

Report to:	Trust Board – 28th March 2013
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Title	Integrated Performance Report – February 2013
Sponsoring Executive Director	Peter Herring – Chief Executive
Author(s)	Peter Herring – Chief Executive
Purpose	To inform the Trust Board of performance against Key Performance Indicators in the Trust.
Previously considered by	Not applicable

Executive Summary	
<p>This report summarises the Trust's performance against all the key quality, finance, compliance, and workforce targets and indicators for 2012-13 and considers all elements of the Provider Management Regime.</p>	

Related SATH Objectives	SATH Sub-Objectives
<p>A – Financial Strength B – Patients and Commissioner C – Quality and Safety</p>	<p>The report covers a range of organisational sub-objectives in the three strategic domains.</p>

Risk and Assurance Issues (including resilience risks)	<p>Ensuring that we develop robust measures to assess strategic performance will minimise the risk associated with the delivery of our strategies and provide a warning system for the Trust Board where further attention is required.</p>
Equality and Diversity Issues	<p>None</p>
Legal and Regulatory Issues	<p>The national standards, CQC and local contractual requirements will form part of the performance framework.</p>

Action required by the Trust Board	
<p>The Trust Board is asked to CONSIDER performance for February 2013. Due to ongoing concerns around delivery of a number of key performance targets and financial performance the Board are asked to AUTHORISE the Chair and Chief Executive to sign declaration 2: <i>'There is insufficient assurance available to ensure continuing compliance with all existing targets'</i></p>	

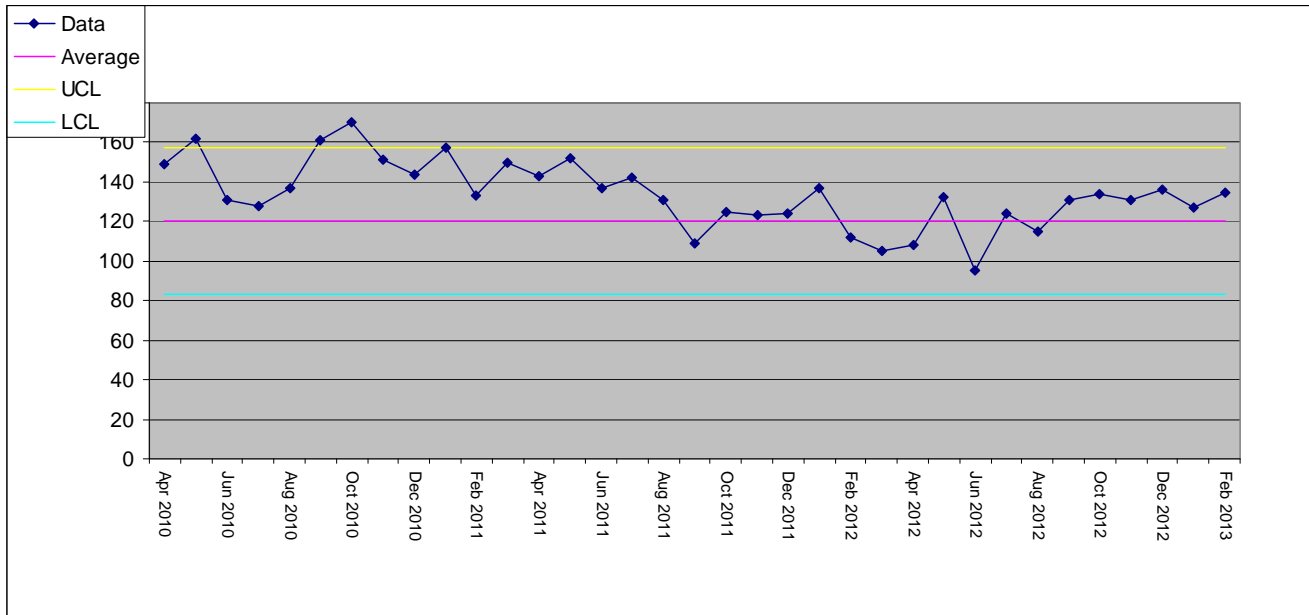
3.2 RIDDOR-reportable Falls

- 130 patient falls were recorded in the Trust in February 2013, of which one fall was RIDDOR reportable.
- Whilst the number of falls in February has decreased compared with January 2013 it exceeds the same reporting period last year (see Table 2). Despite this, the Trust remains below (better than) last year's falls incident rate. The overall trend in number of falls is show in Figure 1.
- RIDDOR reportable rates remain lower than the same reporting period last year, with the Trust reporting 21 compared to 29 in the same period last year.
- The Falls taskforce co-chair presented a summary report on trends and themes and the corporate action plan to the Clinical Commissioning Group (Quality Review meeting) in February.
- A detailed update and the comprehensive action plan to ensure ongoing reduction of falls and the impact/harm for patients was presented to the Trust Board in February 2013. The Quality and Safety Committee has reviewed this action plan with the Deputy Chief Nurse and Chief Nurse. Table 3 provides an ongoing means of monitoring the impact of those improvements.

Table 2: Monthly recorded falls for 2012/13 and 2013/14 (to date)

Falls 12/13	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2012/2013	108	129	132	122	116	126	133	130	129	127	130	
2011/2012	132	143	132	129	130	134	134	135	147	151	121	102

Figure 1: Number of falls per month rate from April 2010 to February 2013



3.3 Grade 3 and 4 pressure ulcers

- There was one grade 3 pressure ulcer and no grade 4 pressure ulcers reported for February 2013¹.
- This represents a significantly improved position compared with January 2013 but we remain behind plan for the year and high level scrutiny remains and place to fulfil our ambitions to eradicate avoidable pressure ulcers.
- Grade 3 & 4 pressure ulcer acquisitions remain a standing agenda item on the Nursing and Midwifery Forum and Band 7 (ward manager) meetings. High Level reviews will continue to be held with the Chief Nurse/Director of Patient Quality and Safety, the Deputy Chief Nurse, Senior Nurses and Ward Managers for every Grade 3 & 4 pressure Ulcer. Ward action plans to ensure all improvements in care are implemented consistently and all actions taken to ensure elimination of all avoidable pressure ulcers (grade 3&4) are being robustly reviewed and challenged and where clear individual omissions in care have contributed to the acquisition of a pressure ulcer individual performance is being addressed.
- Grade 2 Pressure ulcers are also being monitored closely. Since September 2012, RCA's have been requested on all Trust acquired Grade 2 pressure ulcers. Following review a trend has been noted that at least half of all pressure ulcers initially recorded as Grade 2 have been downgraded. The downgrades are related to investigation concluding that the ulcer had been present on admission and therefore not hospital acquired. It may have been recorded in the nursing notes (but not on Datix) as moisture lesions following review or they were mis-graded. Education and support is being provided to ensure documentation and appropriate identification of ulcer grading enables appropriate care planning to prevent further deterioration to grade 3 or 4.

3.4 C-Difficile, MRSA and Infection Control

- There were 4 new cases of C-Difficile in February. Each was within a different medical ward area. Two of the wards have a higher incidence than average which may be related to antibiotic prescribing or cross infection from unrecognised carriers.
- MRSA screening for Emergency cases has risen from the 92% in January 2013 to 94.9% in February 2013 but this remains just below the target. Acute medical units on both hospital sites need to continue the improvements made in the last month on the screening of all patients. All wards receiving patients from AMU and SAU must make sure that these patients are screened before transfer and, where screening has not taken place, ensure that it is actioned. The daily schedule of unscreened patients will in future be sent to the wards.
- MRSA screening of elective patients this month is down to 94.5% and discussions with the 3 areas responsible for the missed screens have been held.
- Hand hygiene standards remains high, with February results reported as 99% against a target of 95%.

¹ This Pressure Ulcer was reported in March 2013 but sustained in February 2013 and is therefore included in the February 2013 performance report.

3.5 Serious Untoward Incidents

- There were 14 Serious Incidents reported in February including the RIDDOR reportable fall highlighted in Section 3.2 and the Grade 3 Pressure Ulcer highlighted in Section 3.3. This is the same number as in January 2013.
- This month's Serious Incident performance is "RED" as it is above our agreed threshold of 12 per month. The trend in Serious Incident reports by month since August 2010 is set out in Figure 2.
- The percentage of patient related reported incidents which were classified as Serious Incidents in February 2013 was 1.6%. The trend in patient safety incidents by month since August 2010 is set out in Figure 3.

Figure 2: Serious Incident Reports by Month from August 2010 to February 2013

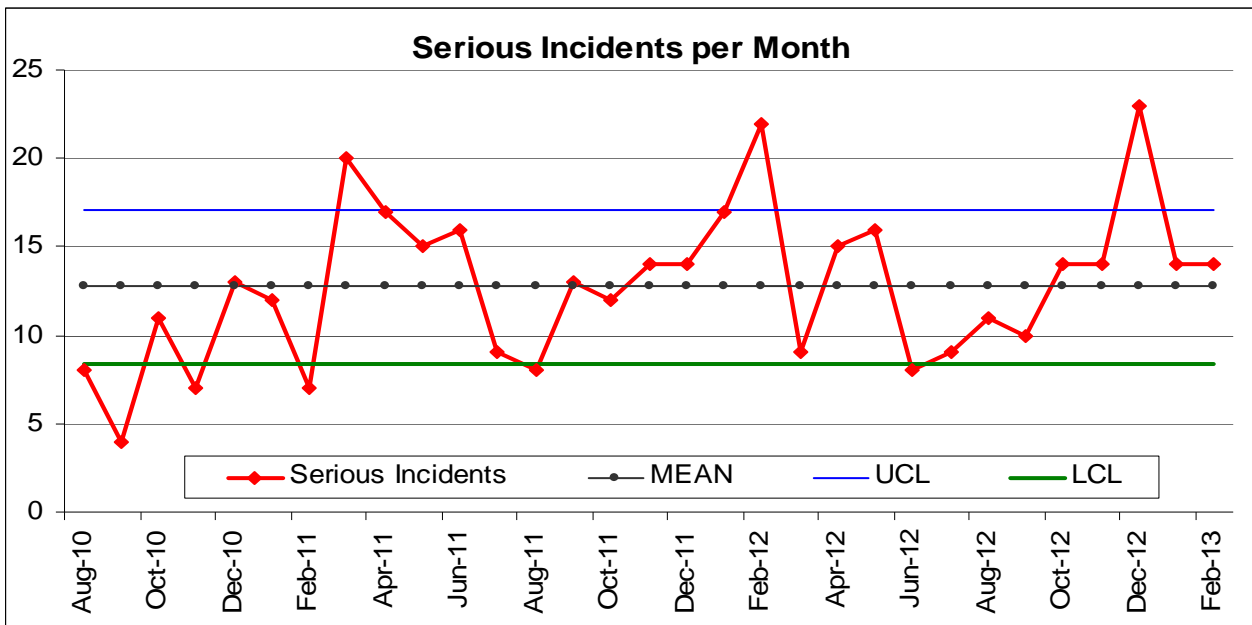
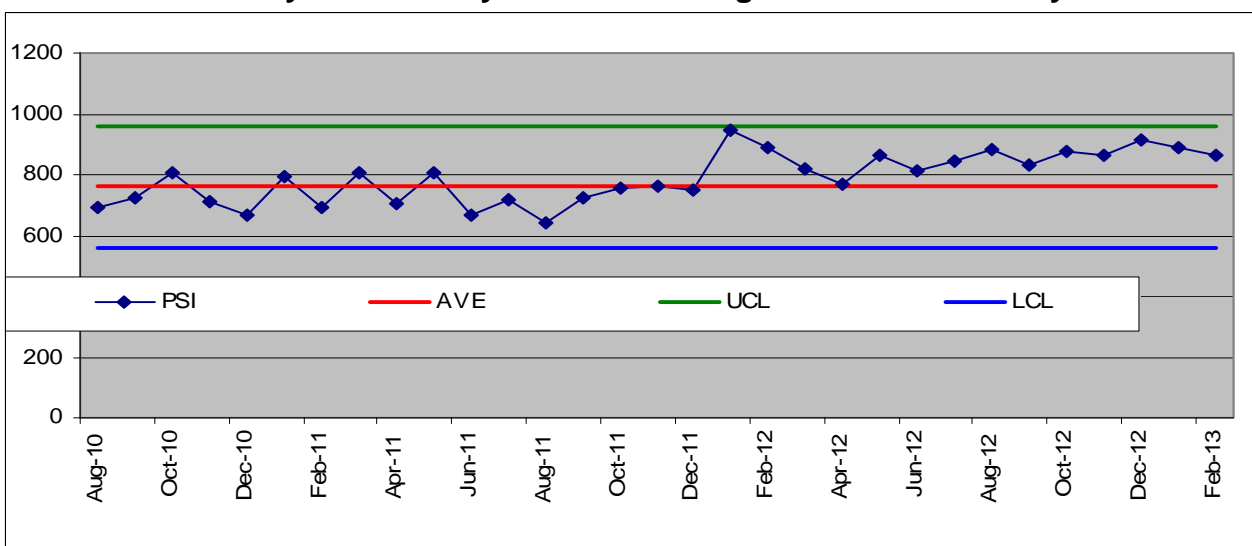


Figure 3: Patient Safety Incidents by Month from August 2010 to February 2013



3.6 Mortality

- Mortality data is an important indicator referenced within the Francis report. This information has been regularly reported to the Board for several years. The performance report currently includes information on both HSMR and SHMI, but in future the SHMI will be the main mortality indicator for the performance management of hospitals in England.
- The Trust remains within the expected range for all categories of the SHMI and HSMR based on rolling 12 month average (see Table 3)
- Interim quarterly data for SHMI is provided to the Trust by Dr Foster and supports ongoing monitoring of mortality, but is currently available nine months in arrears (Table 4)
- The in month Standardised Mortality Ratio based on all diagnoses for February 2013 is higher than expected. Whilst our year to date HSMR remains below 100 and within expected range, action is being taken to ensure that it remains within expected range through the Trust's case note review process overseen by our Mortality Review Group.
- Crude deaths remain on target against the objective of 350 less deaths within 2 years from our June 2011 baseline. As of December 2012 we had 336 less deaths which is an overall reduction of 9.89%.

Table 3: SHMI and HSMR (12 month rolling average from April 2010 to June 2012)²

Standard Hospital Mortality Indicator (SHMI - Rolling 12 months)						
Measure	Apr 10 - Mar 11	Jul 10-Jun 11	Oct 10 - Sept 11	Jan 11 - Dec 11	Apr 11 - Mar 12	Jul 11 - Jun 12
SHMI	111.21	110.51	108.85	107.53	106.68	106.64
HSMR	115	112	107	102	100	98
SHMI (In Hospital)	107.82	106.83	103.38	99.9	97.41	97.17
SHMI Non Elective	111.59	110.72	109.13	107.73	106.82	106.82
SHMI Elective	101.4	104.88	101.42	102.19	102.93	101.58

Table 4: Quarterly SHMI (April 2011 to June 2012)

Standard Hospital Mortality Indicator (SHMI - Quarterly)					
	Qtr 1 2011/12	Qtr 2 2011/12	Qtr 3 2011/12	Qtr 4 2011/12	Qtr 1 2012/13
Quarterly Measures - SHMI	112.05	104.25	105.41	105.49	108.09

3.7 Patient Experience and Outcomes

- The Quality and Safety Committee has reviewed the process of complaints responses following concerns about response times. The Chief Nurse has put in place a recruitment process for a new Head of Patient Advice and Liaison Services and Complaints with interviews taking place during March. The postholder will introduce revised systems and processes to ensure timely and supportive responses to all patients and their families. It is anticipated that improvements in response times will be delivered within three months of appointment.
- Tables 4 and 5 provide an overview of patient outcome measures at Trust-level. This summarise information which is available at Clinical Centre and Ward level to support matrons, ward managers and other frontline staff to identify good practice and ensure action is taken where improvement is needed. Trust-wide performance on fluid management and patient observations is currently behind plan and these form the priority focus for action.

² Most recent available data

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Table 4: Ward to Board Patient Metrics, April 2012 to February 2013

	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013
Medication Storage and Administration	↑ 97%	↑ 98%	↑ 99%	↓ 96%	↑ 97%	↓ 96%	↑ 97%	↑ 99%	↓ 98%	↑ 98%	↓ 95%
Infection Control and Privacy & Dignity	↑ 91%	↑ 95%	↑ 96%	↓ 94%	↑ 94%	↓ 93%	↑ 93%	↑ 96%	↓ 95%	↓ 94%	↑ 95%
Patient Observations	↑ 84%	↓ 83%	↑ 87%	↓ 85%	↑ 86%	↑ 90%	↓ 86%	↑ 95%	↓ 90%	↓ 89%	↓ 89%
Pain Management	↑ 84%	↑ 87%	↑ 91%	↑ 91%	↑ 92%	↓ 88%	↑ 90%	↑ 93%	↓ 92%	↑ 93%	↑ 93%
Tissue Viability	↑ 91%	↓ 90%	↓ 89%	↓ 87%	↑ 91%	↑ 91%	↑ 94%	↑ 95%	↑ 96%	↓ 93%	↓ 92%
Nutrition	↑ 91%	↑ 92%	↓ 91%	↓ 90%	↑ 90%	↑ 95%	↓ 94%	↑ 95%	↓ 92%	↓ 91%	↑ 91%
Fluid Management	↑ 85%	↑ 87%	↓ 82%	↑ 85%	↓ 80%	↑ 90%	↑ 93%	↓ 90%	↓ 85%	↑ 87%	↓ 83%
Falls assessment	↑ 98%	↓ 96%	↑ 98%	↓ 97%	↑ 98%	↓ 96%	↑ 98%	↑ 99%	↓ 98%	↓ 97%	↓ 95%
Continence	↑ 97%	↓ 93%	↓ 88%	↑ 93%	↑ 93%	↑ 97%	↑ 97%	↑ 98%	↓ 95%	↑ 96%	↑ 96%
Comfort Rounds				↑ 83%	↑ 92%	↓ 90%	↑ 94%	↓ 93%	↑ 93%	↓ 90%	↑ 90%
Total	↑ 91%	↑ 92%	↑ 92%	↓ 91%	↑ 92%	↑ 92%	↑ 94%	↑ 95%	↓ 94%	↓ 93%	↓ 92%

Table 5: Ward to Board Patient Experience Metrics, April 2012 to February 2013

	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013
How clean is this ward (including toilets)?	↑ 95%	↑ 95%	↑ 95%	↑ 95%	↑ 96%	↑ 96%	↑ 96%	↑ 97%	↑ 97%	↑ 97%	↑ 98%
As far as you know do the staff wash or clean their hands between touching patients?	↑ 95%	↓ 92%	↑ 95%	↓ 94%	↑ 96%	↑ 96%	↑ 96%	↑ 97%	↓ 96%	↑ 96%	↑ 98%
Do you feel informed about potential medication side effects?	↓ 46%	↑ 57%	↓ 65%	↓ 65%	↑ 72%	↓ 64%	↑ 72%	↑ 83%	↓ 76%	↑ 86%	↓ 82%
Do you feel you have enough privacy when discussing your condition or treatment with staff?	↑ 88%	↑ 89%	↓ 85%	↓ 83%	↑ 86%	↓ 85%	↑ 86%	↑ 91%	↑ 91%	↓ 87%	↑ 93%
Do you feel that you have been treated with respect and dignity while you are on this ward?	↓ 91%	↑ 95%	↑ 98%	↓ 93%	↑ 95%	↓ 94%	↑ 95%	↑ 96%	↑ 97%	↓ 95%	↑ 97%
Do you feel involved in decisions about your treatment and care?	↓ 80%	↑ 83%	↓ 77%	↓ 78%	↓ 77%	↓ 79%	↑ 84%	↑ 89%	↓ 86%	↑ 87%	↑ 89%
Have hospital staff been available to talk about any worries or concerns you have?	↓ 82%	↑ 92%	↓ 90%	↑ 90%	↓ 86%	↑ 91%	↑ 93%	↑ 93%	↓ 90%	↓ 89%	↑ 92%
Do you get enough help from staff to eat your meals?	↑ 92%	↓ 90%	↑ 98%	↓ 87%	↑ 90%	↑ 95%	↑ 98%	↓ 95%	↓ 92%	↓ 85%	↑ 99%
Whilst you have been on this ward have you ever shared a sleeping area with a member of the opposite sex?	↑ 100 %	↓ 96%	↑ 98%	↑ 99%	↑ 99%	↓ 97%	↑ 97%	↑ 98%	↑ 99%	↓ 97%	↑ 100 %
Do you think hospital staff do everything they can to help control your pain?	↓ 89%	↑ 93%	↓ 89%	↑ 90%	↓ 89%	↓ 87%	↑ 93%	↑ 95%	↓ 92%	↓ 90%	↑ 96%
When you use the call buzzer is it answered?	↑ 88%	↑ 93%	↓ 89%	↓ 87%	↑ 90%	↑ 90%	↓ 87%	↑ 91%	↓ 90%	↓ 89%	↑ 91%
Have staff talked to you about your discharge from hospital?	↓ 64%	↑ 74%	↓ 63%	↑ 65%	↑ 68%	↓ 68%	↓ 64%	↓ 71%	↑ 72%	↑ 75%	↓ 73%
Total	↓ 83%	↑ 87%	↓ 86%	↓ 86%	↑ 87%	↓ 86%	↑ 88%	↑ 91%	↓ 90%	↑ 90%	↑ 92%

4 Operational Performance

Emergency Access Target

- 4.1 The Trust failed to achieve the 95% target in February 2013 with 86.43% for the month, giving a year to date position of 91.38%. This figure includes the revised Q4 position as reported to the Board last month.

Factors contributing to affect performance are:

- an increase in the number of ED attendances - an average of 295 attendances a day in February compared with 280 a day in January, an increase of 5.3%
- an increase in the number of non-elective admissions - an average of 129 non-elective admissions a day in February compared with 123 a day in January, an increase of 4.9%
- a significant cohort of patients who are fit to transfer but remain in a hospital bed
- a lack of available capacity (beds to meet expected demand)

The individual components of the whole health economy remedial action plan to deliver 95% are in the main, in place. However, these have not led to an improvement in performance which underpins the overriding factor which is contributing to the failure of the target which is insufficient beds. These extreme pressures are being felt regionally and nationally and until the capacity shortfall is addressed performance will remain below the performance standard.

- 4.2 On 16th February 2013, 2 patients breached the 12 hour trolley wait standard. These are the subject of a formal root cause analysis but on the day the patients breached the Emergency Department at RSH was full and there were no beds available in the hospital. There were no immediate patient safety concerns whilst the patients were in the department.
- 4.3 The Whole System Review of urgent care in Shropshire and Telford & Wrekin has commenced. The first phase (data analysis) will be completed by the end of March and the results presented at a workshop scheduled for Friday 12th April 2013.
- 4.4 An internal review of the utilisation of the current bed base is complete and the plan to reconfigure some of the wards to improve efficiency and effectiveness of the available beds are being discussed further by the Centres. Whilst discussions are underway the plan is to complete the moves by the third week in April 2013.
- 4.5 A new model of care for patients who are fit to discharge to release inpatient bed capacity is being discussed with the Local Health Economy. This would offer a new model of care for patients who no longer require treatment in an acute hospital bed.

18 Weeks Referral to Treatment Target (RTT) - Admitted

- 4.6 The Trust failed the RTT target for Admitted patients with 78.8 % against the 90% target in February.

The Trust has again failed to deliver the admitted pathway for 18 weeks RTT. Orthopaedics and Ophthalmology are reducing the number of patients in the backlog

which will impact on the overall performance. However, in February there were 236 routine patients cancelled for elective surgery. This has resulted in the following specialties failing to achieve the admitted target:

- ENT
- Gynaecology
- Oral Surgery
- Urology
- Plastic Surgery

4.7 Each centre is constructing a recovery plan that will detail when each specialty will be in a sustainable position. At present, plans are indicating that this will be from quarter 2, however this is subject to the reconfiguration of beds within the hospital and that the Day surgery unit at RSH is not used for escalation.

18 weeks Referral to Treatment Target (RTT) – Non Admitted

4.8 The Trust failed the RTT target for Non Admitted patients with 93.5 % against the 95% target in February. The non achievement of the target was due to a combination of the following reasons:

- Four medical specialties failed to achieve the target which meant it was not possible to achieve the Trust overall target. Neurology, dermatology, cardiology and thoracic medicine.
 - Neurology where there has been a high number of patients waiting over 18 weeks over the last three months that has been reducing but not yet to a point where they are 18 week compliant.
 - In Dermatology changes to administrative processes to ensure referral review and patient booking times are reduced have been put in place, however, the reduction in available clinical capacity remains a significant risk. Capacity is being sought from a partner organisation in order to continue to reduce the waiting times.

4.9 Urology failed to deliver the non admitted target in February. A member of the consultant team left the Trust unexpectedly and therefore has reduced the capacity by 20%. The surgical centre is currently working through plans to improve the performance from April, namely:

- Increased capacity for ophthalmology has been put in place through the appointment of locums to accelerate the clearance of the numbers of patients waiting over 18 weeks. At present, however, this is unlikely to achieve the target for the specialty until the end of March.
- The validation process for 18 weeks is becoming a concern as the team has reduced in number over the past month. Centre teams are being reminded of the need to ensure all PTLs are validated and to work with their booking teams to address any patient access issues.

Cancer

4.10 The Trust achieved the cancer standard for all targets in February with the exception of the 62 day standard

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- 62 day standard – performance was 80.92 % against a target of 85% in February, there are significant challenges within urology and additional weekend capacity has been put in place to reduce the waiting time for cystoscopies. Additional weekly capacity will be in place from the new financial year. The urology department have a 20% reduction in clinical workforce at present due to the resignation of the newly appointed locum consultant. The surgical centre is addressing this shortfall with additional sessions from our current workforce and a recovery plan will be in place.

The Trust continues to achieve within all the standards for the year to date period. However the 62 day standard is at risk due to the challenges within Urology.

Cancelled Operations

- 4.11 There were 84 operations cancelled on the day of surgery during February, which are therefore subject to our contractual obligation to be rescheduled for treatment within 28 days of the cancellation date. A total of 328 operation were recorded as cancelled during February (including those cancelled on the day of surgery) of which 236 were cancelled due to bed capacity.

Of the patients cancelled on the day of surgery in January 2013, 7 were not readmitted within the 28 day target.

Work continues with each Centre to ensure patients are re-admitted with 28 days of the cancellation. An action plan and escalation process is in place to ensure that we achieve this target.

5 Finance

Finance Performance Summary – Month 11

Measure		Standard	Quarterly Method	2012/13 Q1	2012/13 Q2	2012/13 Q3	Data Period	Period Actual	YTD
Finance	PMR Finance Risk Rating	4	Q YTD	2	2	2	Feb-13	2	2
	EBITDA Achieved	85%	Q YTD	84.20%	88%	98%	Feb-13	83%	92%
	EBITDA Margin	5%	Q YTD	2.8%	4%	4.7%	Feb-13	4.6%	4.6%
	I&E Surplus Margin	1%	Q YTD	-1.90%	-0.50%	0.00%	Feb-13	0.00%	0.00%
	Return on Assets	5%	Q YTD	0.03%	1.20%	2.60%	Feb-13	3.20%	3.10%
	Liquidity ratio	15 days	Q YTD	13.5	14.4	12.9	Feb-13	14.05	14.05
	Total Income (actual v plan)	0.5% of plan	Q YTD	99.6%	99.6%	99.90%	Feb-13	102.1%	99.70%
	Pay Expenditure (actual v plan)	At or below plan	Q YTD	101%	102.40%	99.90%	Feb-13	101%	100%
	Non Pay Expenditure (actual v plan)	At or below plan	Q YTD	98.04%	95.20%	100%	Feb-13	110%	100%
	CIP (actual v plan)	At or below 98% plan	Q YTD	100%	74%	98%	Feb-13	100%	100%
Capital Expenditure (actual v plan)	At or below plan	Q YTD	13%	38%	59.00%	Feb-13	67.00%	58.00%	

Income and Expenditure Position

5.1 The Income and Expenditure position of the Trust is presented in the table below:

	Months 1-11 Budget £000s	Month 1- 11 Actual £000s	Variance £000s	Planned Forecast Outturn £000s	Forecast Outturn £000s	Variance £000s
Income	273,426	271,915	(1,511)	299,594	297,478	(2,116)
Expenditure						
Pay	(185,468)	(185,629)	(161)	(202,636)	(203,024)	(388)
Non Pay	(79,072)	(79,029)	43	(86,606)	(86,530)	76
Reserves	396	862	466	615	1,082	467
Finance Cost	(12,804)	(12,755)	49	(13,967)	(13,907)	60
Total Expenditure	(276,948)	(276,551)	397	(302,594)	(302,378)	216
Under / Over spend	(3,522)	(4,636)	(1,114)	(3,000)	(4,900)	(1,900)
Transitional support	4,696	4,696	-	4,900	4,900	-
Surplus / (deficit)	1,174	60	(1,114)	1,900	-	(1,900)

Income

5.2 The forecast outturn assumes that the Trust will receive Income in the month of March amounting to £25.563 million, in the year to date the level of average level of Income received per month has amounted to £24.719 million.

	£000s	Variation from Average to date
Estimated Income in March	25,563	-
Average Income per month April – February	24,719	844

At the end of February the Trust had recorded an under recovery of Income as compared with the revised Income budgets approved in October of £1.511 million. At the year end the Trust is forecasting to under achieve against Income Targets by £2.116 million.

In order to achieve the Forecast Income levels by the year end, the level of Income delivered will need to exceed average levels recorded in the period April to February by £843,000. This additional sum is to be received from low risk areas, notably the two local CCG's, the Shropshire and Staffordshire LAT and the National Cancer Network.

In order to test the robustness of this Income assumption it is necessary to more fully understand the level of risk associated with the Income. The table below provides a description of the level of risk.

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	Income April – February £000s	Forecast Outturn £000s	Variation in the remaining month from the average £000s	Level of risk
Shropshire County CCG	120,282	131,578	361	Low
Telford and Wrekin CCG	85,284	93,352	315	Low
Shropshire and Staffordshire Local Area Team	550	1,100	500	Low
Powys LHB	19,983	21,800	-	Medium
Specialised services	14,597	15,923	-	Low
Cancer Network Funding	150	300	136	Low
Non Contracted Activity	2,322	2,533	-	Medium
Education Funding	9,583	10,454	-	Low
Other CCG / PCT Income	5,911	6,448	-	Medium
Other Income	13,253	13,989	(469)	Medium
	271,915	297,478	843	

The variation in Income relating to Shropshire County and Telford and Wrekin CCG's is attributable to funding associated with winter pressures and the elderly frail and complex project.

In the month of February the Trust continued to experience operational pressures as a consequence of an increased Emergency Care caseload. In response as in the month of January the Trust has been required to cancel elective operations. This is expected to continue into the month of March and will impact upon Income levels.

Expenditure

5.3 Pay Expenditure

- Pay spending in the month of February amounted to £16.992 million and is £112,000 above the planned level for the month.
- The Reset Pay budgets have overspent at the end of February by £166,000 and expected to overspend by £388,000 by the year end.
- In forecasting an outturn for the year, it has been assumed that Pay spending will amount to £17.395 million in the month of March. In the year to date the average level of monthly Pay spend amounts to £16.875 million.
- The Pay overspend as compared with the reset Pay budgets is principally as a consequence of increased usage of Agency Nursing staff.
- In the month of February total Agency spending amounted to £919,000. Agency Nursing spending reduced by comparison with the previous month by £68,000.
- The level of Agency Nursing spend is £250,000 per month higher than the comparable period in the previous financial year.
- Increased Agency Nursing spend has occurred as a consequence of a significant reduction in the number of contracted WTE Nursing staff. The reduction being attributable to vacant posts and increased sickness levels.
- In the month of February the total number of permanent and temporary Nursing staff exceeded the budgeted levels by 27.61 WTE posts.

5.4 **Non Pay**

- In the month of February the Trust underspent in respect of revised non pay budgets by £84,000.
- The three month average spending covering the period December – February amounts to £7.132 million, in forecasting an outturn it is assumed that Non Pay will spend at the rate of £7.507 million in the month of March.

Long Term Financial Position

- 5.5** The Trust, at the time of writing this paper, is still to receive formal contract offers from either Shropshire County CCG or Telford and Wrekin CGG. Letters have however been sent where both CCG's have expressed concern in respect of the Baseline outturn position as computed jointly by the Trust and HCS the commissioning support unit supporting the CCG's.

Given the failure to provide contract offers, the Trust has sent onto the two CCG's the Trust view of the contract for the 2013/14 year. Discussions based upon the view as presented by the Trust presently suggest that a considerable difference exists between the Trust and the CCG's. This is illustrated in the table below.

	Trust view of contract value for 2013/14 £000's	View presented by the CCGs £000's	Variance £000's
Telford and Wrekin CCG	97,797	92,809	4,988
Shropshire County CCG	138,742	132,665	6,077

- 5.6** The Trust has reviewed it's long term financial plan. The plan assumes:

- Demographic growth per year at 1%, and
- The achievement of 4% efficiency savings in each year.

In resetting the plan, the relative achievement of CIP in 2012/13 has been incorporated

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Revised CIP Plan	Plan	NREC	In year	Forecast Outturn	
	REC		TOTAL	Rec	In year
Medical Consultants	1000		1000	88	88
WLI Payments	1000		1000	1000	0
Nursing	1100	-1100	0	1747	57
Bed Reductions	3500	-3500	0	0	0
Theatres	1000	-500	500	0	0
Admin and Outpatients	1700	-1700	0	0	0
Pathology reconfiguration	1300	-1300	0	0	0
Allied Health Professionals	700	-700	0	0	0
On Call Payments	1000	-500	500	0	0
Estates and Corporate Services	800	-400	400	400	400
Temporary staff reduction	3828	-740	3088	0	0
Temporary staff reduction - Medical	1212		1212	1212	1212
Diagnostic tests	600	-600	0	0	0
Coding alterations	1000		1000	491	491
Procurement	2000	-1000	1000	989	989
Centre identified Non Pay savings	1019		1019	796	796
VAT Changes - Locum Doctors		300	300	0	
Reduce Non Pay to Month 10 level	1325		1325	1325	1325
Nuffield / Prof Fees Redn	700		700	313	313
Consultancy usage				729	729
MARS Scheme	1200	-500	700	128	0
Finance charges				506	506
Pay Inflation				647	647
Non Pay Inflation Reserves				3369	3369
Non Pay underspending		-670	-670	2096	2096
Total	25984	-12910	13074	15836	13018
Revised CIP Level				25984	13074
Variance				-10148	-56

The long term financial plan is then as follows:

	Recurrent Surplus /(deficit)	Non Recurrent Surplus/ (deficit)	Total Surplus /(deficit)
	£000s	£000s	£000s
2010/11	(14,400)	14,426	26
2011/12	200	(200)	-
2012/13	(3,600)	3,600	-
2013/14	3,100	(2,100)	1,000
2014/15	3,400	-	3,400
2015/16	4,600	-	4,600
2016/17	5,800	-	5,800
2017/18	6,800	-	6,800

It is, however, important to recognise that the plan for 2013/14 and future years is determined using the Trusts view of the contract income for 2013/14; as stated previously this is still to be agreed with local commissioners.

Capital Programme

5.7 The position in respect of the Capital programme is presented in the table below.

Scheme	2012/13 Capital Budget	Spend To date	Forecast Outturn	Variance (under) / over spend
	£000's	£000's	£000's	£000's
Reconfiguration	16,559	8,209	8,209	(8,350)
Patient Monitoring equipment	321	331	331	10
Telecommunications upgrade	86	83	86	-
Acute surgery consolidation	1,636	1,605	1,610	(26)
LINAC Installation works	664	533	605	(59)
Mammography development	524	330	330	(194)
Patient status at a glance Project	30	14	15	(15)
Centralising Booking	319	252	274	(45)
Head and Neck service transfer	650	546	546	(104)
Enhanced Car Parking facilities – PRH	369	364	364	(5)
Capital contingencies	3,591	3,857	4,029	438
Total Discretionary Capital Schemes	8,190	7,915	8,190	(0)
Total including reconfiguration	24,749	16,124	16,399	(8,350)

The Capital Programme is expected to underspend when compared with the total Capital Budget (Capital Resource Limit) by £8.350 million by the year end, as a result of the phasing of the Reconfiguration project. The SHA have been notified of the Capital Resource Limit underspend.

Cash flow

5.8 The Trust is planning to end the year with a cash balance of £2.2 million.

Key observations from the February Cash flow statement are as follows:

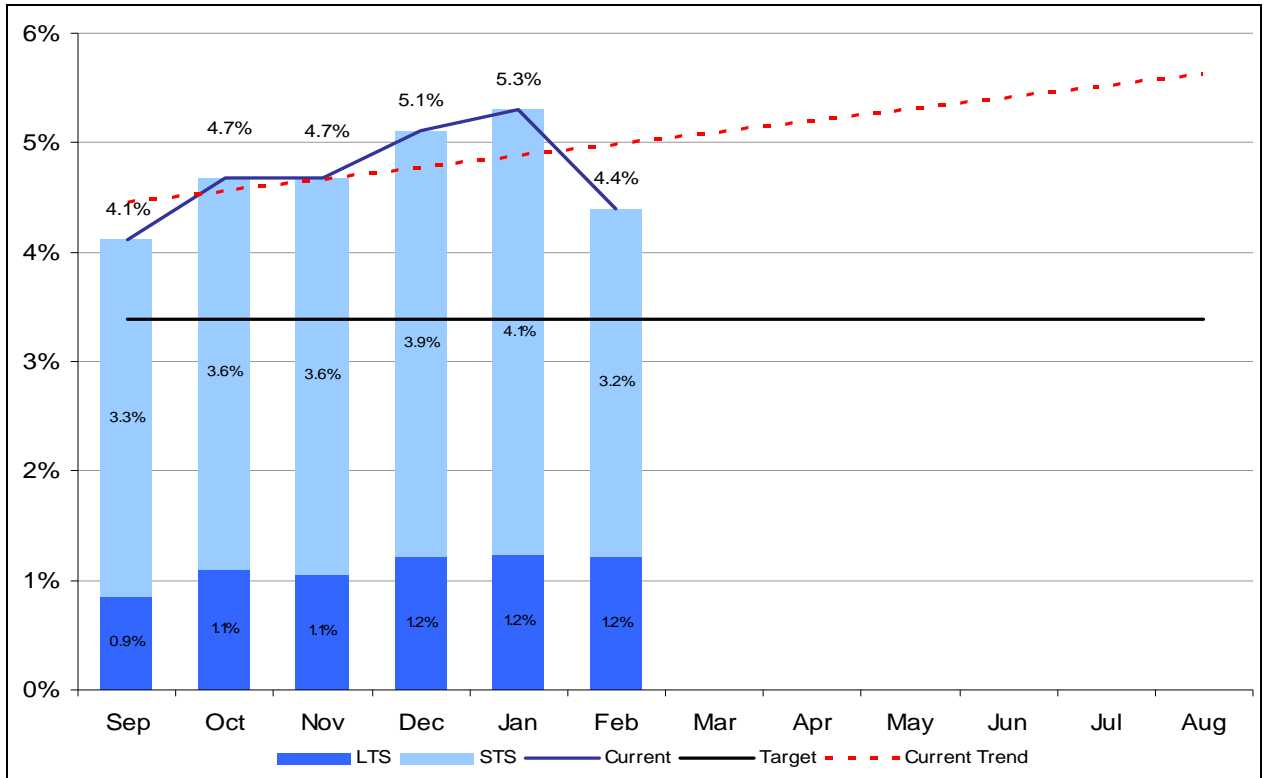
- I and E over performance – The Trust has throughout the year received cash funding from Shropshire County CCG and Telford and Wrekin CCG based upon a cash mandate associated with the original signed contract value. The Trust has substantially over performed when compared with the signed contract value. Based upon the recently agreed end of year settlement with the two local CCG's the scale of over performance amounts to £8.6 million. At the end of February the Trust had received cash in support of the over performance amounting to £3.316 million. A further £3.328 million has been deposited with the Trust in March from Shropshire County CCG. No further cash has been assumed in respect of I and E over performance from Telford and Wrekin CCG
- Shropshire and Staffordshire Local Area Team (LAT) – The Trust has assumed the release of cash resources from the LAT. This amounts to £1.1 million.
- Capital Spending (excluding Reconfiguration) – It has been assumed that the level of cash payments in respect of Capital creditors will amount to £8.5 million,

and as a consequence it is anticipated that Capital creditors will be consistent at the year end with the levels presented at the end of the 2011/12 financial year.

- PDC Receipts – It is anticipated that the Trust will have made cash payments in respect of the Reconfiguration project amounting to £8.2 million. The level of PDC drawn down by the Trust has been estimated at £7.9 million.
- Cash movement – The Trust is required to increase cash balances by £1.0 million, previously this had been assumed to be achieved through the achievement of an Income and Expenditure surplus in the 2012/13 year. Achievement of a Break even position will now require this cash movement to be funded through working balances.
- Creditor suppression – Given the above in setting the cash plan to the year end it has been necessary to increase the level of Trade creditors. By the year end the level of creditor suppression will amount to £4 million.

6 Workforce

6.1 Absence



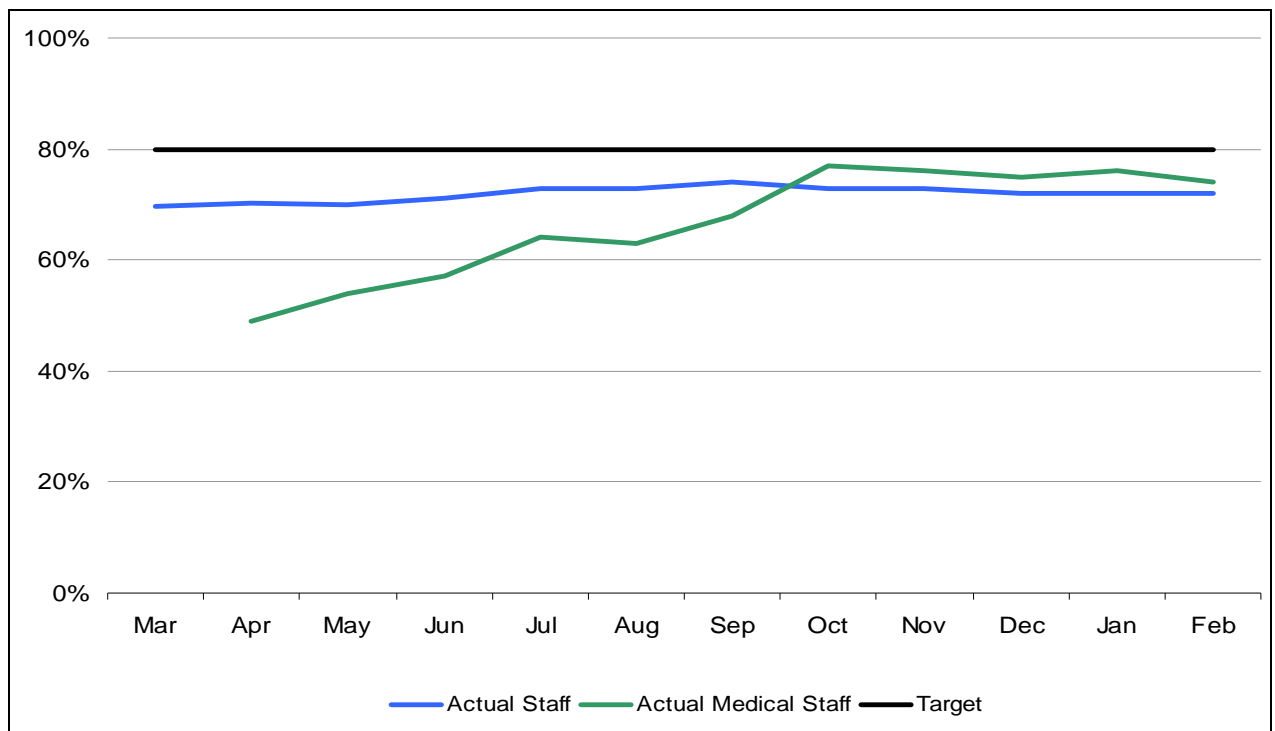
As illustrated above absence within the organisation has fallen significantly in February, by 0.9%, to 4.4%. The reduction is all within short term absence. Analysis has concluded that traditionally a reduction in absence occurs this time of year, due to seasonal variation. However the current reduction is greater than previously seen. Whilst the reduction is encouraging a clear focus on Staff Engagement and Employee Health and Wellbeing will need to be maintained to ensure further reductions and sustainability.

6.2 Appraisal

Appraisal coverage for the organisation is 72%; performance for medical appraisal is 74%, appraisals are an important aspect of revalidation. Discussions with Care Groups and Centres had concluded a level of confidence in achieving 80% by 31 March 2013 however operational pressures for clinical teams has now reduced this confidence. It is therefore assumed that 80% will not be achieved however sustained performance will.

The appraisal process will be reviewed this coming year to support increased coverage and ensuring that appraisals are meaningful. The revised process will measure what has been achieved and 'how' the objectives have been achieved through a values assessment.

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7 Declaration Against Provider Management Review Framework

7.1 Quality, Safety and National Targets

The Trust fell short of the monthly targets in the following areas:

- A&E 4 hour wait standard – 1 penalty point
- 18 Weeks RTT Target (Admitted) – 1 penalty point
- 18 Weeks RTT Target (Non Admitted) - 1 penalty point
- 18 Weeks RTT Target (Open Clocks) – 1 penalty point
- 62 day wait for first treatment – 1 penalty point
- Clostridium Difficile – 1 penalty point

Against the Governance Risk Rating the Trust is rated as RED with 6 penalty points compared to 7 in January, further we have an additional 4 points from the A&E override totalling 10 penalty points.

7.2 Financial Performance

Against the Finance Risk Rating the Trust is rated as RED with a score of 2. This is the same score as in February.

7.3 Governance Declaration Recommendation

Due to ongoing concerns around delivery of the ED 4 hour wait target and financial performance the Board will be asked to authorise the Chair and Chief Executive to sign declaration 2: '***There is insufficient assurance available to ensure continuing compliance with all existing targets***'