

Programme Management Office (PMO) Assurance Report: -

Month 5 August 2012

For

**Shrewsbury and Telford
Hospital Board**

**Improvement Programme
August 2012
Assurance Report
Version: Final 1
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1. Conclusion and Recommendations to HEC

1.2 **To NOTE:** The PMO CIP scheme's performance to date ¹

1.3 YTD there has been a negative variance against plan. The trust is asked to take note of the three key schemes contributing to this. ²

2. To NOTE and DETERMINE any further actions:-

2.1 To ratify entry of the following two schemes to be considered for formal entry into the PMO.

2.1.1 Telecoms

2.1.2 Catering

2.1.3 The PMO recommends both are approved for formal entry, due to the excellent project management evidenced and the robustness in approach and application demonstrated to deliver the project outcomes. Both projects have clear methodologies and a QIA submitted for review. 60k savings have been removed from the Telecom project budget, with an additional 12k identified. The Catering project team are demonstrating strong project management and the PMO can see evidence of this being a flagship project in its approach. Both schemes have completed the required action to demonstrate achievement of the readiness plan, to be formally assessed for exit from the pipeline process and enter the PMO. ³

2.2 HEC is to note there are no schemes to be considered for exit this month.

2.3 HEC to note the updates for the following schemes

- 2.3.1 **E Rostering:** - HEC is to note the update from the previous month; that the timelines and required action to deliver the project outcomes is under consideration with input from the Workforce Director, in addition to the existing project team.
- 2.3.2 **Bed reconfiguration:** - HEC is to note the update from the previous month; that the project team are aware of the requirement that a plan for phase 3 is required for October HEC, however the PMO cannot give assurance around progress made. The outputs from the bed modelling exercise need to be considered first to understand whether it is clinically safe for the Trust to close further beds.
- 2.3.3 **Unscheduled Care:** - Assurance could not be reviewed this month due to constraints on resource and capacity to make a timely submission. The PMO has ongoing concerns that there is insufficient resource to support the project team to deliver the suite of key objectives identified. HEC are asked to note the risk of non delivery and the impact to the over arching scheme bed reconfiguration.
- 2.3.4 **Diagnostic Test:** - HEC is to note: - The project remains on hold, however a paper has been drawn up for discussion at Executive level to agree the approach, prior to re entry into the PMO.
- 2.3.5 **Nursing, Flexible workforce reduction, Non contracted pay:** - Each of these schemes remain at stage 1 of the pipeline assessment and the PMO cannot engage assurance that savings will be delivered in line with CIP identified or that a QIA has been carried out. HEC are asked to note the negative variance against the plan within this financial year and the PMO cannot give assurance that even after re-scoping they will deliver during 2013/14

¹ See Page 2 S3.1 Status of the Programme at Month 5

² See Page 2

³ Workbooks and detailed assurance reviews are available from PMO@Sath.nhs.uk

3. Status of the Programme at Month 5

3.1 PMO assurance of financial performance

	Annual Target £'000	Month 5 YTD Target £'000	Month 5 YTD Actual £'000	Month 5 YTD Variance £'000
Total	16,918	4,762	2,533	- 2,229
Medical Consultants	1,000		11	11
WLI Payments	1,000	359	-	359
Nursing	400	125	-	125
Bed Reconfiguration				-
Theatres	500		62	62
Admin & Outpatients				-
Pathology Reconfiguration				-
Allied Health Professional				-
On Call Payments	500	96	48	- 48
Estates and Corporate Service	400		61	61
Temp Staffing Reductions - Non Medical	3,200	902	-	902
Temp Staffing Reductions - Medical	1,100	458	500	42
Diagnostic Tests				-
Coding Alterations	1,000	109	-	- 109
Procurement	1,000	192	63	- 129
Centre identified Non Pay schemes	1,047	435	260	- 175
VAT Charges - Locum Doctors	300	90	-	- 90
Reduce Non Pay Month 10	1,325	550	550	-
Sub Total	12,772	3,316	1,555	- 1,761
Bed Closures - Phase 1&2	3,396	1,133	512	- 621
Locum Doctor Usage	750	313	466	154
Sub Total	4,146	1,446	978	- 468

3.2 At M5 the PMO can only give assurance that at close of play on the 18.09.2012 **£2.533M** has been validated and delivered against a YTD plan of **£4.762**; resulting in a negative variances of **£2.229M**

3.3 84% of the slippage is a direct result of :-

3.3.1 **Non Medical Temp staffing:** - which remains a pipeline project for assurance cannot be given that the Trust will deliver the savings associated with this scheme. The Trust needs to reconsider its approach, timescales and communication strategy.

3.3.2 **Bed Closures:** - this is due to a number of linked factors;

3.3.2.1: - There is a direct impact from the lack of progress made in the enabling project Unscheduled Care to manage flow to ensure wards closure is sustained.

3.3.2.2: - The ongoing slippages to Phase 2 have impacted savings. (Failure to merge wards 22/24 CCU)

3.3.2.3: - Escalation was not considered as part of the project scope, which means demand and capacity has led to wards reopening. WTE reduction budgeted for this project was affected within the wards closed, however no reduction in nursing is being seen across the Trust, which indicate that it would be due to a growth in departments not covered by this project

3.3.3 **WLI Payments:** - the current expenditure trends indicate no savings will be delivered within 2012/13. In addition the PMO has concerns that this scheme should be removed from "Reducing Medical Spend Project" to ensure there is improved scrutiny and management of the trends analysed from the financial tracking. This recommendation is currently under consideration.

3.2 PMO assurance of quality

3.2.1 Improvements to document consideration of quality can be evidenced through the completion of a QIA submitted for review. A high level summary of the QIA completed is summarised below, with progress highlighted to the project team and relevant Executive Sponsor for each individual project.

3.2.2 Area's where the PMO cannot give assurance that a QIA has been initiated for it has not been submitted in line with the process flow; are **Nursing, Temporary Staffing and Non-contracted pay**.

August



July



4.0 Summary

In summary the PMO recommends all enabling projects are linked and managed to support delivery of the CIP schemes for failure to embed these weakens the trust position to maximise the potential CIP savings. Furthermore, the PMO recommends lessons are learnt from the planning and execution of the CIPS for 2012/13. The recommendation is these are considered earlier in the process and enter the PMO pipeline process in November 2012, with a view to hold each scheme to account and develop progress on a month by month basis in line with the pipeline stages 1, 2, 3. This should give improved assurance prior to April 2013 that the CIP methodology is robust, well thought out and the full year effect of the savings are then managed from April 2013.