

Cover page

Meeting	Public Board
Paper Title	Performance Management Arrangements 2020/21
Date of meeting	26 March 2020
Date paper was written	20 March 2020
Responsible Director	Chief Executive
Author	Louise Barnett

Executive Summary

It is extremely important, particularly from a CQC well-led perspective, that we ensure that high quality reporting, risk management and escalation processes are in place to support the delivery of our operational plan.

This paper proposes a number of improvements to the Trust's performance management arrangements for 2020/21 to strengthen the current approach, addressing the feedback from the CQC and building on the work that has already commenced (e.g. review of the Integrated Performance Report – see January board paper).

It is recommended that the Trust Board **notes** the contents of this paper and support the proposed approach.

Previously considered by	N/A
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The Board (Committee) is asked to:

<input type="checkbox"/> Approve	<input type="checkbox"/> Receive	<input checked="" type="checkbox"/> Note	<input type="checkbox"/> Take Assurance
To formally receive and discuss a report and approve its recommendations or a particular course of action	To discuss, in depth, noting the implications for the Board or Trust without formally approving it	For the intelligence of the Board without in-depth discussion required	To assure the Board that effective systems of control are in place

Link to CQC domain:

Safe

Effective

Caring

Responsive

Well-led

Link to strategic objective(s)

- PATIENT AND FAMILY Listening to and working with our patients and families to improve healthcare
- HEALTHIEST HALF MILLION Working with our partners to promote 'Healthy Choices' for all our communities
- LEADERSHIP Innovative and Inspiration Leadership to deliver our ambitions
- OUR PEOPLE Creating a great place to work

Link to Board Assurance Framework risk(s)

BAF risks 561 and 670

Equality Impact Assessment

- Stage 1 only (no negative impact identified)
- Stage 2 recommended (negative impact identified and equality impact assessment attached for Board approval)

Freedom of Information Act (2000) status

- This document is for full publication
- This document includes FOIA exempt information
- This whole document is exempt under the FOIA

Financial assessment

No financial impact

Main Paper

Situation

The quality of the Trust's performance management mechanisms and reporting need to be strengthened to increase executive and board assurance around operational plan delivery, whilst also supporting more timely and proactive decision-making so that potential risks and issues can be mitigated before they crystallise (wherever possible).

Background

The performance management arrangements currently in place need to be improved for 2020/21, particularly in relation to the quality of reporting, risk management and escalation processes that support the delivery of the Trust's operational plan. A number of focus areas have been identified:

- Improving up-front planning and prioritisation, increasing specificity around deliverables and setting more realistic short to medium term objectives
- Better alignment, clarity and transparency of key deliverables – particularly when delegating to teams and business owners across the organisation
- Enhancing quality, timeliness and proactivity of performance reporting and strengthening performance management processes, including mitigation planning and appropriate escalation
- Higher quality decision-making and more dynamic prioritisation processes, particularly when new emergent priorities require urgent management attention
- Increasing communication and engagement activities to keep teams, individuals and other stakeholders engaged and fully informed of progress/changes

Whilst work has already commenced on the development of solutions in these areas, over the last month management attention has been focused on the finalisation of the operational plan and budget for 2020/21 (as well as dealing with current operational challenges).

This paper outlines a proposed approach to address the areas of focus identified above, building on the work that has already started e.g. planned improvements to the Trust's Integrated Performance Reporting / dashboards (paper provided to the Board in January 2020).

Assessment

It is proposed that the Trust's performance management arrangements are strengthened to incorporate the output of the following activities:

- Review and alignment of executive portfolios and priorities
- Review and alignment of roles and accountabilities of supporting teams and groups, including assessment of delivery capacity and capability (incorporating care groups and other committees/groups)
- Review and alignment of Standing Orders, Standing Financial Instructions and Scheme of Delegation (to ensure that appropriate individuals and groups are fully empowered to make decisions)
- Review and development of the risk management framework
- Development of detailed plans to support the delivery of transformational objectives and goals - confirming business owners, support requirements and milestones
- Further development and finalisation of Integrated Performance Reporting and required performance dashboards ('single version of the truth'). Development and

implementation of a data quality 'kitemark' to provide increased assurance around the accuracy of performance information

- Development and roll out of a best practice performance and accountability framework (using the approach described in appendix 2). The framework will incorporate more rigorous performance management mechanisms, improvements to the flow of performance meetings and a focus on proactive risk analysis and decision-making
- Development and implementation of staff and stakeholder engagement activities to secure buy-in to both operational plan objectives and new performance management arrangements - timing and approach to be mindful of operational pressures (particularly COVID 19)

Proposed key milestones and timelines:

- New IPR/performance dashboards for 2020/21 approved – April
- New IPR/performance dashboards for 2020/21 implemented – May (month 1 reporting) onwards
- Performance management framework approved – April
- Operational Plan transformational objectives and goals finalised - April
- Initial engagement sessions with teams and staff members – May
- Roll out and embed new performance management arrangements – June onwards

Over the next few months, performance management arrangements will continue to operate in their current form (with incremental improvements) whilst we fully develop, implement and embed the proposed new arrangements. February (month 11) performance reports are attached at appendix 1 for information.

Recommendation

It is recommended that the Trust Board **notes** the contents of this paper and support the proposed approach.

Trust Performance Report Month 11

Trust Board
26th April 2020



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RTT

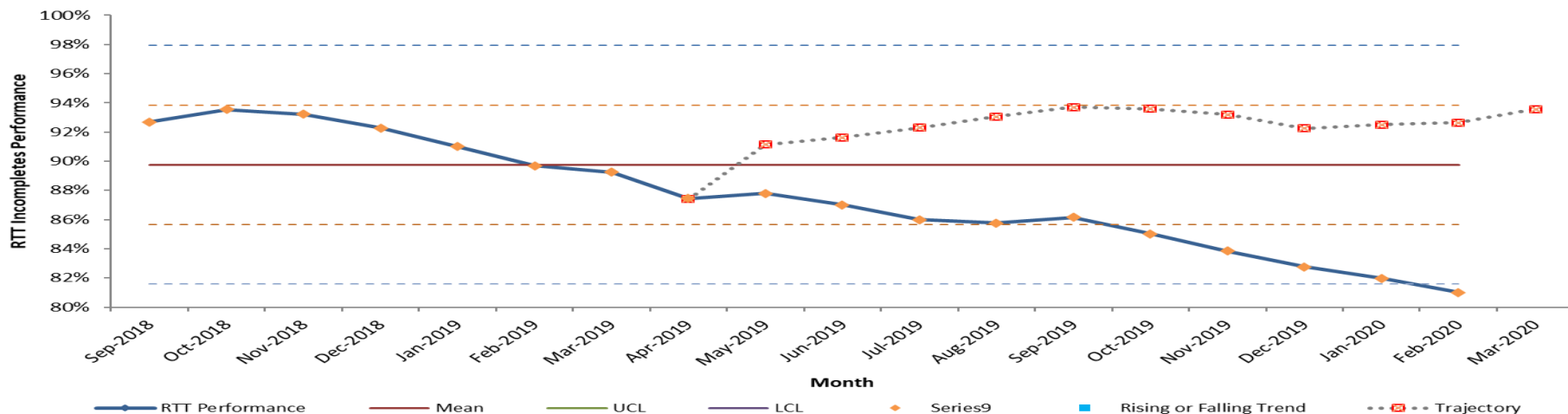


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Elective Activity - RTT 2019/2020 Trajectory

Please note the SPC graph has been calculated using 24 point, however only 14 points are illustrated

The Shrewsbury & Telford Hospitals NHS Trust - Referral to treatment Incompletes - Performance (92% standard)



Feb-20 Actual:	81.01%
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Feb-20 Trajectory:	92.64%
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Variance to Trajectory	-11.63%
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Feb 20 – month saw continued pressure on elective activity due to use of DSUs

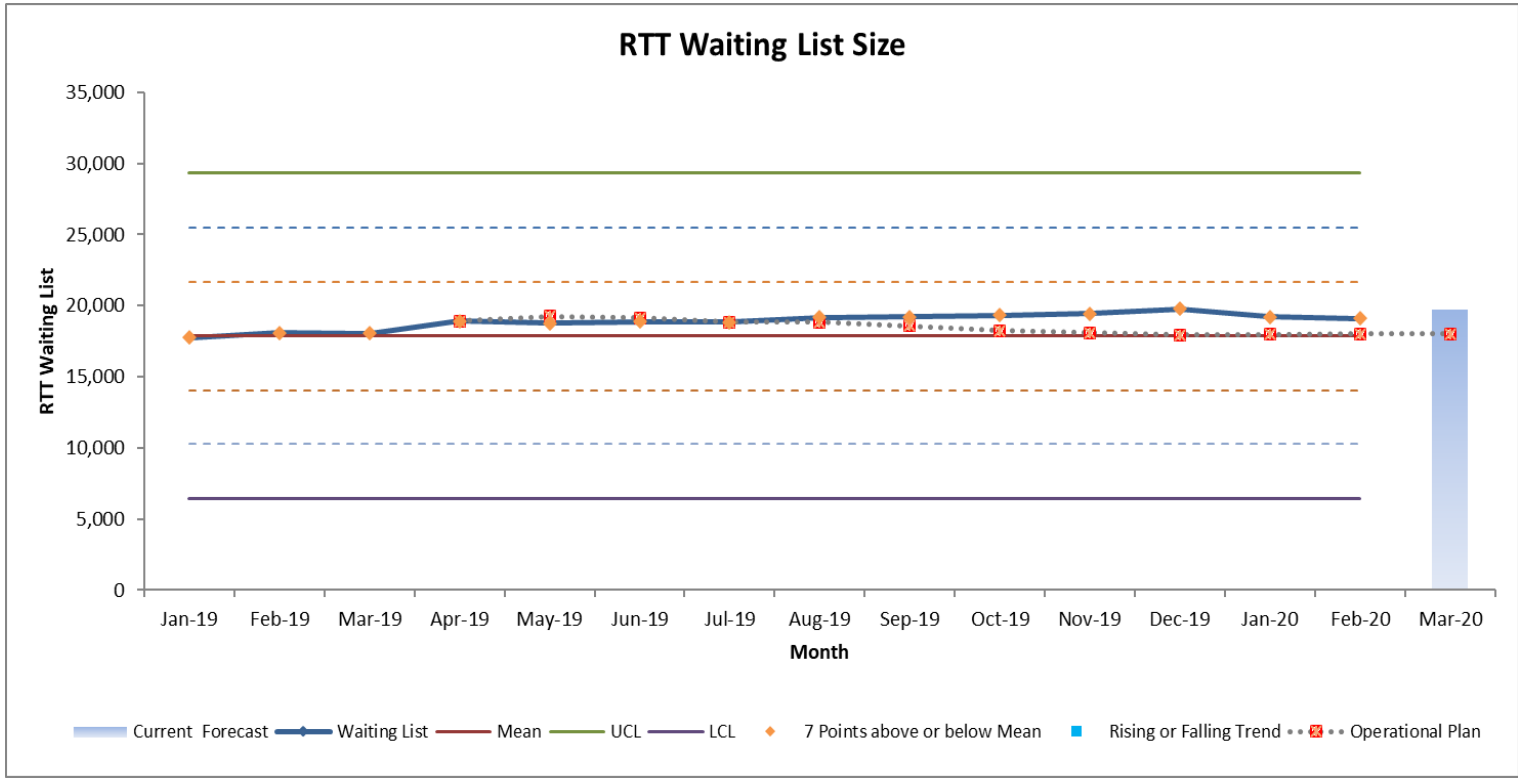
Key actions for March 2020 :

- Focus on Cancer and Urgent activity
- Dialogue with CCG re cancer and urgent referrals
- Capacity options reviewed in line with National Guidance

Key risks:

- Continued reduction in RTT f March 2020 given the current context.
- Increased 52 week waits – risk of circa 12 for March 2020

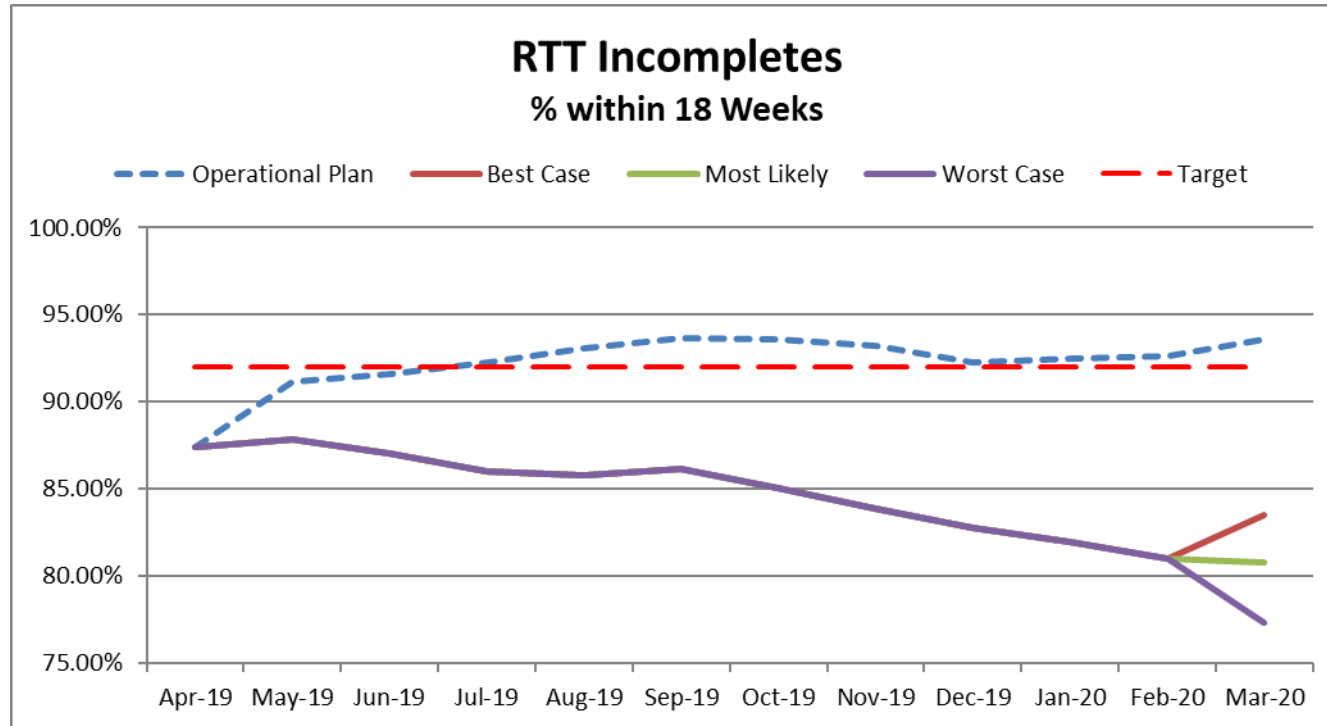
RTT Waiting List Size Projection



The total waiting list size for February is 19100, the proposed baseline for the Operational Plan 2020/21 is currently set at 19199. In January 2020 the number of 40+ week waiters stood at 131 - the number of 40+ week waits has risen to 160 for February 2020.



RTT Best, Most and Worst case



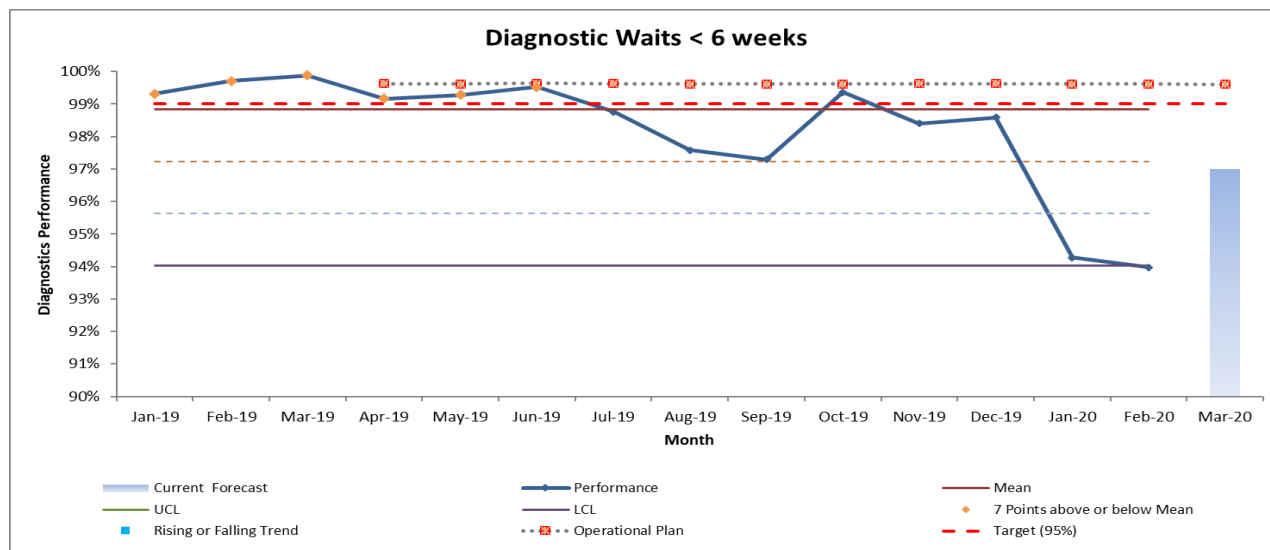
End of Feb position was close to the update 'most likely' position. This is based on historical data - impact of Covid-19 not currently modelled.

Diagnostics



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Diagnostics Waiting Time



Endoscopy remains close to 99% target

Key Actions:

Additional CT, Ultrasound and MRI sessions
Additional Cardio-respiratory sessions – gap is closing

Key Risks:

Covid 19 impact has resulted in significant changes to capacity for March

		Total WL	Total >6wks	Proc Perf	Total WL	Over 6wks	Performance
Imaging	Magnetic Resonance Imaging	2489	230	90.8%	7145	481	93.27%
	Computed Tomography	1578	111	93.0%			
	Non-obstetric ultrasound	3078	140	95.5%			
Physiological Measurement	Audiology - Audiology Assessments	349	5	98.6%	895	48	94.64%
	Cardiology - echocardiography	425	6	98.6%			
	Neurophysiology - peripheral neurophysiology	38	7	81.6%			
	Respiratory physiology - sleep studies	24	4	83.3%			
	Urodynamics - pressures & flows	59	26	55.9%			
Endoscopy	Colonoscopy	312	3	99.0%	1000	16	98.40%
	Flexi sigmoidoscopy	153	0	100.0%			
	Cystoscopy	127	8	93.7%			
	Gastroscopy	408	5	98.8%			
Total		9040	545		9040	545	93.97%

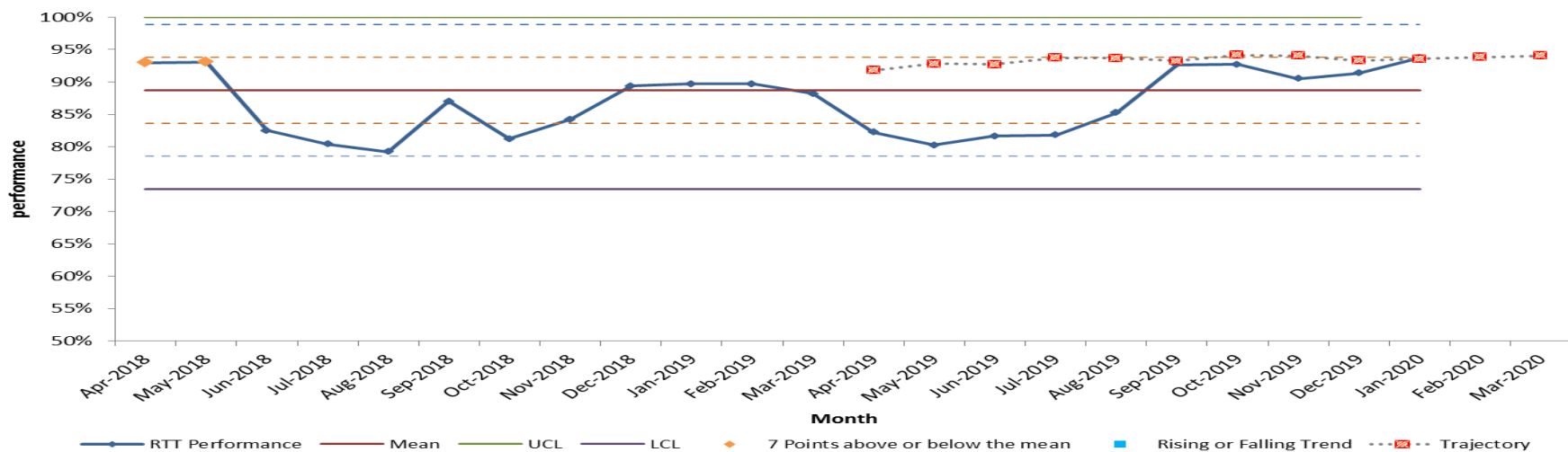
Cancer



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Cancer 2 Week Wait Trajectory 2019/20

The Shrewsbury & Telford Hospitals NHS Trust - 2 Weeks Wait (Cancer Suspected)



February 2020 predicted figures

Cancer Waiting Times - 2 Week Wait	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Trajectory Number Seen < 2 Wks	1,923	2,216	2,075	2,177	2,143	2,009	2,342	2,290	2,016	2,112	2,203	2,287
Trajectory Total Number Seen	2,095	2,388	2,238	2,322	2,288	2,154	2,487	2,435	2,161	2,257	2,348	2,432
Trajectory Performance % (93% standard)	91.8%	92.8%	92.7%	93.8%	93.7%	93.3%	94.2%	94.0%	93.3%	93.6%	93.8%	94.0%
Actual Number Seen < 2 Wks	1905	1843	1914	2073	1980	2083	2336	2175	2132	2043	2169	
Actual Total Number Seen	2317	2296	2344	2535	2322	2248	2520	2403	2334	2180	2289	
Actual Performance % (93% standard)	82.2%	80.3%	81.7%	81.8%	85.3%	92.7%	92.7%	90.5%	91.3%	93.7%	94.8%	

Key Actions 2020

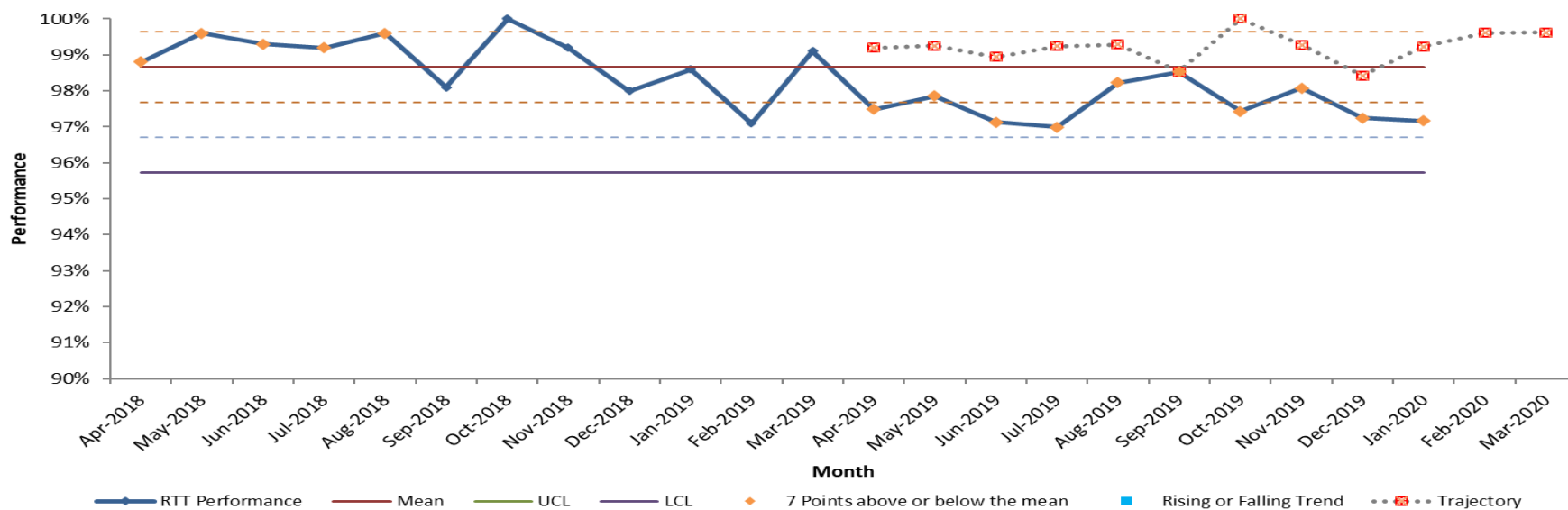
- Continue to introduce telephone booking as preferential booking format for additional specialties.
- The use of the electronic triage function to further speed up the triage process for 2WW referrals

Key Risks

- Delay in GMC registration for consultant radiologist, expected to be approved by March 2020.
- Capacity for all 2 week wait patients in target.
- Covid-19 will impact in March 20

Cancer Performance 31 Day Wait Summary

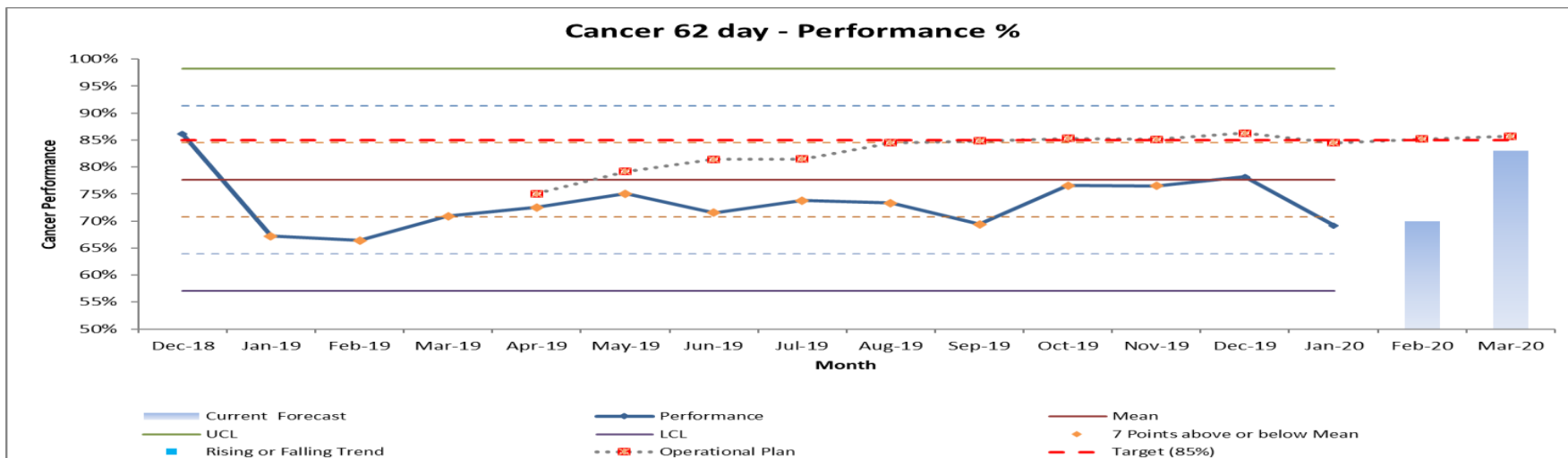
The Shrewsbury & Telford Hospitals NHS Trust - 31-Days Wait (First Treatment)



February 2020 predicted figures

Cancer Waiting Times - 31 Day First Treatment	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Number Treated < 31 Days	248	267	280	262	280	270	273	275	249	260	254	268
Total Number Seen	250	269	283	264	282	274	273	277	253	262	255	269
Performance % (96% standard)	99.2%	99.3%	98.9%	99.2%	99.3%	98.5%	100.0%	99.3%	98.4%	99.2%	99.6%	99.6%
Number Treated < 31 Days	272	274	237	290	277	269	303	256	248	274	218	
Total Number Seen	279	280	244	299	282	273	311	261	255	282	226	
Performance % (96% standard)	97.5%	97.9%	97.1%	97.0%	98.2%	98.5%	97.4%	98.1%	97.3%	97.2%	96.5%	

Cancer 62 Day GP Referral



February 2020 predicted figures

Cancer Waiting Times - 62 Day GP Referral	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Ongoing Forecast - Number Treated < 62 Days	106	122	132	115	142	87	94	123	118	123	103	111
Total Number Seen	141	154	162	141	168	129	133	162	153	161	129	133
Performance % (85% standard)	75.1%	79.2%	81.4%	81.5%	84.5%	67.7%	70.9%	76.2%	77.1%	76.4%	80.2%	83.5%
Number Treated < 62 Days	114.5	122	109.5	125.5	103	100	136	114	115	117	87	
Total Number Seen	158	162.5	153	170	140.5	144	177.5	149	147	169	135	
Performance % (85% standard)	72.5%	75.1%	71.6%	73.8%	73.3%	69.4%	76.6%	76.5%	78.2%	69.2%	64.4%	

Key Actions

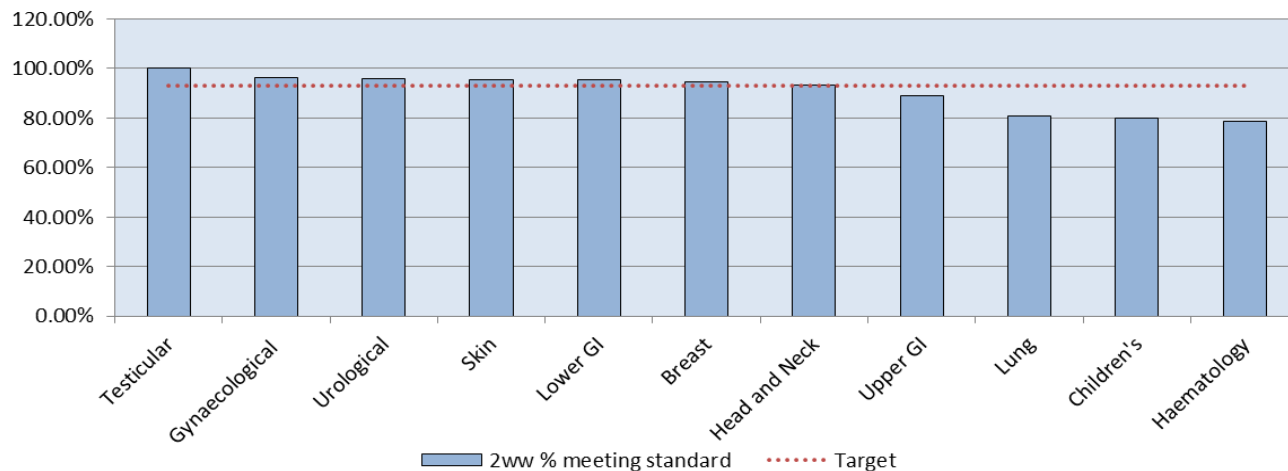
- Introduction of weekly Cancer Assurance and Performance meetings
- Macmillan project managers aligned to key specialties
- Capacity review
- NHSI supported improvement planning

Key Risks

- Urology capacity due to workforce gaps .
- Anaesthetic capacity to support additional lists
- Impact of 2ww lung capacity on 62 day performance.

Cancer Performance By Tumour – January 2020

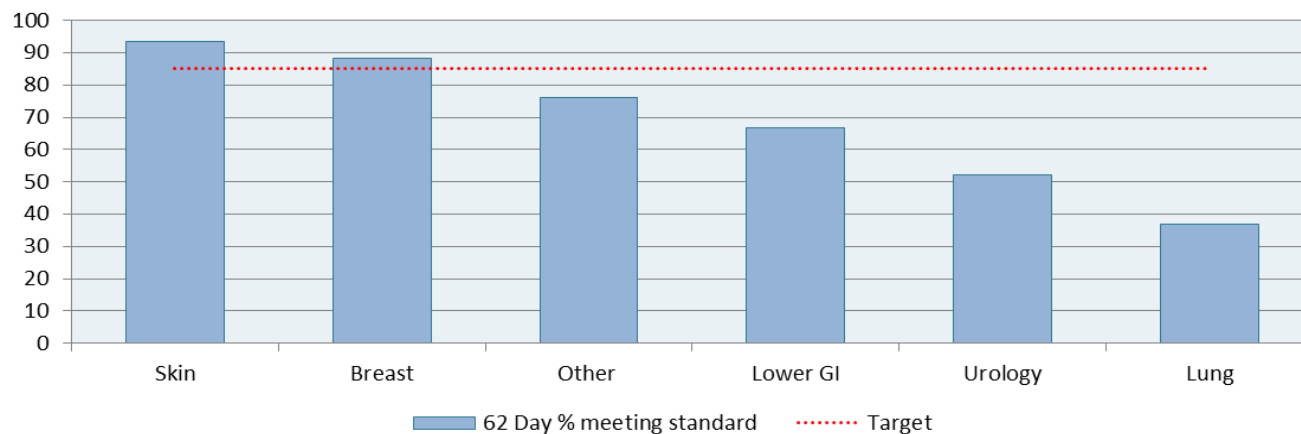
2 Week Wait % Meeting National Standard



2 Week Wait:

There are currently significant delays for Oncology appointments for certain specialties (up to 3 weeks or more) as a result of capacity issues.

62 Day % Meeting National Standard



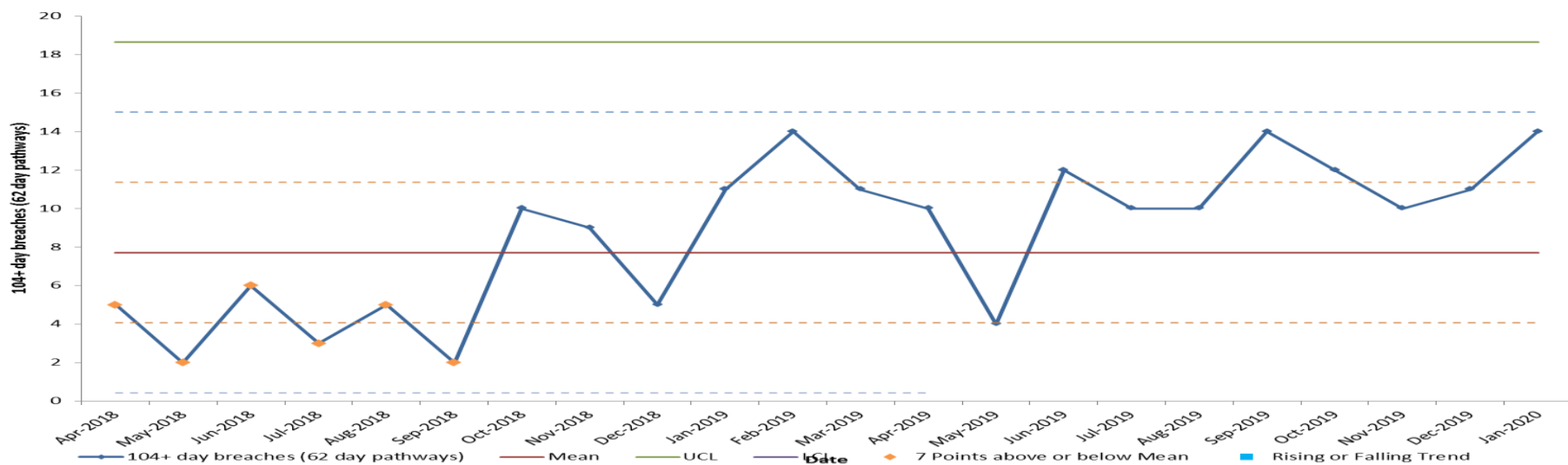
62 Day:

Current prediction for February 2020 is at 80.2%. The reduction in performance is as a result of clearing the backlog of patients waiting over 62 days.

Lung, Urology and Lower/Upper GI remain risk areas

104 day breaches

The Shrewsbury & Telford Hospitals NHS Trust - 104+ day breaches (62 day pathways)



The following patients received their first definitive treatment for cancer after 104 days in January 2020 (the target for referral to treatment being 62 days):-

- 1 x Colorectal (105 days) - Delays for multiple diagnostics
- 1 x Colorectal (118 days) - Treatment delayed for medical reasons.
- 1 x Gynae (109 days) - Treatment delayed for medical reasons
- 1 x Haematology (167 days) - Clinical decision / patient choice.
- 1 x UGI (107 days) - Complex diagnostic pathway
- 1 x UGI (115 days) - Complex pathway / treatment delayed for medical reasons. Initial referral to colorectal.
- 1 x UGI (142 days) - Delays following tertiary referral - referral made to QE day 31

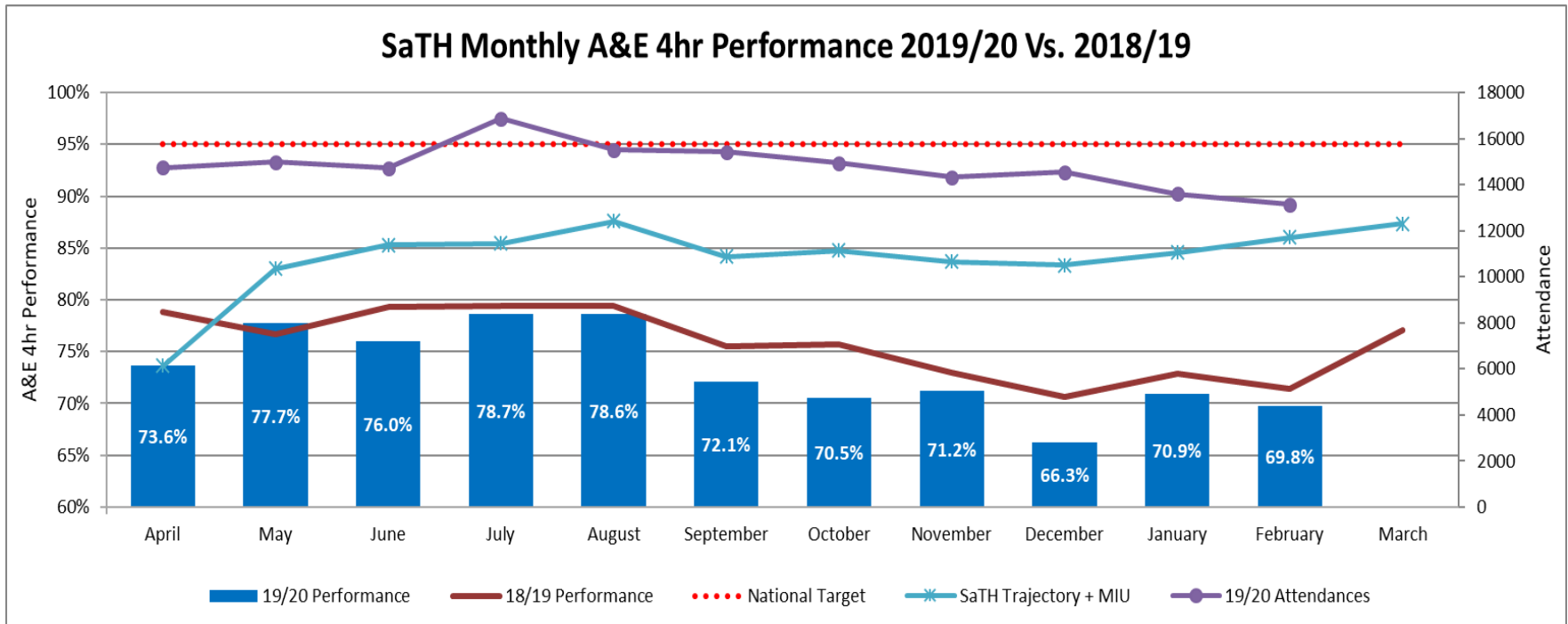
- 1 x Urology (115 days) - Elective capacity inadequate / delay for diagnostics.
- 1 x Urology (151 days) - Diagnosis delayed for medical.
- 1 x Urology (122 days) - Late tertiary referral / delays following tertiary referral
- 1 x Urology (105 days) - Diagnosis delayed for medical reasons
- 1 x Urology (113 days) - Delay for diagnostics / elective capacity / patient choice.
- 1 x Urology (137 days) - Delays for diagnostics.
- 1 x Urology (134 days) - Patient choice to delay diagnostic

Urgent Care Update



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A&E Performance



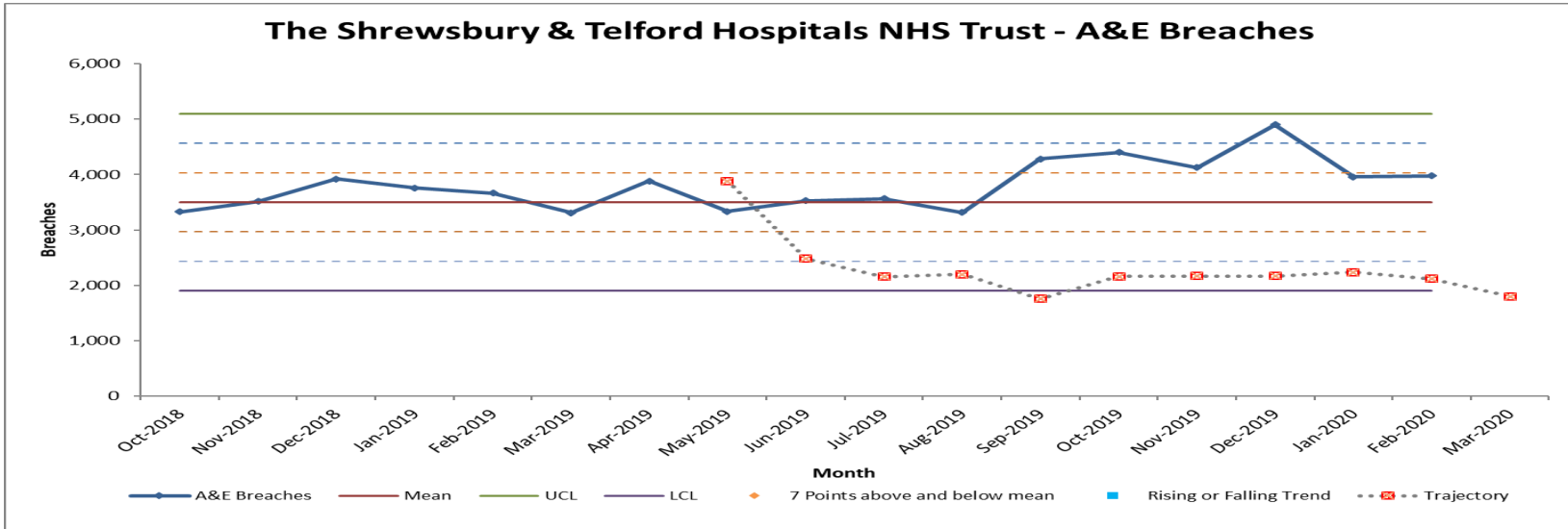
The following recovery actions are included within the trajectory:

- Reduction in 4 - 4 1/2 hour breaches - validation process
- Maintaining Minors performance
- Utilisation of CDU
- Paediatric patients streamed/triaged
- Involvement of specialties in timely assessment and transfer

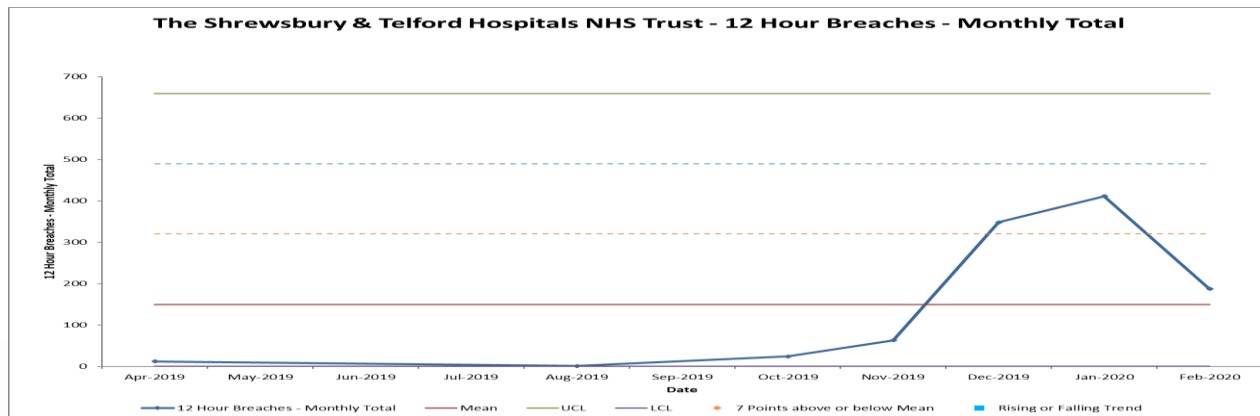
- Improved ED systems and processes
- Adhering to Internal Professional Standards

A&E Breaches

Please note the SPC graph has been calculated using 24 point, however only 14 points are illustrated

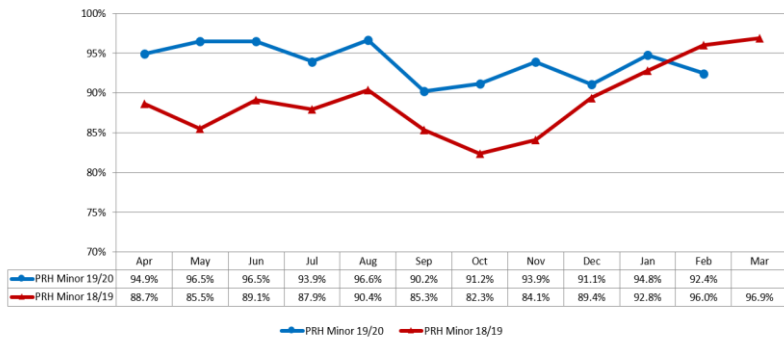


Feb-20 Actual:	3,976	Feb-20 Trajectory:	2,482	Variance to Trajectory	1,494
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Minor 4 Hours Performance

PRH Minor (by location) Performance



Attendance Comparison
Feb-20 Vs. Feb-19

-6.2%

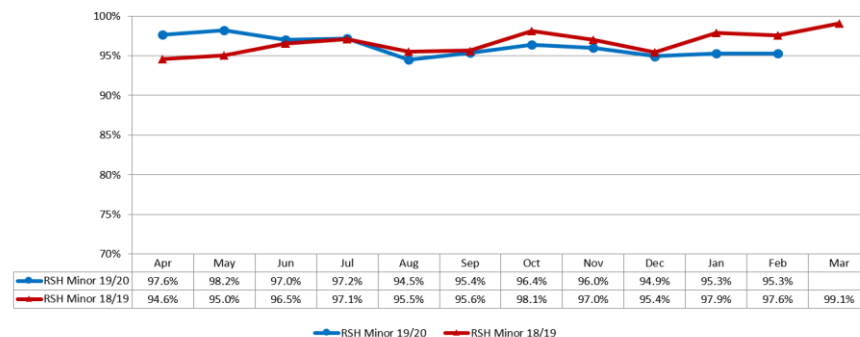
Breach Comparison
Feb-20 Vs. Feb-19

76.8%

Performance Comparison
Feb-20 Vs. Feb-19

-3.5%

RSH Minor (by location) Performance



Attendance Comparison
Feb-20 Vs. Feb-19

-2.5%

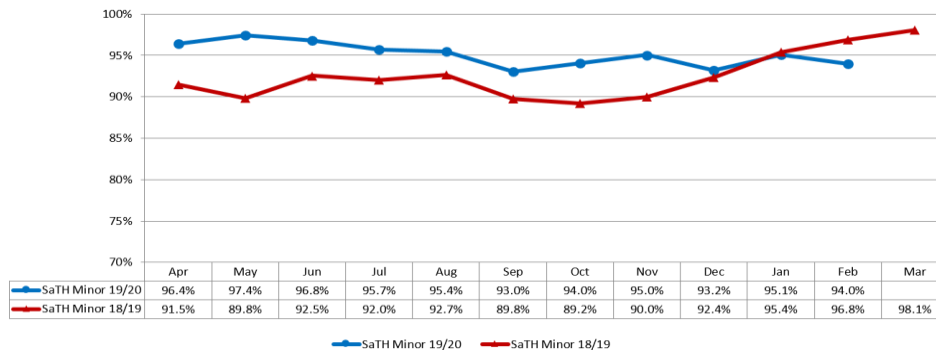
Breach Comparison
Feb-20 Vs. Feb-19

91.5%

Performance Comparison
Feb-20 Vs. Feb-19

-2.3%

SaTH Minor (by location) Performance



Attendance Comparison
Feb-20 Vs. Feb-19

-4.2%

Breach Comparison
Feb-20 Vs. Feb-19

82.8%

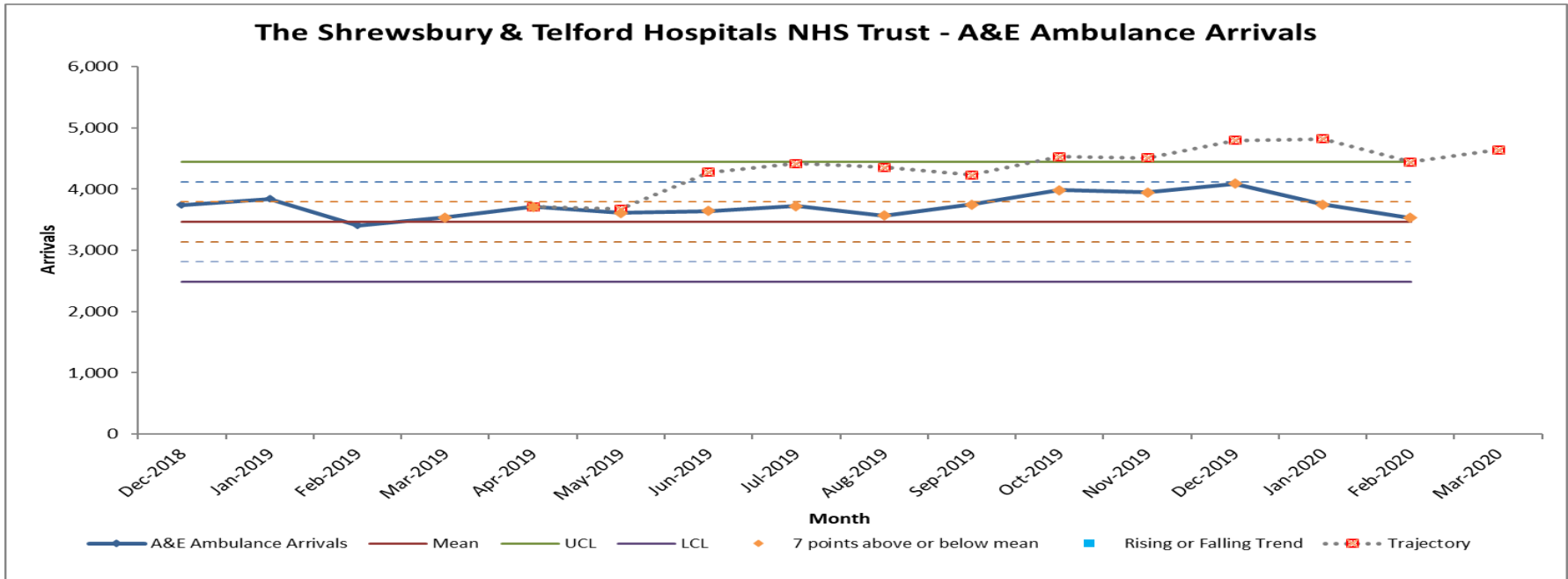
Performance Comparison
Feb-20 Vs. Feb-19

-2.9%

Ambulance arrivals and handover delays

Please note the SPC graph has been calculated using 24 point, however only 14 points are illustrated

Feb-20 Actual Arrivals:	3,533	Feb-20 Trajectory:	4,442	Variance to Trajectory	-909
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Handover breaches by time band for Feb 2020:

Please note based on WMAS Figures

	Trajectory			Actual			% Variance Trajectory vs Actual		
	15-30 mins	30-60 mins	>60mins	15-30 mins	30-60 mins	>60mins	15-30 mins	30-60 mins	>60mins
Feb-20	2,357	704	159	1,391	785	236	-40.98%	11.51%	48%

The volume of Ambulance demand has continued to remain below initial predictions in Feb, although peaks on certain times/days remain challenging. SATH continues to work with system wide handover group and West Midlands Ambulance Service to reduce overall handover delays and drive alternate pathways.

As part of recent Risk Summit actions, 7 vehicles per day are being transferred from SATH to UHNM and RWT (primarily 0800-1200)

Finance Report Month 11



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Finance Overview Month 11 – In month

	Annual	In Month		
	NHSI Plan	Plan	Actual	Variance
	£000s	£000s	£000s	£000s
Income	345,477	28,253	29,105	852
<i>Income for pass through costs (Excluded medicines and devices)</i>	33,382	2,731	3,151	420
Pay	(273,760)	(23,248)	(24,515)	(1,267)
Non-Pay & General Reserves	(76,109)	(6,349)	(9,297)	(2,948)
<i>Non-pay pass through costs</i>	<i>(33,382)</i>	<i>(2,731)</i>	<i>(3,151)</i>	<i>(420)</i>
Reserves	1,200	100	0	(100)
Total expenditure	(382,051)	(32,228)	(36,963)	(4,735)
EBITDA	(3,192)	(1,244)	(4,707)	(3,463)
Finance Costs	(14,159)	(1,135)	(698)	437
Surplus/(deficit) against Control Total pre Support	(17,351)	(2,379)	(5,405)	(3,026)
<i>Provider Support</i>	17,351	1,866	397	(1,469)
<i>Surplus/(deficit) against Control Total post PSF</i>	0	(513)	(5,008)	(4,495)

Key Message

- In month the Trust has an adverse variance to plan, and therefore control total, of £4.5m. Key points of note include:

Income – £1.3m above planned levels in-month (excluding pass through and provider support)

- Pass through income is £0.4m above plan and offsets the additional expenditure in-month.

Pay – £1.3m above plan

- Pay expenditure in month 11 increased by £0.2m compared to month 10.
- Within the month 11 position non-delivery of CIP amounted to £0.1m, and agency usage is £0.7m above plan.

Non Pay – £3.3m above plan

- CNST Repayment, £1.0m
- Diagnostic reporting and send away tests, £0.6m
- Non-delivery of CIP, £0.2m
- Pass through devices £0.4m
- Clinical supplies, £0.3m
- Estates Maintenance contracts, £0.2m
- Drugs, £0.2m
- Overseas Nursing Recruitment Fees, £0.2m
- Radiology legacy Equipment, £0.1m
- Purchase of care home beds £0.1m

Provider support has been adjusted in light of the Trust's current forecast outturn, and this creates a £1.5m in-month adverse variance.

Finance Overview Month 11 – Year to Date

	Annual	YTD		
	NHSI Plan	Plan	Actual	Variance
	£000s	£000s	£000s	£000s
Income	345,477	316,853	329,194	12,341
<i>Income for pass through costs (Excluded medicines and devices)</i>	33,382	30,622	30,901	279
Pay	(273,760)	(251,718)	(260,234)	(8,516)
Non-Pay & General Reserves	(76,109)	(71,029)	(88,313)	(17,284)
<i>Non-pay pass through costs</i>	(33,382)	(30,622)	(30,901)	(279)
Reserves	1,200	1,100	1,200	100
Total expenditure	(382,051)	(352,269)	(378,248)	(25,979)
EBITDA	(3,192)	(4,794)	(18,153)	(13,359)
Finance Costs	(14,159)	(12,509)	(11,771)	738
Surplus/(deficit) against Control Total pre Support	(17,351)	(17,303)	(29,924)	(12,621)
<i>Provider Support</i>	17,351	15,488	8,770	(6,718)
Surplus/(deficit) against Control Total post PSF	0	(1,815)	(21,154)	(19,339)

Income & Expenditure Position Month 11, Year to Date

The Trust has a planned deficit, pre support funding, of £17.3m for the period April 2019 to February 2020. The actual deficit reported for the same period is £29.9m, being £12.6m adverse to plan.

Income – £12.6m favourable variance, excluding provider support funding

- Non elective activity £2.4m (0.3%) above plan.
- A&E activity £0.9m (3.5%) above plan.
- Non Elective Other (Maternity) £1.7m
- Additional £0.3m for posts funded externally including Health Education England.
- Deferred Income and Education income release £0.4m
- Assumed Readmission income of £1.5m
- FIT Monies (Bowel Screening Equipment) of £0.6m

Pay – £8.5m adverse variance, as a result of an overspend on agency costs of £6.7m and non delivery of CIP of £2.4m.

Non Pay (excl. pass through) – £17.3m adverse variance, main drivers:

- Additional senior appointments and organisational change payments £1.0m; CNST Repayment £1.0m; diagnostic reporting £2.4m; non delivery of CIP of £4.6m; additional costs of clinical waste, estate costs and facilities costs £2.3m; Clinical supplies £1.7m; RN recruitment £0.8m.

Balance Sheet Review £1.2m. Release of Balance Sheet items transacted in the Month 3 financial position.

Provider support funding – £6.7m adverse variance. The level of funding due to be received has been adjusted in light of the Trust's forecast outturn position.

Forecast Outturn. At Month 10 the Trust reported a forecast outturn deficit of £35.4m. A re-assessment of the forecast at Month 11, indicates that the most likely outturn remains a deficit of £35.4m, pre support funding.

Income Analysis by Activity Type

	YTD Budget	YTD Actual	Variance	Variance %	YTD Budget	YTD Actual	Financial Variance Value
	Activity	Activity	Activity		£000s	£000s	£000s
Accident and Emergency (Attendances)	116,397	120,586	4,189	3.5%	17,688	18,597	909
Outpatient Appts (Attendances)	394,778	390,726	(4,052)	(1.0%)	47,826	47,614	(212)
Elective Day Cases	47,115	46,896	(219)	(0.5%)	29,808	29,030	(778)
Elective Inpatient (Spells)	4,597	4,960	363	7.3%	14,311	16,349	2,038
Non Elective (Spells)	54,807	54,956	149	0.3%	113,877	116,312	2,435
Non Elective Other	4,914	5,699	785	13.8%	10,262	11,916	1,654
Others (Inc Reserves)					113,703	120,278	6,574
Total	622,606	623,823	1,217	0.2%	347,475	360,095	12,620
Provider Sustainability Funding (PSF)					15,488	8,770	(6,718)
Total after PSF	622,606	623,823	1,217	0.2%	362,963	368,865	5,902

Key Messages

- Income over performance of £12.6m year to date, excluding support. Non elective activity above plan by 0.3%, and circa 9% higher than activity levels in 18/19
- The Trust has now agreed a full-year settlement with its two main commissioners.

Other Points of note:

- Accident and Emergency attendances are above planned levels by 3.5%, creating a positive variance to plan of £0.9m.
- Outpatient attendances are under planned levels by 1%
- Elective Inpatient spells are above planned levels by 363 spells, with a positive financial variance of £2m
- Non Elective activity is 149 spells, 0.3%, higher than the planned levels; this includes the clinical decisions unit (CDU) at the PRH site
- Blended tariff adjustment – the contract adjustment to income values for non elective and Accident & Emergency activity amounted to £6.1m
- Other income includes readmissions income of £1.5m and FIT (Bowel Screening Equipment) monies of £0.6m

CIP Delivery

CIP Programme	Year to Date			Forecast Outturn		
	Plan £000s	Actual £000s	Variance £000s	Plan £000s	Actual £000s	Variance £000s
Internal Core CIP Plan	11,743	4,047	(7,696)	12,901	4,870	(8,031)
Breakeven Schemes	5,751	5,349	(402)	5,988	5,930	(58)
Total	17,494	9,396	(8,098)	18,889	10,800	(8,089)

The Trust has delivered £9.40M CIP as at Month 11. This is made up of:

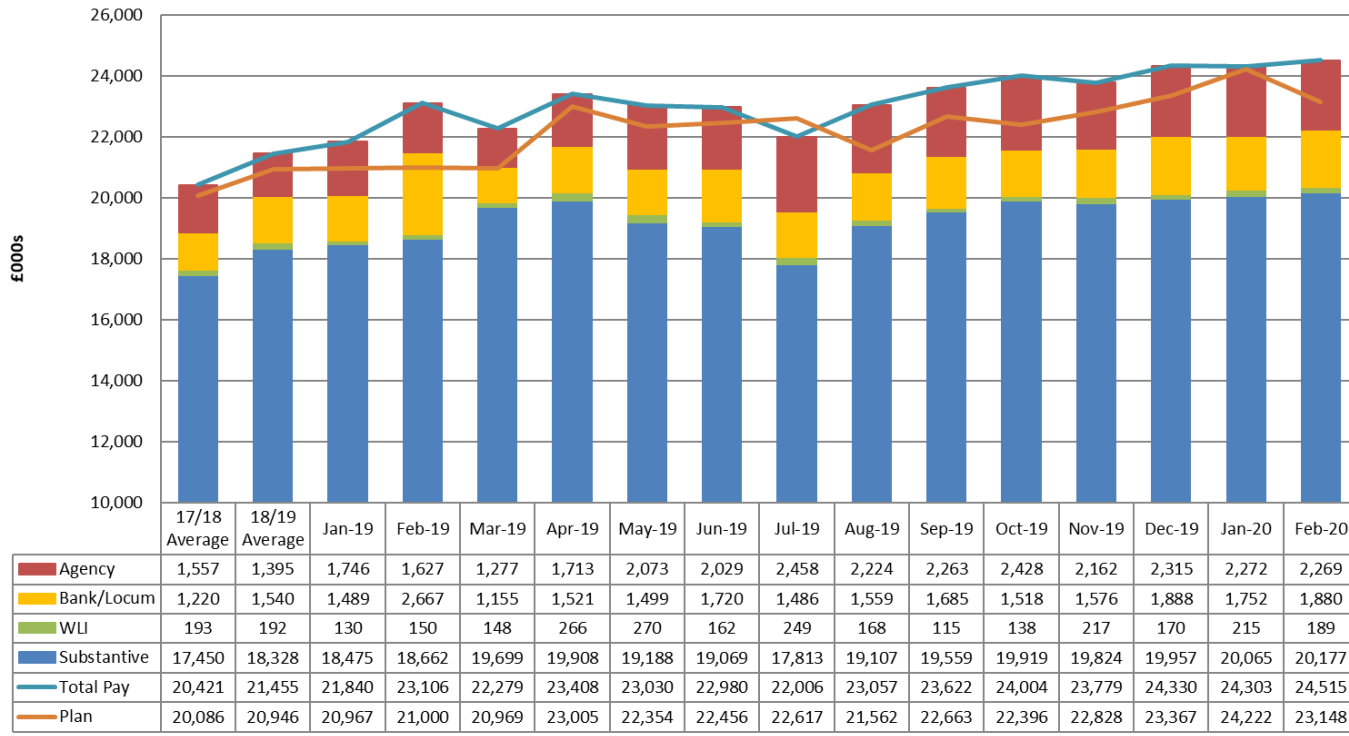
- Core CIPs have delivered £4.05m year to date against the NHSI submitted plan of £11.74m (34%). In month delivery of £0.43m. This is made up of £2.18m Recurrent and £1.87m Non-recurrent.
- Break-even schemes have delivered £5.35m YTD against a plan of £5.75m (93%). In month delivery of £0.36m. This is made up of £0.92m Recurrent and £4.43m Non-recurrent.
- As a result, the overall YTD CIP position is £9.40m delivered against an overall YTD Plan (Core + Breakeven) of £17.49m (53% of YTD delivery).

The forecast outturn position includes the following:

- In delivery Core schemes are forecasting £4.87m of the £12.90m target (38%). A reduction of £0.36m from M10. This is made up of £2.44m Recurrent and £2.43m Non-recurrent.
- In delivery Break-even schemes are forecasting £5.93m of the £5.99m target (99%). An increase of £0.05m from M10. This is made up of £1.01m Recurrent and £4.91m Non-recurrent.
- As a result, the overall (Core + breakeven) forecast of in-delivery schemes is £10.80m of its £18.89m target (57%). A reduction of £0.14m from M10.

Pay 2019/20

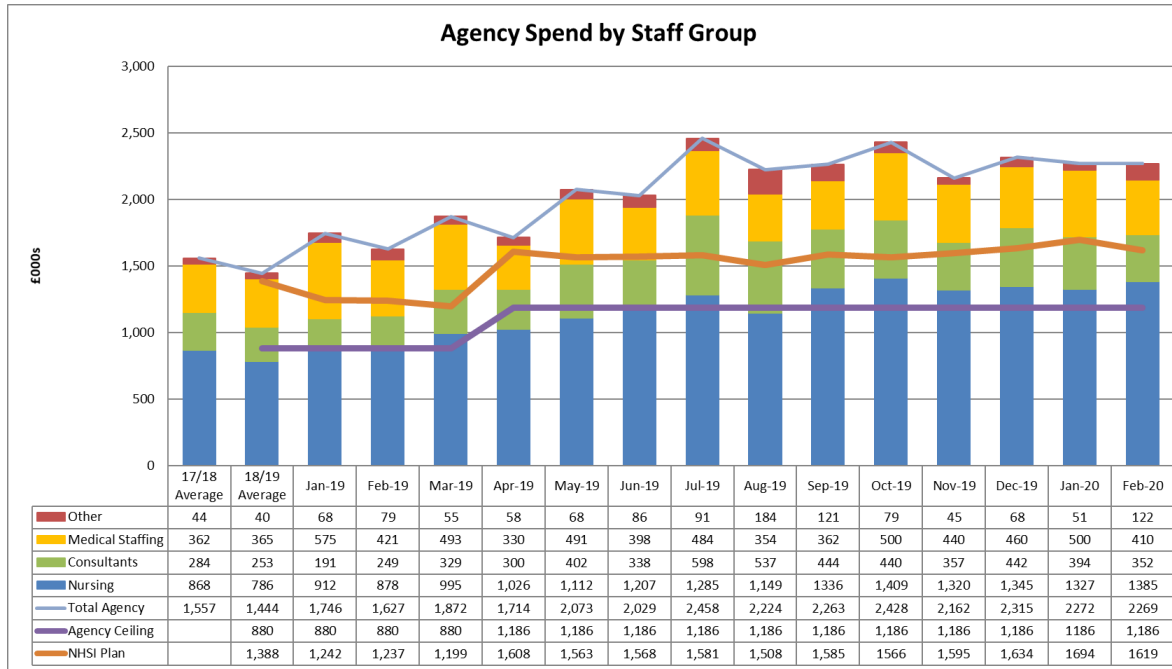
Pay Costs by Element



Key Messages

- At the end of February the pay budget is overspent by £8.5m, as a result of an overspend on agency costs (£6.7m), and non delivery of CIP (£2.4m).
- The overall run rate for February is £0.21m higher than January, within which Substantive staff costs have increased by £0.11m.
- The Trust continues to spend, on average, £1m per month more on agency than recorded in the previous year.
- The operationalisation of the ED nursing business case continues to be a financial concern with an increasing reliance on agency, which forms part of the Trust's increased spend compared to the previous year.
- Pay costs include the impact of an increase to bank rates for RNs (in ED and the existing enhanced areas) and HCAs from December onwards.
- The Trust, alongside Deloitte, have weekly panels to review the key staff groups using agency, with the aim of reducing this usage.

Agency Expenditure 2019/20

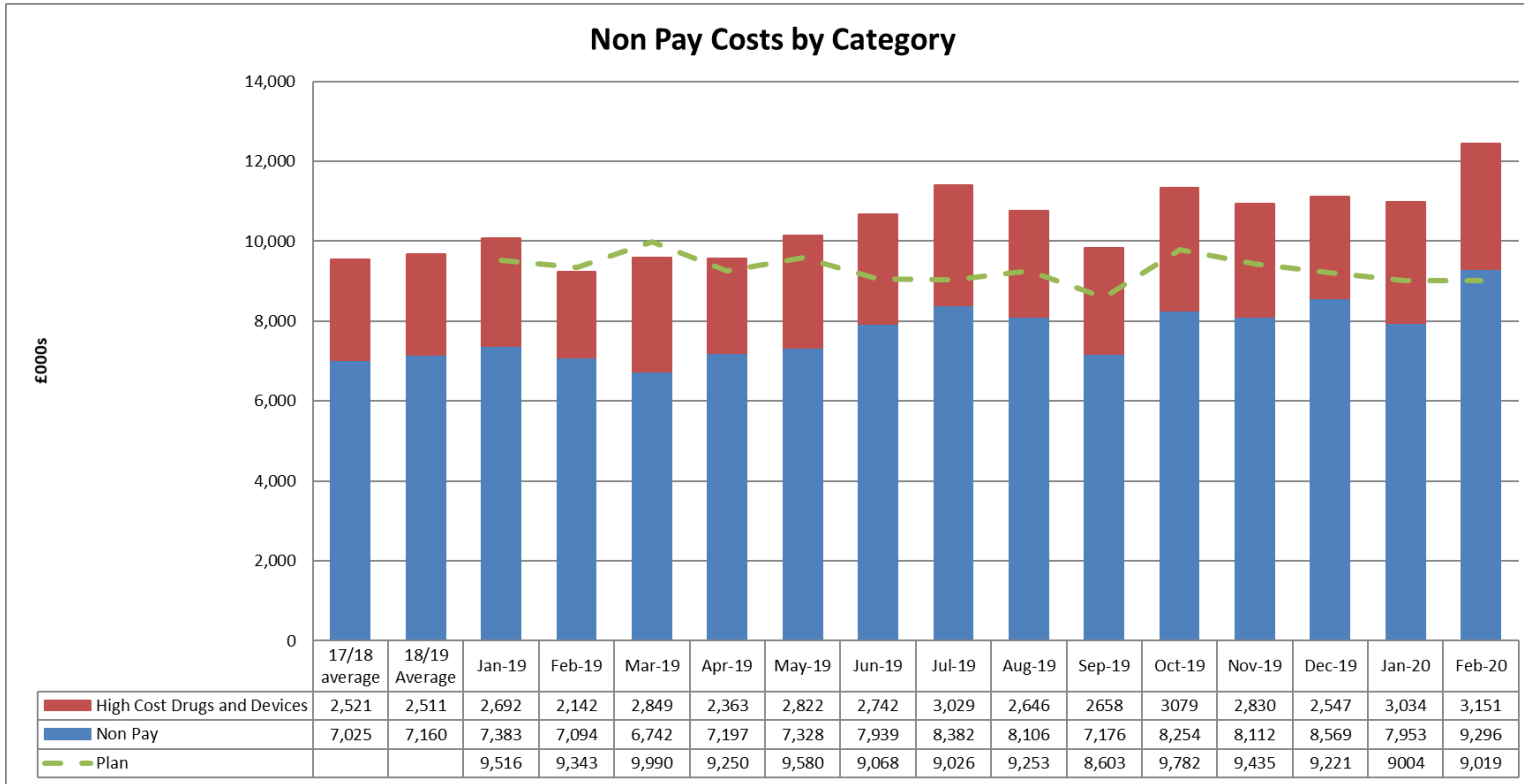


Annual		YTD					In Month		
Agency Ceiling	NHSI Agency Plan	Agency Ceiling Plan	Agency NHSI Plan	Agency Expenditure Actual	Variance Under/ (Over) Agency Ceiling	Variance Under/ (Over) Agency NHSI Plan	Agency NHSI Plan	Agency Expenditure Actual	Variance Under/ (Over) Agency NHSI Plan
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
14,232	19,153	13,046	17,521	24,206	(11,160)	(6,685)	1,619	2,269	(650)

Key Messages

- Agency expenditure has exceeded budget by £0.7 m in month, £6.7m year to date, associated with unavailability and capacity issues.
- Expenditure in February is £0.8m more in the month than the average for 2018/19.
- The annual plan for agency is £19.1m, with a nationally set agency ceiling of £14.2m.

Non Pay



Key Messages

- Month 11 non pay spend, excluding drugs and devices, was £9.3m in month and £88.3m for the year to date.
- Excluding pass through drugs and devices, in month non pay was overspent by £3.3m, and by £17.6m for the year to date. See Financial Overview for further details.
- The Month 11 position includes the repayment of prior year CNST rebate.

Forecast Outturn

	In-month			Year to Date			Forecast Outturn		
	Plan £000s	Actual £000s	Variance £000s	Plan £000s	Actual £000s	Variance £000s	Plan £000s	Actual £000s	Variance £000s
Income inc. pass through	30,984	32,256	1,272	347,475	360,095	12,620	381,059	392,791	11,732
Pay	(23,148)	(24,515)	(1,367)	(250,618)	(259,034)	(8,416)	(273,760)	(283,946)	(10,186)
Non-Pay inc. pass through	(9,080)	(12,448)	(3,368)	(101,651)	(119,214)	(17,563)	(110,491)	(130,962)	(20,471)
Total Expenditure	(32,228)	(36,963)	(4,735)	(352,269)	(378,248)	(25,979)	(384,251)	(414,908)	(30,657)
EBITDA	(1,244)	(4,707)	(3,463)	(4,794)	(18,153)	(13,359)	(3,192)	(22,117)	(18,925)
Financing Costs	(1,135)	(698)	437	(12,509)	(11,771)	738	(14,159)	(13,266)	893
Surplus/(deficit) against Control									
Total pre support funding	(2,379)	(5,405)	(3,026)	(17,303)	(29,924)	(12,621)	(17,351)	(35,383)	(18,032)
Provider Support	1,866	397	(1,469)	15,488	8,770	(6,718)	17,351	9,166	(8,185)
Surplus/(deficit) against Control									
Total post support funding	(513)	(5,008)	(4,495)	(1,815)	(21,154)	(19,339)	0	(26,217)	(26,217)

- The forecast outturn at month 10 was a £35.4m deficit (pre support funding) . A review of the month 11 information has not altered the most likely outturn of £35.4m deficit.
- The forecast income position includes the end of year settlement reached with the Trust's two main commissioners.
- CIP delivery within the forecast outturn is £4.87m against internal core schemes, and £5.93m against break-even schemes.
- There are a number of risks that continue to be monitored which include CIP delivery, Linen & laundry outsourcing and Pathology send away tests. The scale of these risks could be between £0.3m and £0.5m.

Appendices

Normalised Income and Expenditure

Underlying I&E Position

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Income (excluding PSF & Passthrough)	29,238	28,800	31,057	30,014	30,312	32,764	30,311	29,014	27,802	30,776	29,105	329,192
<i>Passthrough Income (excluded medicines and devices)</i>	<i>2,363</i>	<i>2,829</i>	<i>2,735</i>	<i>3,028</i>	<i>2,646</i>	<i>2,658</i>	<i>3,080</i>	<i>2,809</i>	<i>2,568</i>	<i>3,034</i>	<i>3,151</i>	<i>30,901</i>
Income finalisation phasing	(566)	926	105	640	(1,009)	565	(36)	161	795	(500)	(1,081)	0
Pay	(23,408)	(23,029)	(22,980)	(23,206)	(23,057)	(23,624)	(24,002)	(23,780)	(24,330)	(24,303)	(24,515)	(260,234)
Non-Pay (exc Passthrough)	(7,268)	(7,251)	(7,945)	(8,382)	(8,108)	(7,176)	(8,254)	(8,128)	(8,549)	(7,955)	(9,297)	(88,313)
<i>Passthrough costs</i>	<i>(2,363)</i>	<i>(2,829)</i>	<i>(2,735)</i>	<i>(3,028)</i>	<i>(2,646)</i>	<i>(2,658)</i>	<i>(3,080)</i>	<i>(2,809)</i>	<i>(2,568)</i>	<i>(3,034)</i>	<i>(3,151)</i>	<i>(30,901)</i>
Balance Sheet Write off			1,200									1,200
EBITDA	(2,004)	(554)	1,437	(934)	(1,862)	2,529	(1,981)	(2,734)	(4,282)	(1,982)	(5,788)	(18,154)
Finance Costs	(1,073)	(1,140)	(1,104)	(1,109)	(1,118)	(1,093)	(1,104)	(1,106)	(1,106)	(1,106)	(698)	(11,757)
Actual Deficit exc PSF	(3,077)	(1,694)	333	(2,043)	(2,980)	1,436	(3,085)	(3,840)	(5,388)	(3,088)	(6,486)	(29,911)
less Non Recurrent												0
Phased Income Adjustment			(1,600)			(1,300)	500	500	1,900			0
Release of Deferred Income						(125)						(125)
Release of HEE Deferred Income						(290)						(290)
Readmission income						(1,480)						(1,480)
Maternity Incentivisation Scheme						(512)			512			0
Cost of Organisational change							150					150
Balance Sheet accrual release			(1,200)									(1,200)
Underlying Deficit	(3,077)	(1,694)	(2,467)	(2,043)	(2,980)	(2,271)	(2,435)	(3,340)	(2,976)	(3,088)	(6,486)	(32,856)
Planned Deficit	(2,770)	(840)	(1,294)	(836)	(517)	(2,437)	(132)	(768)	(4,549)	(4,549)	(2,379)	(21,071)
Variance	(307)	(854)	(1,173)	(1,207)	(2,463)	166	(2,303)	(2,572)	1,573	1,461	(4,107)	(11,785)

Key Message

- The average underlying deficit in each of the first eleven months is circa £2.9m, a cumulative position of £32.9m, £11.8m above planned levels.
- Income levels for individual months have been adjusted to reflect the actual income relating to the month, once all activity has been coded.

Capital Programme

2019/20 Capital Programme Update as at Month 11 (February 2020)								
Scheme	2019/20 Capital Budget	2019/20 Spend to date	Expenditure committed - ordered	Total expenditure/ committed to date	Expenditure committed - to be ordered	Scheme yet to be identified	Forecast Outturn	Variance under/ (over) spend
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Outstanding Commitments from 2018/19	46	-3	9	6	5	0	11	35
PC In House costs of delivery of schemes	820	727	86	813	0	0	813	7
PC RSH MLU/PAU - P2 FCHS	0	0	0	0	0	0	0	0
PC Fire safety Programme	61	14	51	65	0	0	65	-4
PC Subway Duct - RSH (further phases following on from 2017/18 agreement)	267	158	109	267	0	0	267	0
PC Ophthalmology move into Copthorne Building - Phase 3 (additional asbestos)	0	0	0	0	0	0	0	0
PC IT Storage Solution (further phases following on from 2018/19 investment)	500	467	0	467	0	0	467	33
PC Replacement of Autoclaves in Path Lab (agreed at CPG)	0	0	0	0	0	0	0	0
PC RSH Catering Service (agreed at CPG/PC)	98	34	61	95	0	0	95	3
PC Eye Injection Automation System (agreed at CPG)	80	19	28	48	32	0	80	0
Total Delegated Contingency Funds	1,194	815	272	1,087	23	0	1,110	84
Corporate Contingency (In Year Allocations)	1,026	366	652	1,018	3	0	1,021	5
Capitalisation of Expenditure	1,400	1,198	155	1,352	48	0	1,400	0
Additional Capitalisation of Expenditure - FIT funding	619	619	0	619	0	0	619	0
AS Endoscopy Suite Reconfiguration	1,300	0	0	0	1,300	0	1,300	0
RF Fire Safety Copthorne Building (original balance)	278	230	13	243	35	0	278	0
Uncommitted Fund Balance	752	0	0	0	0	0	0	752
UF High Value Radiology Equipment (inc PRH CT Scanner)	400	377	0	377	0	0	377	23
UF Sustainable Services	400	384	29	413	0	0	413	-13
UF Actions from CQC visit	97	7	22	29	67	0	97	0
Reallocated	-771	0	0	0	0	0	0	-771
IGDA - A&E System - System C	1,265	338	812	1,150	107	0	1,257	8
Rephased Capital Programme	22	0	0	0	0	0	0	22
RCP Windows 10 Rollout	374	35	352	386	0	0	386	-12
RCP Additional MES funding	350	97	262	359	0	0	359	-9
RCP Sustainable Services Project	774	637	137	774	0	0	774	0
RCP - Backlog Maintenance 19.20	405	0	8	8	397	0	405	0
RCP - Scoping	100	0	5	5	95	0	100	0
RCP - IT b/f 20.21	134	0	300	300	0	0	300	-166
Total Internally Generated Capital Schemes	11,991	6,520	3,364	9,883	2,112	0	11,995	-4
NIY - Fire Safety Copthorne Building	1,622	499	962	1,461	675	0	2,136	-514
NIY - Fire Safety Copthorne Building - Trust Contribution	344	0	0	0	0	0	0	344
NIY - Additional Capacity - RSH/PRH	1,500	371	84	455	0	0	455	1,045
NIY - PRH Modular Build/Refurbishment of Wrekin MLU	4,000	3,784	343	4,127	23	0	4,149	-149
NIY - LED Lighting	427	600	0	600	0	0	600	-173
NIY - Diagnostic Endoscopy	100	0	103	103	0	0	103	-3
NIY - Data Warehouse	282	157	124	281	0	0	281	1
NIY - Digital Aspirants	3,000	0	2,785	2,785	215	0	3,000	0
NIY - Pharmacy software	10	0	4	4	6	0	10	0
NIY Reallocated	-552	0	0	0	0	0	0	-552
Total Capital Programme	22,724	11,931	7,769	19,700	3,029	0	22,729	-6
% Total Capital Programme		52.50%	34.19%	86.69%	13.33%	-0.03%	100.00%	

	Total CRL £m	%
Expensed	11.931	52.50%
Ordered not yet Expensed	7.769	34.19%
Committed – not yet ordered or expensed	3.029	13.33%
To be identified/overcommitted	-0.006	-0.03%
	22.724	100.00%

Key Messages

The CRL has increased by £1.9m from last month due to:

- removal of the external funding for Hospital Transformation Programme of £1.1m;
- increased by £3.0m in respect of funding for Digital Aspirants;
- increased by £0.01m for Pharmacy software allocation.

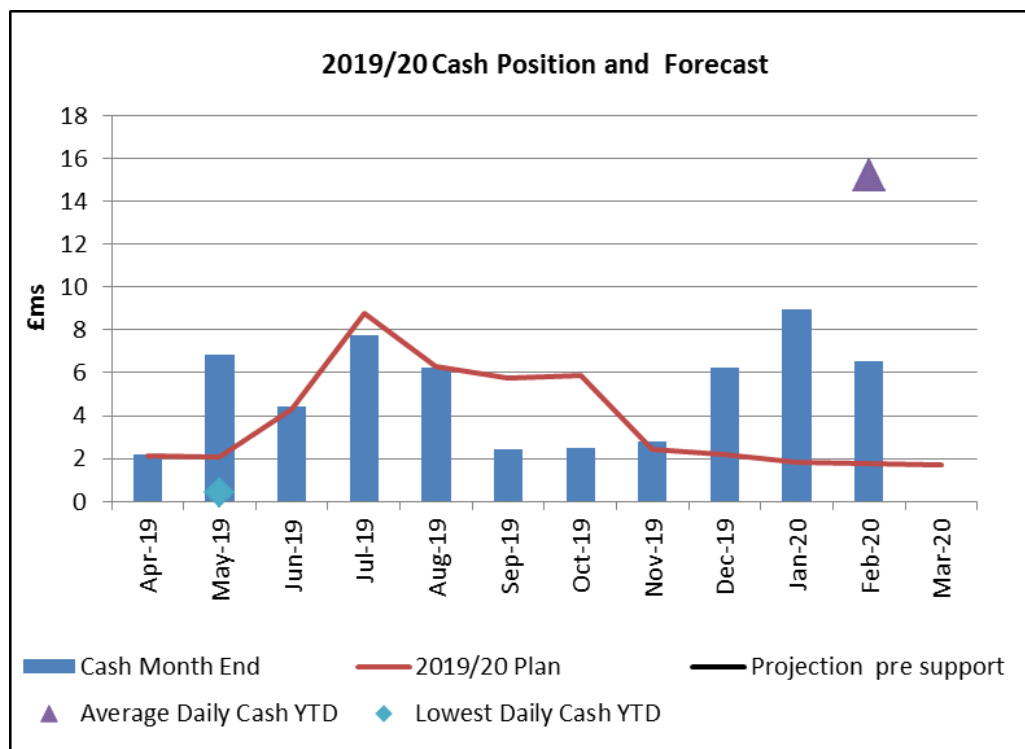
As reported last month, £0.64m was available for reallocation. As per delegated authority from Sustainability Committee and further to presentations to last month's CPG, this was allocated to Estates £0.41m for Urgent Estates Backlog Maintenance Issues and £0.10m for Scoping Works for Capacity Site Development.

The remaining £0.13m was allocated to IT Department to facilitate bringing forward the roll-out of Windows 10.

The Trust has been successful in its bid for Digital Aspirants funding and has received confirmation of an award of £3.0m this financial year.

Cash

The Shrewsbury and Telford Hospital NHS Trust	Actual	Forecast T total
Cashflow - 2019/20 as at M11	YTD	£000's
	£000's	£000's
Balance B/fwd	1,649	1,649
I&E CASHFLOW		
Income I&E (inc Donated & PSF)	369,263	402,020
Pay I&E	(260,566)	(286,068)
Non Pay I&E	(109,021)	(125,061)
Finance Costs I&E	(1,926)	(2,710)
Capital Expenditure (inc Donated) re Depreciation	(3,336)	(11,618)
Total I&E Cashflow (inc donated IGC)	(5,587)	(23,437)
EXTERNAL FUNDING		
Loan	5,203	18,573
Expenditure - externally funded capital schemes	(6,068)	(8,096)
Income - externally funded capital schemes	6,047	8,096
Total External Funding Cashflow	5,182	18,573
Total Balance Sheet Changes		
Total Cashflow	5,471	51
Balance C/fwd	7,120	1,700

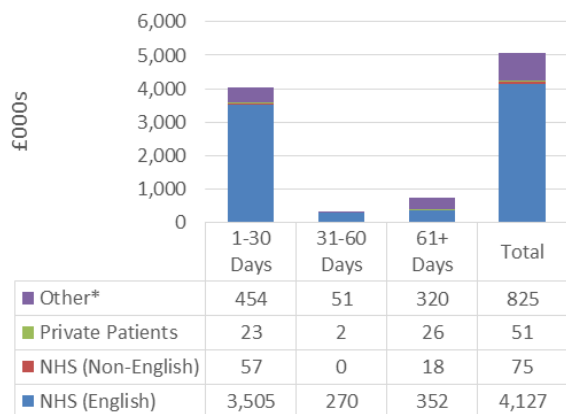


Key Messages

- The Trust's current forecast outturn means that it will not be eligible for conditional funding for Q3 and Q4 (shortfall of £8.185m).
- The above cash flow is based on the revised forecast outturn. The Trust has a cash benefit in 2019/20 in respect of PSF funding relating to 2018/19 (£4.568m) and after taking account of movements in working balances, it is projected that the Trust will require external cash support of £18.573m to meet the year end cash requirement of £1.700m.
- The Trust has received cash support in lieu of conditional funding of £5.203m, which will be converted to I&E deficit support. Together with agreed I&E loan of £13.370m, the Trust will receive a total of £18.573m I&E cash support for 2019/20.
- The above cash flow assumes management of cash over the financial year in line with previous practice.

Receivables

Accounts Receivable aged debt summary as at 29 February 2020



The outstanding receivables balances as at 29 February 2020 over £0.100m are:

	1-30 Days £000s	31-60 Days £000s	61+ Days £000s	Total £000s
NHS England Commissioning	2,029	-49	22	2,002
Shropshire CCG	472	106	19	597
University Hospital of North Midlands	202	0	62	264
Shropshire Community Health Trust	144	45	39	228
RJAH NHSFT	86	50	85	221
Royal Wolverhampton Hospital	56	57	60	173
CP Plus	124	0	0	124
Lingen Davies	119	0	0	119

- The 1-30 days balance with NHS England Commissioning includes £580k of invoices raised in advance for Month 12 contract income, to ensure these invoices are paid in March 2020. Other invoices raised to NHS England Commissioning in Month 11 relate to cancer drug fund (£510k), screening (£509k), funding for Welsh tariff (£275k) and midwifery review (£150k).
- There were no credit notes raised over £0.100m in February 2020.

Payables

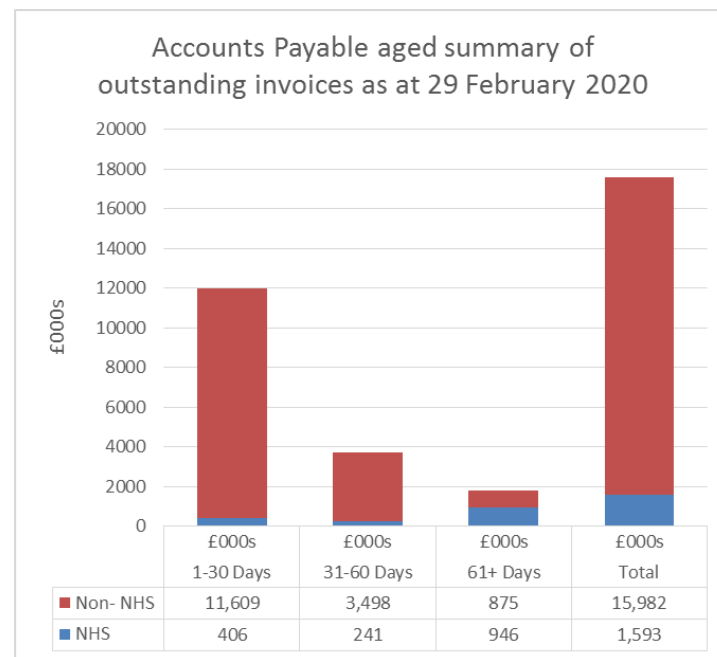
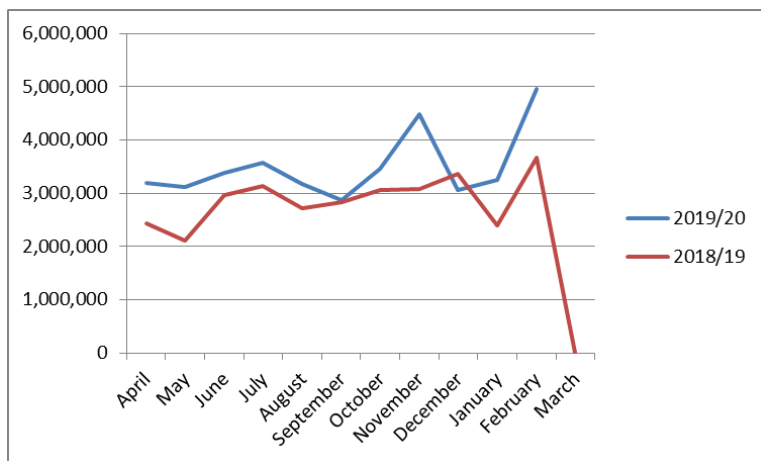
The Better Payment Practice code requires NHS bodies to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

	Actual 29/02/2020	Actual 29/02/2020	Actual 28/02/2019	Actual 28/02/2019
	YTD	YTD	YTD	YTD
	Number	£000s	Number	£000s
Total invoices paid in the year	118,848	142,134	104,311	128,036
Total invoices paid within target	31,552	50,555	34,466	51,666
Percentage of invoices paid within target	26.55%	35.57%	33.04%	40.35%

During February 2020 there were 515 invoices that were **not** paid within the Trust's 45 day payment target:

Category	Number	£000s
Agency	32	18
NHS	15	68
Other	169	611
Pharmacy	299	261
Total	515	958

The Trust continues to manage its creditor position which includes processes which allow prioritisation of key suppliers who are paid within 30 days. The value of the monthly creditor suppression is shown below.



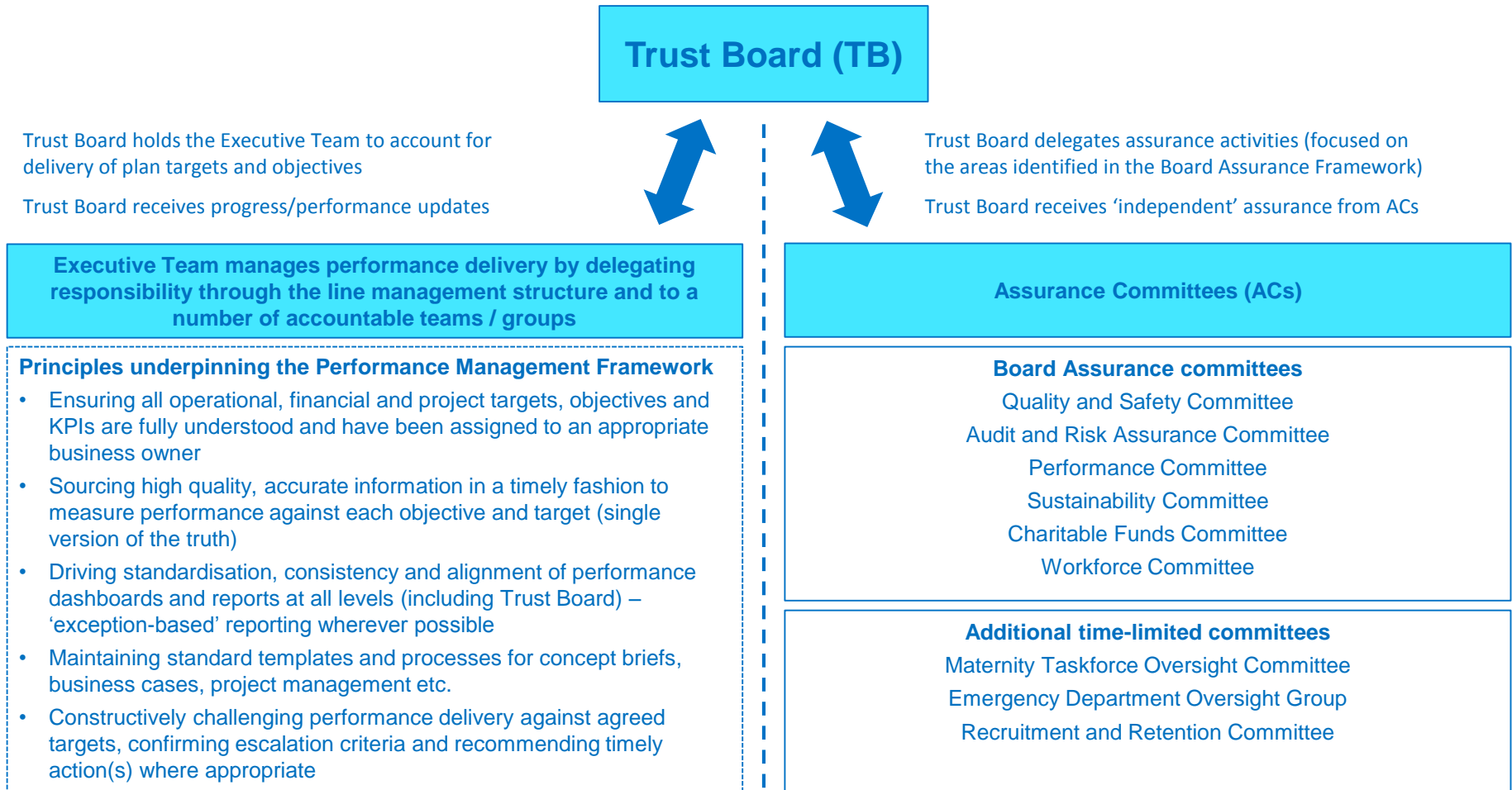
Appendix 2

26 March 2020



Proud To **Care**
Make It **Happen**
We Value **Respect**
Together We **Achieve**

Accountability and assurance



Accountability triangle



*Clear and aligned
accountabilities for the
delivery of all element(s)
of the operational plan*

Example dashboards (normally A3)

Develop performance dashboards (A3 'one pagers') for Board / Executive Team; Care groups / Corporate functions; Service lines

Quality (select key metrics) e.g.

- SHMI
- Infections
- Harm free care
- Pressure Ulcers
- Falls
- Net promoter / Compliments and complaints
- Number of SIs

Year to date performance and end of year forecast vs targets (show as graphic/chart with RAG ratings)

Operational (select key metrics) e.g.

- 18 weeks
- Cancer 62 day
- Diagnostics
- Emergency access (4 hour)
- Other

Year to date performance and end of year forecast vs targets (show as graphic/chart with RAG ratings)

Workforce (select key metrics) e.g.

- FTEs employed
- Temporary / agency FTEs
- Staff turnover
- PDPs
- Absence (incl. long term)

Year to date performance and end of year forecast vs targets (show as graphic/chart with RAG ratings)

Financial (select key metrics) e.g.

- Financial I&E performance
- Capital spend
- CIPs
- Cash and funding
- Regulatory rating

Year to date performance and end of year forecast vs targets (show as graphic/chart with RAG ratings)

Key plan milestones

- Delivered in month
- On track for delivery next month
- Future milestones at risk and actions in place to address

Overall progress assessment

Year to date performance and end of year forecast vs targets (show as graphic/chart with RAG ratings)

Summary and key risks

e.g. Overall performance is progressing well against plan targets, further specific action is being taken to address:

- *Implementing emergency access action plan*
- *Etc.*

Key risks include:

- *Uncertainty about impact of 2019/20 tariff and commissioner allocations*
- *Etc.*