



Finance Focus



King's College Hospital
NHS Foundation Trust

Issue 1
May 2024

Dear colleagues

Welcome to the first edition of Finance Focus, a new monthly bulletin to keep you updated about the steps we are taking to deliver sustainable services both now, and in the future.

Transforming our services

As an organisation, we are spending more money than we bring in each month, which means we are unable to run services that are both affordable and sustainable.

This is a problem because it makes it difficult for us to invest in our services, and develop firm plans for the future. This has to change, which is why we need to transform the way we work in many areas, which will improve services and reduce the amount of money we spend.

We need your ideas

In this edition of Finance Focus, you can read more about why we are spending more money than we earn each month, as well as some of the ways in which we can all reduce costs without compromising patient safety, whilst also making your working lives easier in the process.

Everyone is working so hard, and a key part of our work over the coming months is to work smarter, so you feel the time and energy you invest in your roles has the most positive impact possible.

We also want to hear your cost-saving ideas, so if you have an idea to share, please complete the online form on **Kingsweb (search cost-saving ideas)** – you know your services, so we are keen to tap into your ideas, and implement as many as we can.

I am also pleased that Chris Danson has recently joined the Trust as our new Chief Transformation Officer. Chris will support our collective work to make King's more efficient, and work with you to help improve and transform the services we run.

A challenge we can meet

We all know that some of the ways we work and deliver services are inefficient – and if we can change this, we will deliver savings, whilst also delivering the improvements we all want to see, thank you for your support and the work you do.

Best wishes, Clive

Chief Executive



Information and resources

If you need further information about our cost-saving plans, visit our dedicated [information hub](#) on Kingsweb.

We will also be sharing regular updates and news via our existing corporate communication channels, and via this monthly Finance Focus bulletin.

Our operational plan

At the start of May, we submitted our operational plan for the year to NHS England. Our plan sets out the steps we will take to provide timely care for patients, whilst also reducing the amount of money we spend.

It requires us to deliver our savings target of £65 million, and ensure we provide timely care for patients accessing urgent, emergency, cancer, and planned care, as well as diagnostic tests.

On 3 May, Professor Clive Kay, Chief Executive, sent a message to all staff summarising key aspects of our plan, which you can access on **Kingsweb (search our plans for 2024/25)**.

Why are we spending more money than we earn?

We ended the last financial year (April 2023-March 24) with a deficit of £78.7 million, which shows we are spending significantly more money than we can afford. Reasons for this include:

- **Relative reduction in income** – the cost of providing care continues to increase, but the amount of money we receive for treating patients has stayed roughly the same.
- **Inflation** – due to inflationary pressures, everything is more expensive, from the energy we buy to run our hospitals, all the way through to the drugs we prescribe patients.
- **Savings shortfall** – we are not achieving the level of savings (cost-improvement plans) we commit to deliver at the start of each year, which contributes to our deficit.
- **Staffing costs** – we employ 2,000 more people at the Trust than we did five years ago, yet we are still spending too much money on bank and expensive agency staff, which means staffing costs are greater than we budget for every year.

Our operational plan for the coming year will help ensure we treat patients in a timely fashion, whilst also helping us tackle some of the causes of the deficit, including those listed above.

“It’s clear how hard everyone is working, so our focus needs to be on tackling the fundamental reasons for our deficit, as this will help us deliver improvements in the long-term” says Roy Clarke, Chief Financial Officer. “A lot of work is happening to change the way we work, which is great to see – but it will take a concerted effort from everyone to get us to a point where our services are financially sustainable, and it is important we remember that as we go forward.”

What we spend money on every year – examples include:



£230m on drugs



£90m on bank & agency staff



£1m on printing & stationery



£13m on energy

We will always spend money where it is really needed – but we also know that we can safely reduce costs without compromising patient safety, with the aim of making your working lives easier in the process.

For example, if everyone turned their computer off at the end of the day, we save on energy costs; similarly, we can save on stationery costs by only printing documents when we really need to. Clinicians can also save money by prescribing cheaper drugs which are as effective as expensive alternatives, or by only ordering tests via Epic when they are really clinically indicated.

To this end, we are asking Care Groups and Corporate Teams to identify where savings can be made safely in the services they run, so please support this work if you are asked to explore ideas in your area of work. If you have cost-saving ideas of your own, please speak to your line manager, or submit an idea via the online form we have created on **Kingsweb (search cost-saving ideas)**.