do you think it has got better, worse, or stayed the same in terms of patient care?



CCGs only surveyed since their establishment in April 2013.

Respondent comments

"Local trust has failed to be able to provide elective services, due to emergency care pressures, so patients have had to use other providers."

– (Worse)

"A&E waiting time four-hour performance worse than previous year."

– (Worse)

"Much work has been done to streamline patient pathways and remove slow and wasteful approaches to treating patients. This work has identified the scope but as yet has been slow to deliver real change."

– (The same)

"More use of agency staff. Constitutional targets slipping further. Provider finances beyond challenging."

– Worse

"Longer waits, more difficult access, over-worked practices."

– (Worse)

"Improvements in primary care have begun; however, there have been pressures in secondary care."

– (The same)

"The impact of a sizeable deficit in the local acute trust means that patient care is not immune from the consequent actions."

– (Worse)

"Quality and safety of care has improved, but a number of access -based performance metrics (eg, A&E four-hour target) have got worse."

– (The same)

6. Organisational challenges

- For trust finance directors, the four-hour waiting time target in A&E is the biggest concern for the first time since our 12th report in June 2014. The 18-week referral-to-treatment time target also moves up the list of concerns. Staff morale drops down the list – although continues to be one of the top three concerns (Figure 14).
- CCG finance leads continue to be most concerned about the four-hour waiting time target in A&E, delayed transfers of care and the cancer treatment waiting times targets (Figure 15).

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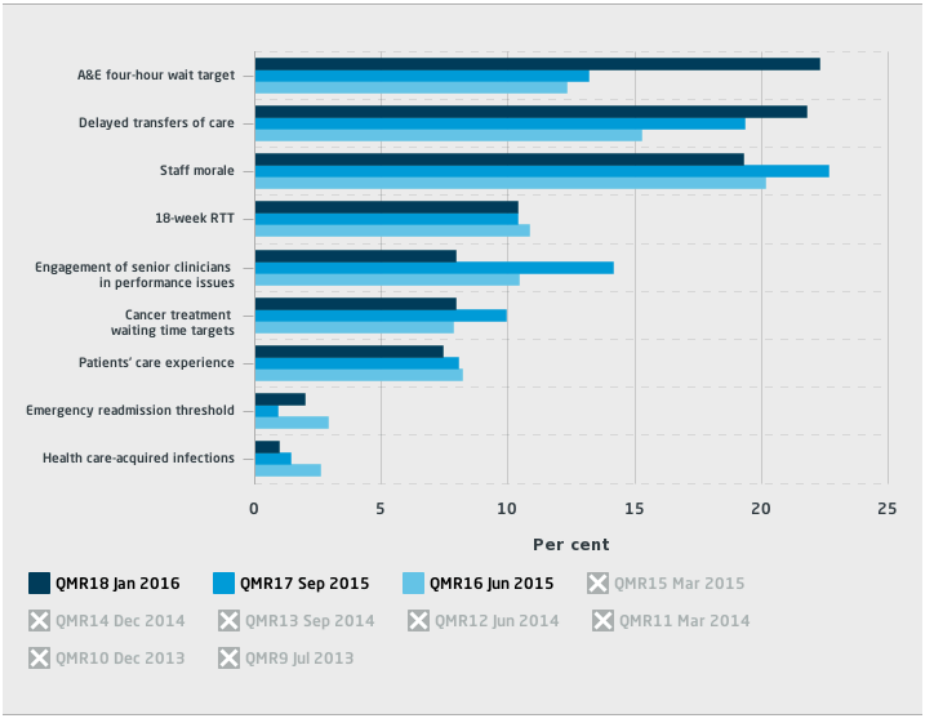
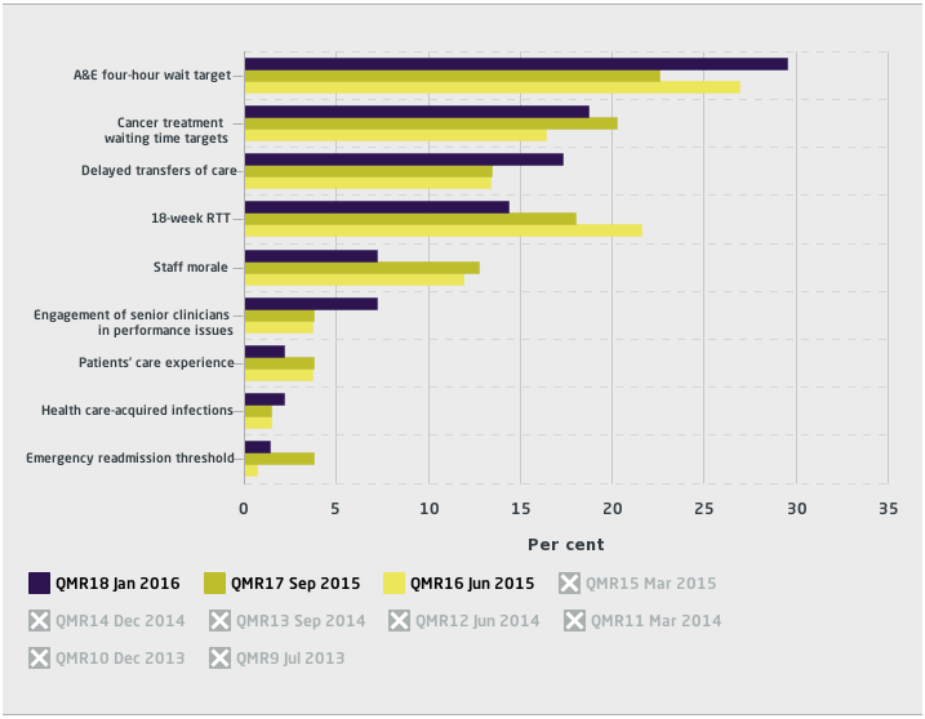
Figure 14: Which aspects of your organisation's performance are giving you most cause for concern at the moment?



Respondents asked to choose their top three concerns. Figures expressed as a percentage of the total number of concerns in each survey.

CCG LEADS

Figure 15: Which aspects of your organisation's performance are giving you most cause for concern at the moment?



Respondents asked to choose their top concerns. Figures expressed as a percentage of the total number of concerns in each survey.

7. Workforce

- In June 2015, the government announced controls for spending on agency staff. These included setting a maximum hourly rate for agency doctors and nurses and placing a cap on total agency staff spending for each NHS trust.
- More than half of all providers in our survey (55 per cent) were fairly or very concerned about their organisation staying within the total agency spend cap for 2015/16.
- When asked whether the proposed controls would affect their ability to ensure safe staffing levels, 22 per cent NHS trust finance directors said they would. A further 35 per cent were not sure of the impact on safe staffing levels, indicating an increasing uncertainty about the effect of the controls (Figure 17).

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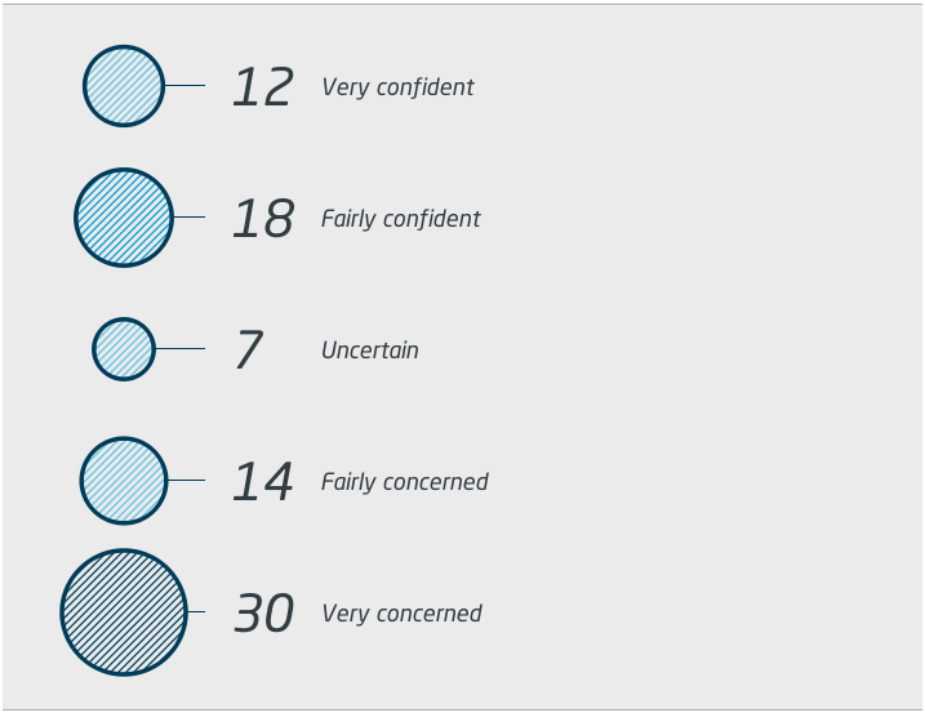
Figure 16: How confident are you that your organisation will stay within its total agency spend cap by the end of 2015/16?



81 respondents (for whom the question was applicable).

Respondent comments

"We have made significant reductions in our reliance on locums and agency staff this year by redesigning services."

– Community NHS trust (very confident)

"We haven't managed to stay within our 6 per cent target. Quite why they introduced this at the onset of winter is beyond me. Post-Francis, Keogh, Berwick et al, targets like this are meaningless. It doesn't drive behaviour."

– Medium-size acute district general hospital (very concerned)

"Specialist medical and particularly nursing staff in London are hard to come by on a permanent basis. It remains to be seen how effective are the new proposals to curb agency spend without compromising patient safety while meeting more demanding overall staffing levels."

– Specialist tertiary trust (fairly concerned)

"It's the rates and market management that matter, not the spend cap."

– Acute and community foundation trust (uncertain)

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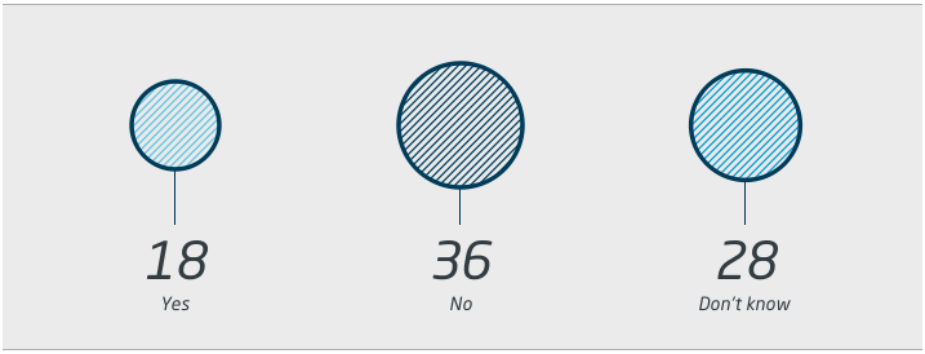
Figure 17: Do you think the proposed new controls on agency staff will affect your ability to recruit the staff you need to provide safe care?



82 respondents (for whom the question was applicable).

Respondent comments

"Positively - it will encourage agency staff back to substantive employment."

– Unknown (yes)

"Potentially - it depends if all local providers stick to the rules then agency staff will be forced to accept lower rates."

– Community NHS trust (don't know)

"Use of agency staff in part reflects short-term decision-taking by commissioners ('pilots' and non-recurring solutions). Furthermore it is our experience that Framework suppliers do not necessarily have the range of specialist skills that we are currently requiring."

– Mental health provider (yes)

"The organisation will prioritise patient safety and so far has been able to achieve some reduction in agency costs without affecting patient care; however, the further reduction in rate caps in February may have an adverse impact."

– Acute hospital NHS trust (don't know)

"We will recruit the staff if necessary for patient care. May impact on IT developments."

– Teaching hospital (acute and community) (no)

8. NHS five year forward view - one year on

- Previous surveys have revealed a high degree of scepticism about the achievability of the productivity challenge as set out by the Forward View.
- This survey shows that around 68 per cent of finance directors and CCG finance leads think there is a high or very high risk of failing to achieve the productivity gains suggested by the Forward View (Figures 18 and 19).

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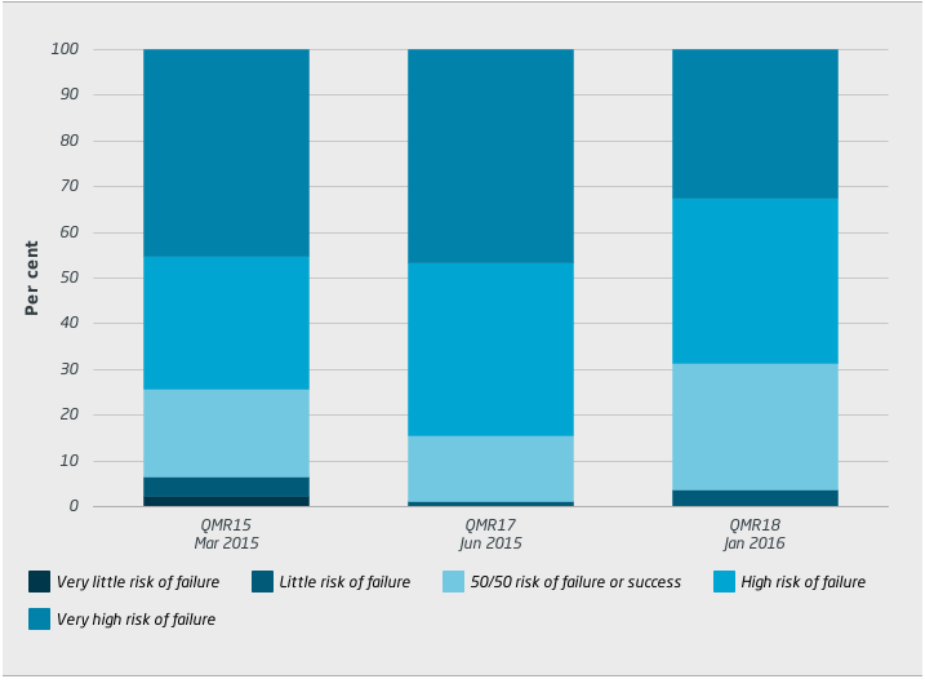
Figure 18: The NHS five year forward view sets out a challenge to the NHS to achieve an average of 2 to 3 per cent of productivity gains per year from 2015/16 to 2020/21. What is your estimate of the risk involved in achieving these productivity gains?



Question not asked in QMR16.

Respondent comments

"At 2-2.5 per cent, this should be achievable looking at data on services and manufacturing, 2000-07. The danger is that an ever more prescriptive centre secures achievement of Carter's £5 billion but crowds out and fails to secure the patient and mission focused change that drives the remaining £17 billion of needed savings."

– Unknown

"Large parts of the NHS will deliver little leaving providers to try to deliver further significant savings. No evidence that reducing demand growth will work or that alternative models will save money or be effective. Pressures probably greater than assumed centrally."

– Teaching hospital (acute and community)

"The impact of social care budget cuts on the hospital is significant and likely to increase. The hospital is subject to extreme and increasing pressure in the emergency and urgent care pathways and lacks capacity to exploit opportunities to increase efficiency in elective care."

– Acute hospital NHS trust

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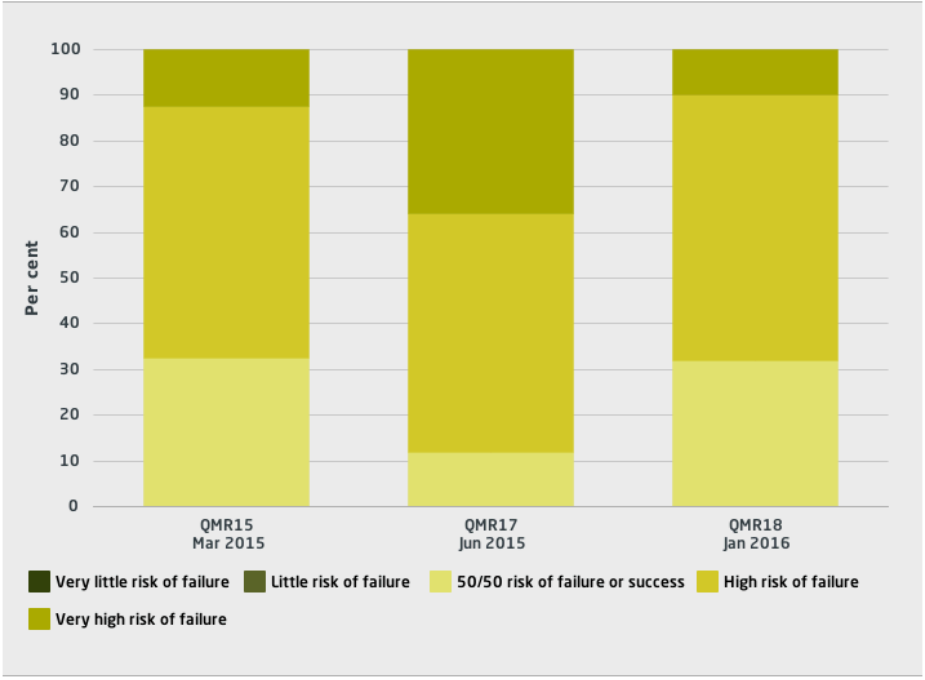
Figure 19: The NHS five year forward view sets out a challenge to the NHS to achieve an average of 2 to 3 per cent productivity gains per year from 2015/16 to 2020/21. What is your estimate of the risk involved in achieving these productivity gains?



Question not asked in QMR16.

Respondent comments

"Unless managed through real integration, joint working and transparency then there is a high risk that organisational plans will be out of sync."

"I think it is going to be hard to shift the NHS from a reactive care organisation to a proactive care organisation."

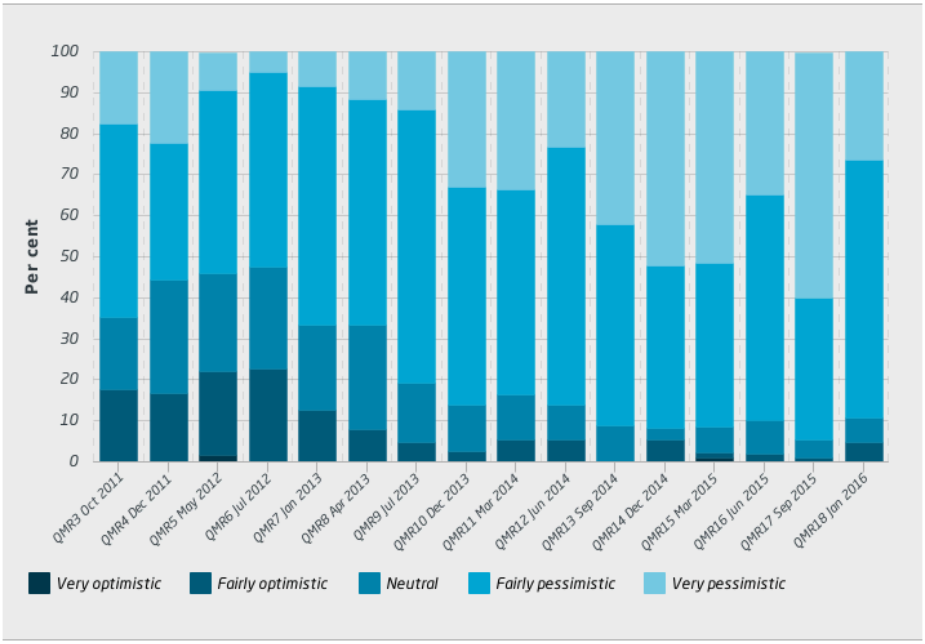
"We are starting from a baseline of a major deficit that even the suggested funding in 2016/17 would potentially only partially address"

9. Looking ahead

- When asked for their views about the financial state of their wider local health and care economy over the next 12 months, 89 per cent of trust finance directors were fairly or very pessimistic (Figure 20). The proportion stating they were very pessimistic has dropped since the previous survey in September last year and may reflect the outcome of the Spending Review in November – an important aspect of which was the frontloading next year of this parliament's NHS settlement. Nevertheless, the proportion reporting they were optimistic remains very low.
- Around two-thirds of CCG finance leads felt fairly or very pessimistic (Figure 21). A similar fall in those reporting to be very pessimistic may also reflect the outcome of the Spending Review.

NHS TRUSTS

Figure 20: Overall, what do you feel about the financial state of the wider health (and care) economy in your area over the next 12 months?



Question not asked before QMR3. QMR 1-4 based on a panel of 50 trust finance directors.

Respondent comments

"The recent funding announcement of £3.8 billion assumes 2 per cent savings, no funding for cost pressures, ignores £1 billion cost of pension/NI changes, etc. It assumes provider deficits will be £1.8 billion when they will be £2.5-3 billion and this will break the vote, and be clawed off the £1.8 billion set aside to deal with provider deficits. The whole thing does not add up by about £1.5 billion and this ignores enhanced seven-day services and the demographic growth impact."

– DGH plus specialist

"The planning guidance for next year does not provide a realistic approach to financial recovery. The gap between the rhetoric of the planning guidance and the reality appears to be significantly wider than in any previous year."

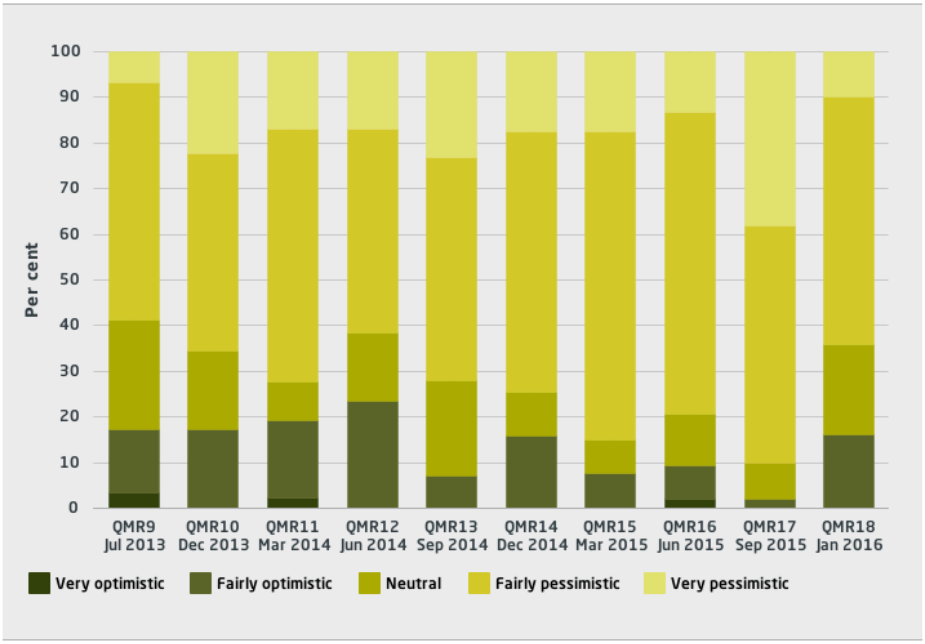
– Acute hospital NHS trust

"Despite the transformation fund the impact of social care cuts and the efficiency requirements mean that we will continue to struggle."

– Acute foundation trust

CCG LEADS

Figure 21: Overall, what do you feel about the financial state of the wider health (and care) economy in your area over the next 12 months?



CCGs only surveyed since their establishment in April 2013.

Respondent comments

"New monies will help significantly but if they do not deliver the cultural changes and transformation needed then the NHS will be in a worse position in 2017/18."

"The cuts to local authorities will bring significant pressures to the whole system. This is probably our biggest challenge to work through over the next few years."

"At least a proportion (c30 per cent) of the financial challenge in the local acute is structural and therefore is unlikely to be effectively addressed in the short term."

"While trust bottom lines are being supported, cost pressures are being transferred to the commissioning sector, and a challenging year is facing us."

- With 67 per cent of trusts forecasting an end-of-year deficit for 2015/16, the situation looks worse for 2016/17: 71 per cent of NHS trust finance directors are very or fairly pessimistic about balancing their books in 2016/17 (Figure 22). It should be noted that the timing of our survey means that while the outcome of the Spending Review was known, not all respondents will have known about some of the detail of the sustainability and other deficit measures for next year when answering the survey.
- Overall, CCG leads are more optimistic; however, 30 per cent are very or fairly pessimistic about achieving financial balance in 2016/17 (Figure 23).

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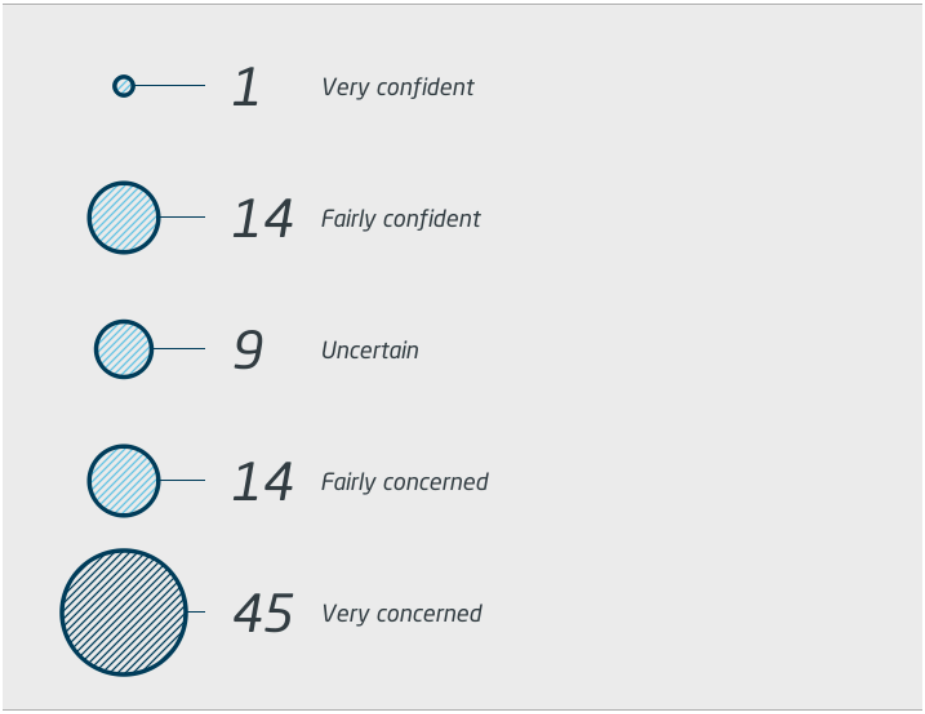
Figure 22 Looking ahead, how confident are you that your organisation will achieve financial balance in 2016/17?



Respondent comments

"Frankly, it would be easier to pass a camel through the eye of a needle than my trust to active break-even in FIVE years! Everyone talks about savings, but that can only come about by spending less money on people, premises and procurement. What regulators and politicians forget is that demand is rising."

– Medium-size acute district general hospital (very concerned)

"Likely the trust will be in deficit in 16/17 of around £3 million with the aim of getting back to at least break even in 2017/18. This position may change once details of how the 2016/17 £1.8 billion sustainability and transformation fund is to be allocated."

– Specialist/acute paediatrics (very concerned)

"Our specialist funding of around £12 million to reflect additional case complexity not recognised under HRG4 tariffs was withdrawn from 2015/16 which resulted in our planned deficit. We were told many times that HRG4+ tariffs (reflecting case complexity) and specialist top-ups for cardiac and respiratory services - our two specialties - would both be introduced from 1 April 2016. It was announced last month that both these changes will be postponed until 2017/18 to avoid 'volatility'."

– Specialist tertiary trust (very concerned)

"No chance - deficits are 'built in' to new planning guidance - maybe the centre likes it that way?"

– Acute and community foundation trust (very concerned)

"With the delay in tariff information and guidance for 2016/17 it is uncertain at this time the true financial impact of next year's position."

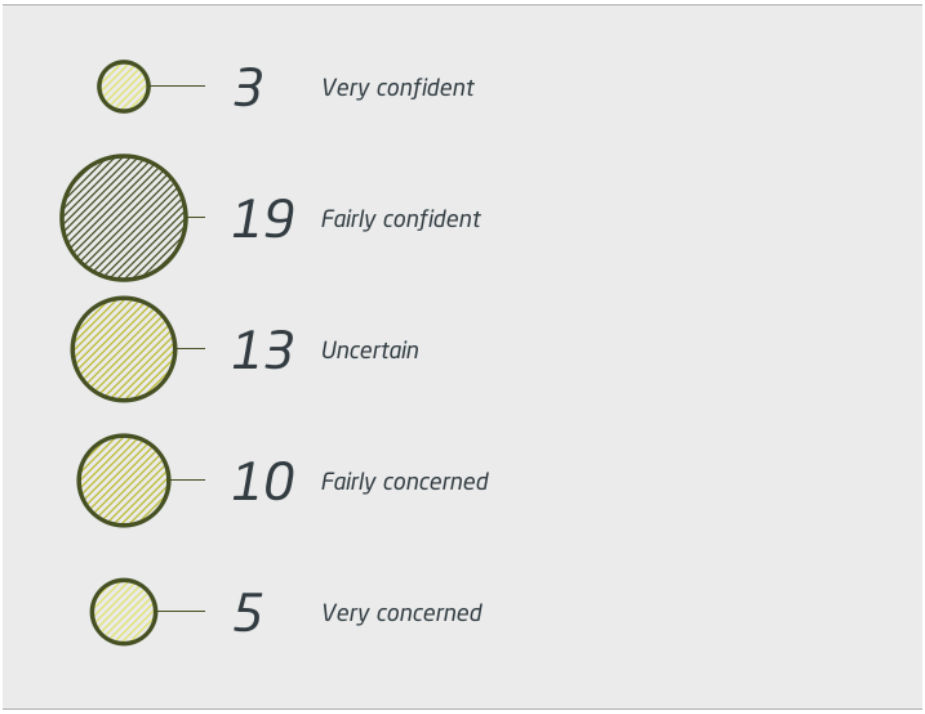
– Specialist (uncertain)

"To achieve a balanced position would require CIPs of around 5 per cent - this is clearly unrealistic without service reductions."

– Mental health foundation trust (very concerned)

CCG LEADS

Figure 23: Looking ahead, how confident are you that your organisation will achieve financial balance in 2016/17?



Respondent comments

"We have a further QIPP challenge of £25 million for 2016/17 and are running out of ideas for reform. Services may have to be stopped."

– Uncertain

"Based on recent allocation, however, our main trust has significant financial concerns and it will depend upon how the £1.8 billion is allocated by Monitor and TDA and what requirements are put on this."

– Fairly confident

10. References

- Monitor (2015). 'Quarterly report on the performance of the NHS foundation trust sector: 6 months ended 30 September 2015' [online]. GOV.UK website. Available at: www.gov.uk (accessed on 15 February 2016)
- NHS Trust Development Authority (2015). 'Quarterly report on the performance of the NHS foundation trusts and NHS trusts: 6 months ended 30 September 2015'. Available at: www.ntda.nhs.uk (accessed on 15 February 2016).

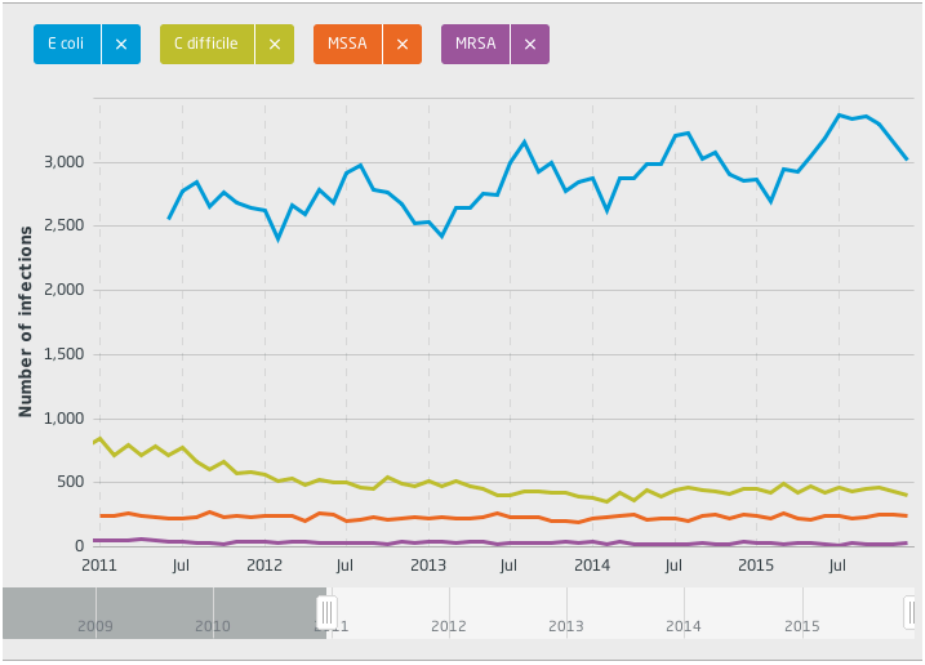
1. NHS performance dashboard

There are thousands of possible statistics available to measure the performance of the NHS. Here, we have selected a small group that reflect key issues of concern to the public and patients as well as providing some indicative measures of the impact of tackling the productivity and reform challenges confronting the NHS.

2. Health care-acquired infections

- *C difficile* infections remain at fewer than 500 cases a month, a trend seen since the first quarter of 2013, and the number of MRSA infections remains low – a total of 27 in December (Figure 24).
- The number of reported *E coli* infections continues to be subject to large seasonal variations. In the latest quarter, numbers decreased – an expected seasonal pattern.

Figure 24: Monthly counts of selected health care-acquired infections



Data source: Clostridium difficile infection: monthly data by NHS acute trust http://www.gov.uk

Monthly counts of methicillin resistant Staphylococcus aureus (MRSA) bacteraemia by post infection review (PIR) assignment http://www.gov.uk

Monthly counts of trust apportioned methicillin susceptible Staphylococcus aureus (MSSA) bacteraemia by NHS acute trust http://www.gov.uk

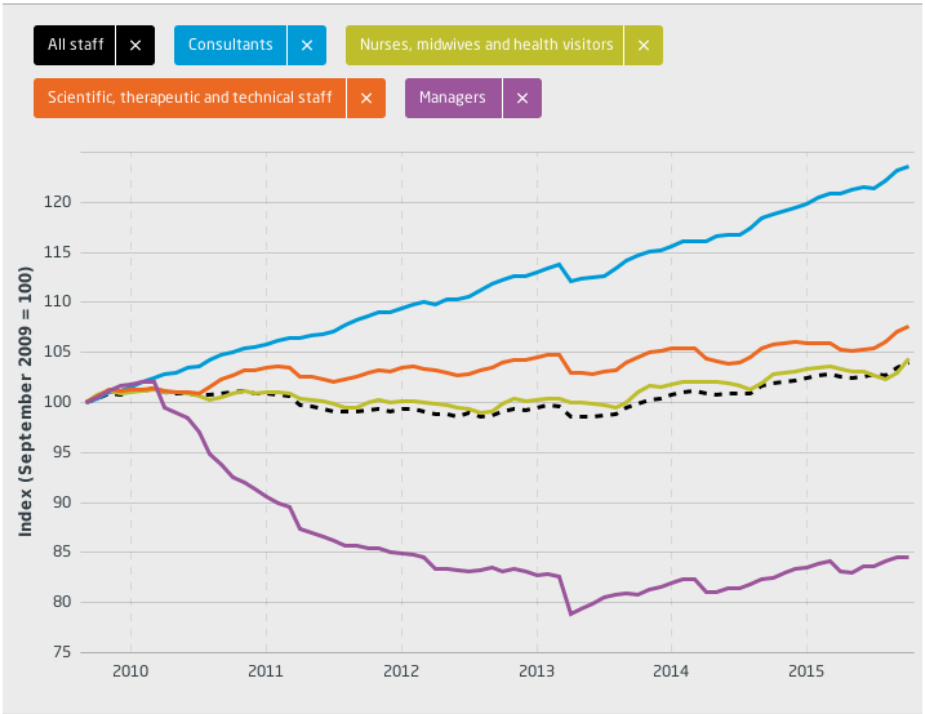
Monthly counts of Escherichia coli (E coli) bacteraemia by NHS acute trust http://www.gov.uk

3. Workforce

The total number of full-time equivalent (FTE) staff working in hospital and community health services (excluding, for example, general practitioners) was more than 1.089 million in October 2015.

Compared to October 2014, there has been an increase in all staff of 21,885 FTE posts (1.8 per cent) (Figure 25). This increase has been across all staff groups: consultant numbers have increased by 4 per cent; total managers by 2.7 per cent; scientific, therapeutic and technical staff by 1.6 per cent; and nurses, midwives and health visitors by 1.1 per cent.

Figure 25: Index change in NHS full-time equivalent staff: September 2009 - October 2015



Data source: Monthly NHS Hospital and Community Health Service (HCHS) Workforce Statistics in England - October 2015, Provisional statistics http://www.hscic.gov.uk

4. Waiting times

Following Sir Bruce Keogh's review of waiting time measures in June 2015 (NHS England 2015) there are now only-two official waiting times targets; however, the data is still collected for the old targets, allowing us to estimate performance against all previous targets.

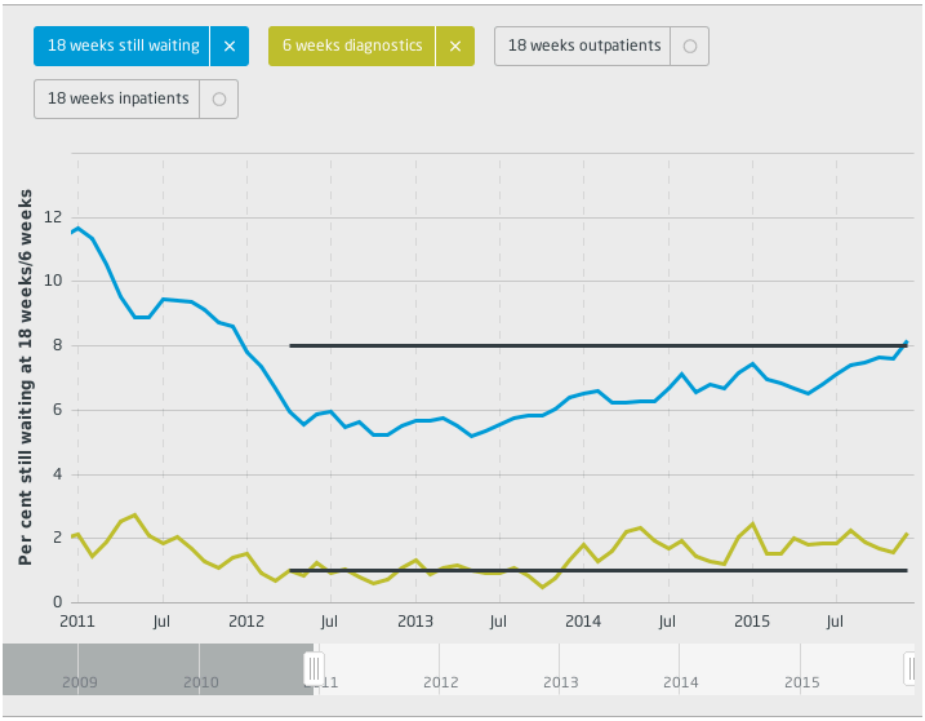
The main target, showing the proportion of patients on the waiting list for more than 18 weeks and still waiting to be seen, increased to 8.2 per cent in December 2015 (Figure 26). This is the first time since its introduction that this target (8 per cent) has been breached. In total there were more than 268,900 patients waiting to begin their treatment at the end of December 2015, and 755 of these patients have been waiting for more than a year.

For the targets no longer included in the official statistics, estimates show that the proportion of admitted patients treated after having waited more than 18 weeks has decreased in December 2015; however, this follows month-on-month increases for the previous seven months.

Though the data for the previous official target (10 per cent) for admitted patients was stopped in October 2015, we are able to estimate that the level of admitted pateints now stands at 13.6 per cent - one of the highest proportions ever for this waiting list.

The proportion of non-admitted patients waiting more than 18 weeks also decreased in December 2015 following seven successive months of increases. It now stands at 6.8 per cent, the second worst performance against this (now abolished) target (5 per cent) for seven years.

Figure 26: Percentage still waiting/having waited more than 18 weeks for treatment or more than six weeks for diagnostics



Data source: Referral-to-treatment waiting times statistics www.england.nhs.uk

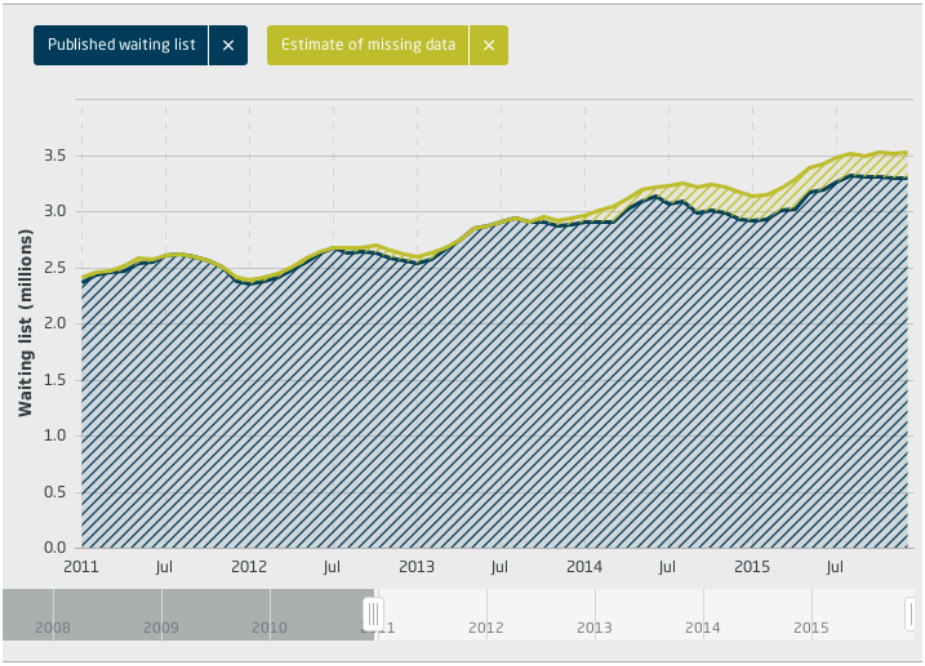
Diagnostic waiting times statistics www.england.nhs.uk

NB: From October 2015 no official data has been collected for admitted (adjusted) waits. However, from the close historic statistical relationship between this dataset and the unadjusted admitted waits it is possible to model the missing data. The modelled figures are denoted with hollow data points from October 2015.

The total elective waiting list had increased for eight months in a row between January 2015 and August 2015, but has levelled off since then. In December 2015 there were 3.29 million patients on the list. Though lower than previous months, this number reflects seasonal trends and is higher than the number in December 2014 (2.92 million patients).

Furthermore, this total does not include several trusts that have not been reporting their waiting lists. Including these, NHS England estimates that the true waiting list in December 2015 is around 3.5 million patients (Figure 27). This puts the waiting list back to the highest level since January 2008.

Figure 27: Referral-to-treatment total waiting list size in millions, England



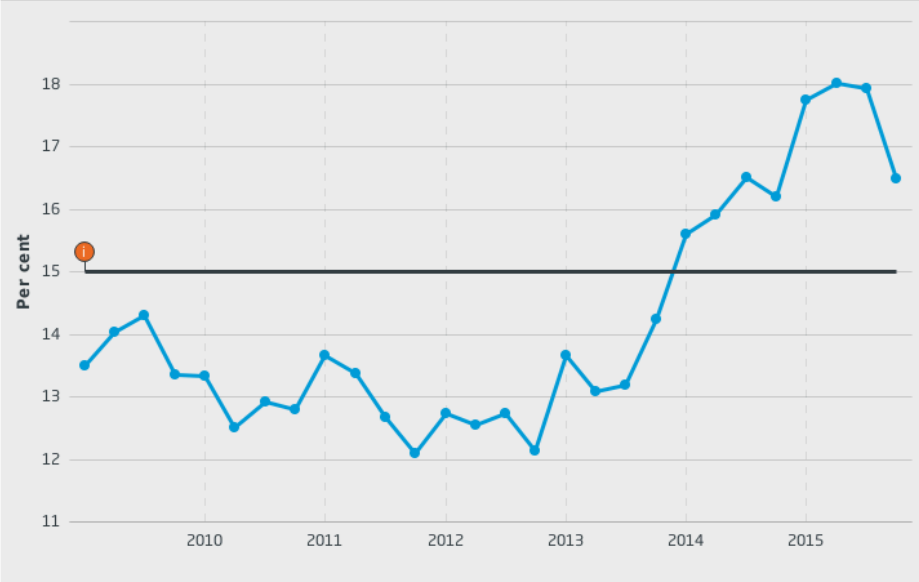
Data source: Referral-to-treatment waiting times statistics www.england.nhs.uk

The proportion of patients waiting more than six weeks for a diagnostic test has now missed its target (1 per cent) for the past two years.

The overall waiting times target for cancer treatment is that no more than 15 per cent of patients should wait more than 62 days from an urgent referral from their GP to receiving treatment for their cancer. This target was met from quarter 4 2008/9 until quarter 4 2013/14, when it was missed. In the latest quarter (quarter 3 2015/16 – from October to December 2015) performance has improved, for the second quarter in a row, to 16.5 per cent, but it is still eight continuous quarters since the target was last met (Figure 28).

It is not known how the recent change in cancer guidelines from the National Institute for Health and Care Excellence will affect these waiting times. Under the new guidance GPs can send patients direct for some diagnostic tests where previously they had to be referred to a specialist first (National Institute for Health and Care Excellence 2015). The new rules mean that more patients will receive a diagnosis more quickly, but the impact these additional tests will have on the queue of patients needing diagnostic tests and total referral-to-treatment times is uncertain.

Figure 28: Maximum 62-day wait for first treatment: all cancers (urgent GP referral to treatment)

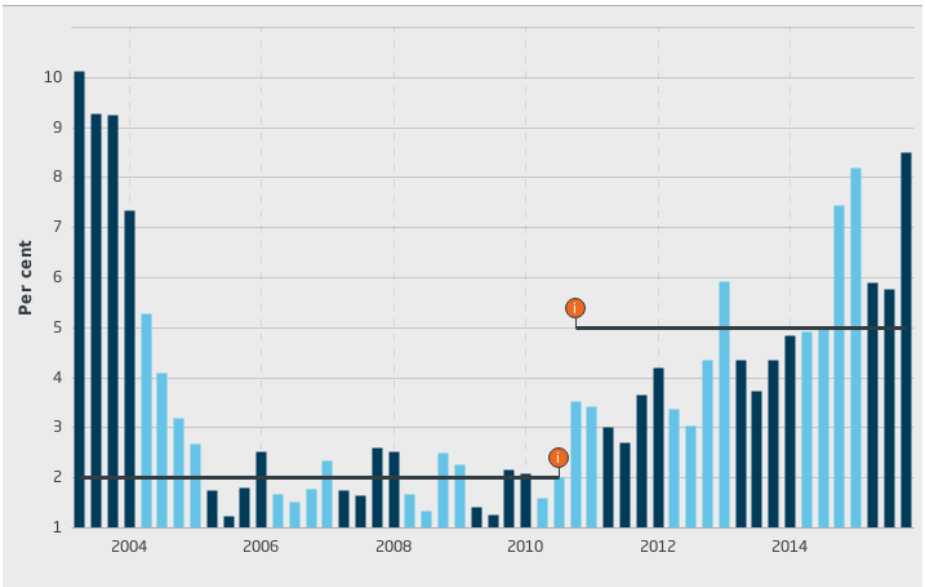


Data source: Provider-based cancer waiting times www.england.nhs.uk

5. Accident and emergency

In quarter 3 2015/16 the proportion of patients waiting more than four hours from arrival to discharge, admission or transfer in all A&E departments was 8.5 per cent. This is the highest proportion spending more than four hours in A&E in quarter 3 since 2003/4. The monthly performance against this target has now been missed for all months (apart from one) since August 2014 (Figure 29).

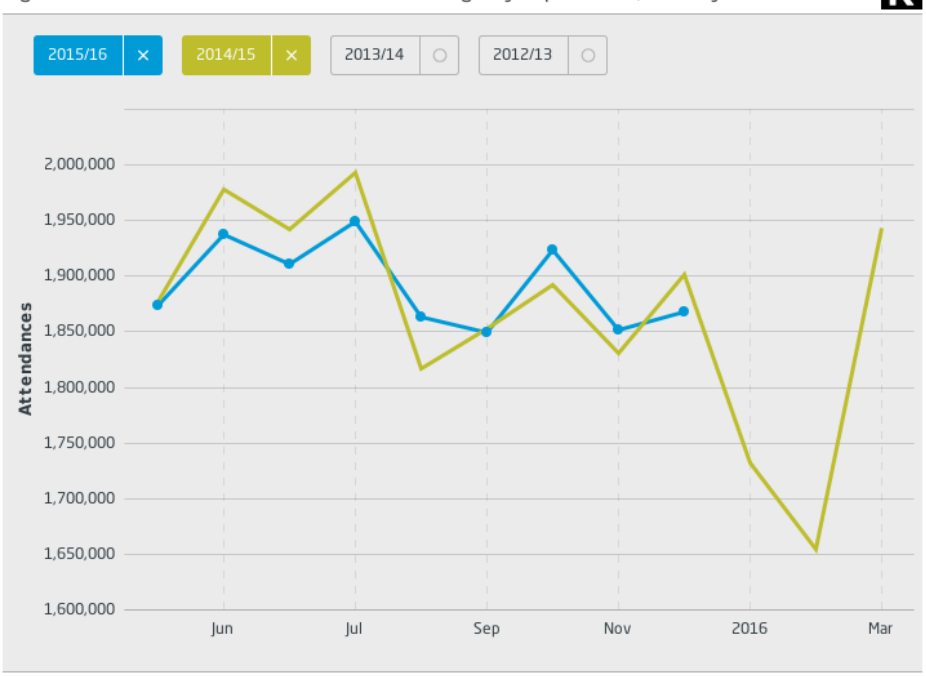
Figure 29: Percentage spending more than four hours in A&E from arrival to admission, transfer or discharge; monthly data



Data source: A&E attendances and emergency admissions www.england.nhs.uk

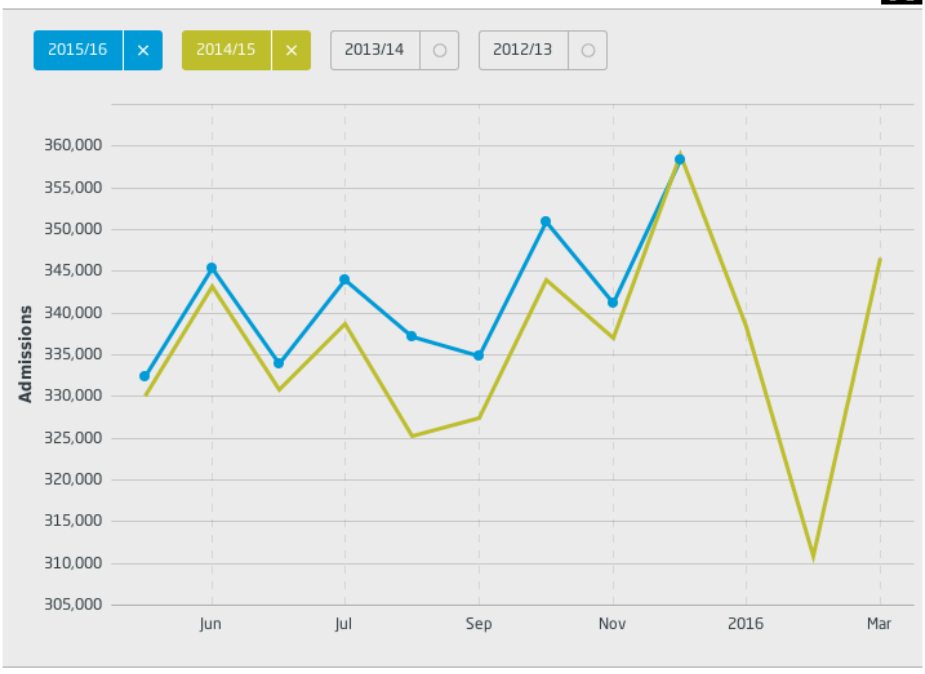
Performance against the four-hour target fell in December as the pressures to admit more patients this year increased (Figures 30 and 31). So far this year A&E attendances are 0.3 per cent down on the previous year whereas hospital admissions from A&E are up by 1.4 per cent. Though a small percentage, this represents an additional 4,708 hospital admissions from A&E each month in 2015/16. Compared to 2013/14, admissions to hospital from A&E this year are 7 per cent, or almost 209,000 admissions, higher.

Figure 30: Total attendances at accident and emergency departments, monthly data



Data source: A&E attendances and emergency admissions www.england.nhs.uk

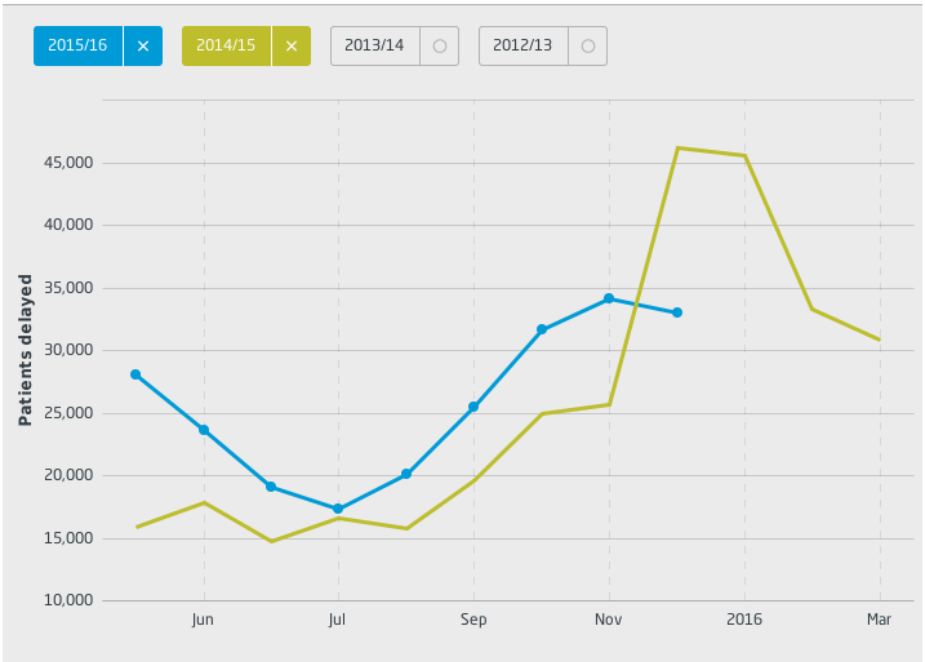
Figure 31: Emergency admissions from accident and emergency departments, monthly data



Data source: A&E attendances and emergency admissions www.england.nhs.uk

There has been an increase in the number of patients waiting more than four hours from decision to admit from A&E to admission to a hospital bed on a ward ('trolley waits'): more than 232,000 patients in 2015/16, which is more than 34,950 patients (18 per cent) more than December 2014 (Figure 32). Overall, trolley waits are 101 per cent higher in 2015/16 than in 2013/14.

Figure 32: Patients waiting more than four hours in A&E from decision to admit to admission, monthly data



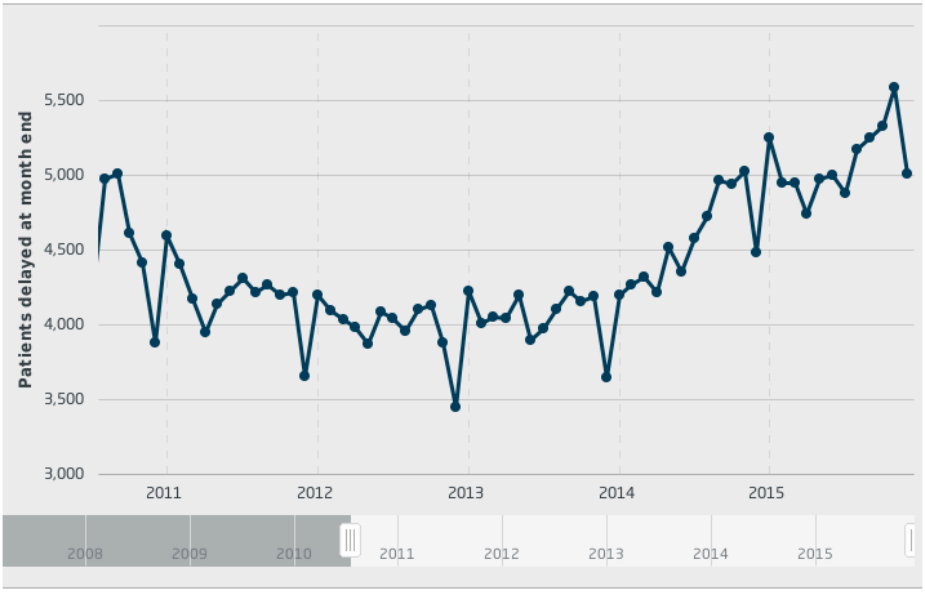
Data source: A&E attendances and emergency admissions www.england.nhs.uk

6. Delayed transfers of care

At the end of December 2015 more than 5,000 patients were delayed in hospitals. Compared to previous Decembers – typically a month with low counts due to patients going home for Christmas – this is the highest number since 2007 (Figure 33).

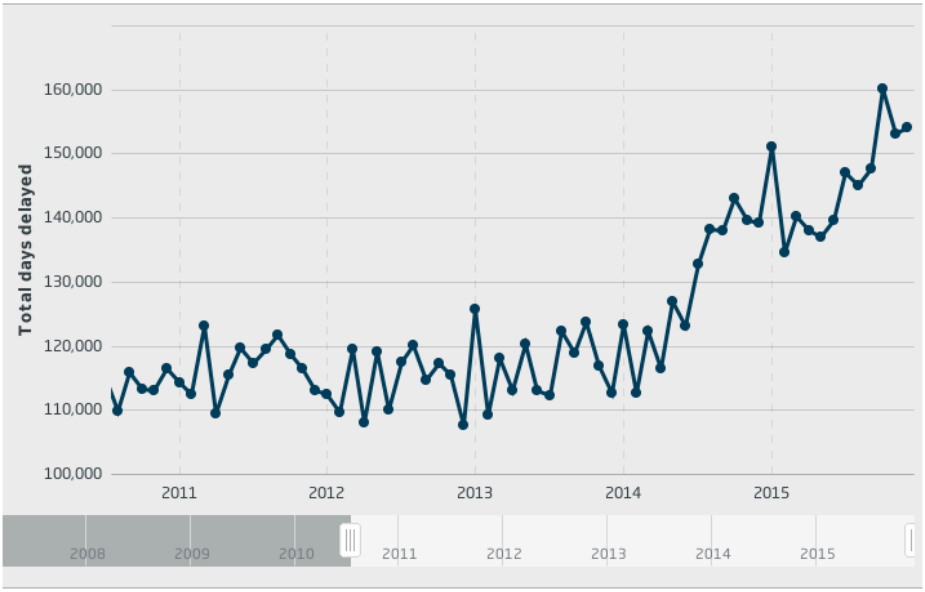
The number of total days delayed increased to 154,060 in December 2015, a small increase on the previous month but an increase of more than 14,900 (11 per cent) compared to December 2014 (Figure 33). Since April 2015 the number of delayed days is running approximately 10.5 per cent higher each month in 2015/16 (Figure 34) compared to the same month in 2014/15.

Figure 33: Delayed transfers of care: number of patients delayed on last day of month



Data source: Acute and non-acute delayed transfers of care, patient snapshot, 2015/16 www.england.nhs.uk

Figure 34: Delayed transfers of care: total number of days delayed each month



Data source: Acute and non-acute delayed transfers of care, total days delayed, 2015/16 www.england.nhs.uk

7. References

- National Institute for Health and Care Excellence (2015). 'Suspected cancer: recognition and referral.' NICE guideline 12. Available at: www.nice.org.uk (accessed on 8 July 2015).
- NHS England (2015). 'Making waiting time standards work for patients'. Letter from Sir Bruce Keogh to Simon Stevens, 4 June. Available at: www.england.nhs.uk (accessed on 8 July 2015).

About the QMR

What is The King's Fund's quarterly monitoring report?

Our quarterly monitoring report (QMR) reveals the views of NHS trust finance directors and clinical commissioning group finance leads on the productivity challenges they face, and examines some key performance data for the NHS in England.

It provides a regular update on how the NHS is coping as it grapples with the evolving reform agenda and the more significant challenge of making radical improvements in productivity.

What is different about the digital QMR?

Our first nine issues were produced as longer PDF documents and can be found on The King's Fund website at kingsfund.org.uk/qmrproject. The new QMR features digital versions of the survey results and interactive performance data charts showing the key findings for this quarter.

Where does the data come from?

The quarterly monitoring report combines publicly available data on selected NHS performance measures with views from NHS trust finance directors and clinical commissioning group finance leads. These views are collated through a survey run by The King's Fund data team.

Making the most of the digital QMR

- **Filtering the survey by respondents**

  Filter the survey results by respondent group (financial directors of NHS trusts, financial directors of clinical commissioning groups, and financial directors in social care in applicable quarters) by clicking them on or off at the top of the survey page.

- **Comments from survey respondents**

  Read selected comments from the survey respondents by clicking on the speech bubble

- **Survey charts**

  The area of the bubble in the survey charts represents the value shown. The sizes of the bubbles are comparable between the charts.

- **Sharing and saving charts**

  Share charts on social media sites by clicking on the share logo
  You can also download the charts as images by clicking on the save logo

- **Changing the date range of the NHS performance data charts**

  See the data in a different date range by moving the sliders on the x-axis.

- **Printing the QMR**

  Print the report by clicking on the print icon