

TRUST BOARD

Date of Meeting: 05/10/2010	Enclosure: 8
Agenda Item No: 9.1	
Title of Report: Performance Report	
Aims: This report provides the Trust Board with an update on the latest Trust performance information as at 31 August 2010.	
Summary: The performance report summarises Trust performance against a range of operating, quality, financial and workforce indicators for month five (and year to date) of the financial year (2010/11).	
Specific implications for consideration (Financial/Workforce/Risk/Legal/Race Equality etc):	
Financial	Reporting the financial position
Workforce	No significant implications
Other	Meeting obligations in respect of patient access and quality
Recommendations: The Trust Board is asked to note the content of the report.	
Document previously approved by: Not applicable. Report directly to the Trust Board.	
Prepared by: Kevin Clarkson Chief Operating Officer/Deputy Chief Executive Alistair Mulvey Director of Finance Damian Gallagher Director of Human Resources Chris Platton Acting Director of Nursing, Quality and Governance	Presented by: Kevin Clarkson Chief Operating Officer/Deputy Chief Executive

**TRUST BOARD
PERFORMANCE REPORT
OCTOBER 2010**

INTRODUCTION

This report provides the Trust Board with a concise and clear summary of the organisations performance against a range of key performance indicators as at the 31st August 2010.

The report sections are as follows: -

- SECTION 1: OPERATING PERFORMANCE**
 - SECTION 2: QUALITY METRICS**
 - SECTION 3: WORKFORCE REPORT**
 - SECTION 4: FINANCE REPORT**
 - SECTION 5: CONCLUSION & RECOMMENDATIONS**
 - APPENDIX A: PERFORMANCE DASHBOARD**
 - APPENDIX B: FINANCIAL WORKSHEETS**
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SECTION 1

OPERATING PERFORMANCE

1. OPERATING PERFORMANCE

The full Performance Dashboard is located at Appendix A. It includes those indicators that are important for the Care Quality Commission (CQC) Annual Health Check rating for 2010/11. However the CQC have still not yet confirmed the final assessment criteria for the 2010/11 year. The Performance Dashboard will be updated throughout the year as information is released from the CQC however, in the meantime, all previous metrics will continue to be reported.

Excellent performance was achieved in August 2010 across a number of key indicators, these include:

- Overall 18 weeks performance (at Trust level)
- Access to GUM clinics – 48 hour target (offered appointments)
- Data quality on Ethnic Groups
- Delayed transfers of care
- Total time in A&E: 4 hours or less
- Median waiting time in A&E
- Rapid access chest pain patients seen within 2 weeks
- Number of patients waiting longer than 6 weeks for diagnostic tests
- MRSA Bacteraemia (attributed to Trust)
- Clostridium Difficile Infections (attributed to Trust)
- Slips, trips and falls (inpatients)
- Estates and Facilities metrics

1.2 PERFORMANCE IMPROVEMENT PLANS AND PROGRESS

Cancer Waiting Times

Excellent performance was achieved in month across all indicators with the exception of the 31 day subsequent treatment (surgery) target and the 14 day wait for symptomatic breast patients. The dip in month of 7.3% for the 31 day subsequent treatment (surgery) indicator was due to just two patients who were on the Lower GI pathway. This was related to available surgical capacity in month. This has been investigated and addressed by the relevant Business Manager. The two patients have now completed their surgery. This is not expected to be repeated over coming months and therefore the year to date position should be recovered quickly.

14 day wait for Symptomatic Breast Patients

The in month performance level of 63.4% for the 14 day wait for symptomatic breast patients is disappointing but not unexpected due to the impact on the service following the suspension of the breast screening service at the end of June 2010. During the month of August the Trust received support from Newcastle upon Tyne Hospitals NHS Foundation Trust, commissioned through the PCT, to provide symptomatic clinics over a 4 week period. The first clinic could not be set up until 21 August 2010 at which there were 52 patients seen of which 23 were breaches of the 14 day rule. Similarly at the clinic held on 28 August 2010 there were 53 patients seen of which 35 were breaches of the 14 day rule. All parties, including the PCT, worked hard during this period to maintain the symptomatic service and as explained

earlier the dip in performance in month was not unexpected. Strict monitoring procedures are in place for future clinics.

Cancelled Operations

Indicator	Current Shortfall versus plan	Required level	Management lead	Comparison to previous month	Year to date (traffic light only)
% cancelled	<ul style="list-style-type: none"> •Better than target in month •0.2% year to date 	<= 0.8%	Divisional General Manager – Surgical Division	Improved ↑	
28 day rule	<ul style="list-style-type: none"> •4.1% in month •Year to date also on target 	<= 5%	Divisional General Manager – Surgical Division	Deteriorated ↓	

The 28-day rule performance dipped slightly in month to a level of 9.1% (target level being 5%). However the year to date position remains solid at 1.2%. The dip in month relates to the fact that there was one breach of the target against a denominator of only 11 cancelled procedures in month. Future months are expected to be within target levels.

The first part of the indicator (% cancelled) improved to a level of 0.4% in month which is an excellent 0.4% below the target level of 0.8%. The year to date position also improved to 1.0%.

Infant Health

Indicator	Current Shortfall versus plan	Required level	Management lead	Comparison to previous month	Year to date (traffic light only)
Breast feeding initiation	<ul style="list-style-type: none"> •4.1% in month •1.8% year to date 	>= 68%	Divisional General Manager – Family and Support Services Division	Deteriorated ↓	
Smoking during pregnancy	<ul style="list-style-type: none"> •Better than target in month •Year to date also on target 	<= 18.95%	Divisional General Manager – Family and Support Services Division	Static ↔	

The smoking during pregnancy indicator continued to maintain good performance at a level of 15% in month.

However the breastfeeding initiation performance continued to perform below the target level of 68% being 63.9% in month and 66.2% year to date.

The investigation and review by the Division has established that it is the initiation rates at the West Cumberland Hospital which are falling below the target. For August 2010 the West Cumberland Hospital had a site specific level of 53.4%.

In order to identify the reason for the reduction in initiation rates in the West all contributory factors have again been reviewed i.e. the quality of data, staffing levels and sickness rates. No obvious reason can be identified. There were however no home births in August and this may be a potential factor that has affected the initiation rates. The two planned home births converted into complex deliveries which often result in the mother choosing to have the first feed as a bottle feed.

The maternity team have put in place a further strategy for improving the breastfeeding rates. This includes:

- A) Peer support workers are in post from the beginning of September 2010. Part of this role involves attending the community antenatal clinics to speak to pregnant mothers and their families about the benefits of breastfeeding. The main focus being in areas with low breastfeeding initiation rates.
- B) Undertaking an audit from the end of September 2010 to identify the content of the information given to pregnant women. This should confirm that a discussion regarding breastfeeding has taken place prior to 32 weeks and that written breastfeeding materials and a DVD have been issued.

Access to GUM clinics – 48 hour target (patients seen)

Indicator	Current Shortfall versus plan	Required level	Management lead	Comparison to previous month	Year to date (traffic light only)
Access to GUM clinics – 48 hour target (patients seen)	<ul style="list-style-type: none"> •15.3% in month •13.7% year to date 	>= 85%	Divisional General Manager – Family Services and Support Division	Deteriorated ↓	

The GUM service continues to achieve excellent performance in respect of the “48 hour offered appointment” target (Dashboard section 3). The aspirational “seen” target continues to struggle with an in month level of 69.7%. The Trust Board has previously held extensive discussions regarding this target and its relationship with patient choice. However as previously reported the planned change in the service model is now underway and the Division are taking the opportunity to re-look at this indicator and its associated performance levels as part of the service changes.

Choose and Book slot availability

Indicator	Current Shortfall versus plan	Required level	Management lead	Comparison to previous month	Year to date (traffic light only)
Choose and Book slot availability	<ul style="list-style-type: none"> •6.8% in month •13.7% year to date 	>= 85%	Divisional General Manager – Clinical Support Division	Improved ↑	

Slot availability improved in month to a level of 78.2% with the year to date figure also improving to 71.3%. The Outpatient Improvement Steering Group continues to develop action plans across all major specialities in order to look to make further improvements to slot availability during the year.

1.3 PRODUCTIVITY METRICS

Both length of stay indicators deteriorated slightly in month with the elective length of stay being 0.1 adrift of target level and the non-elective length of stay being 0.6 adrift of target level. Year to date performance does however remain on track for elective care however further improvements will need to be seen for non-elective care. This will be closely monitored over the coming months and the Trust Board will be kept informed regarding progress.

Day Case rates (both the basket of 25 and the “all” rate) continue to be generally static and are not yet at the required target level of 80%. As previously reported the required improvements have been discussed with the relevant Divisions through the recent quarterly business reviews. Improvements should be seen from quarter three onwards and the Trust Board will be kept informed regarding progress.

Pre-operative bed days for elective care improved to a level of 10.9% in month and have now moved to amber from red. Further work continues in this area as we strive for the target level of 6% which is the national upper quartile benchmark.

The outpatient new to review ratio continues to remain flat during the first four months of the year but it is only 0.3 adrift of the current target level of 1.8. As previously reported specific improvement targets have been set for each Division and progress continues to be monitored through the KPI meeting. The Trust Board has previously noted that changes do however take some time to deliver results as the process involves agreeing changes to the clinical templates for individual medical staff.

The outpatient DNA rate improved by 0.4% to a level of 8.4% in month. Board members will be aware from previous reports that the Outpatient Improvement Steering Group began work on this indicator during the final quarter of last year therefore further improvements in performance should continue during 10/11.

1.4 ESTATES AND FACILITIES METRICS

As part of an ongoing service improvement and quality management process within the West Cumberland Hospital Estates Department, this month's data includes building trades planned maintenance and reactive work being added to the Performance Matrix. This has resulted in an increase in PPM (Planned Preventative Maintenance) activity from 438 events for July 2010 to 835 for August 2010. Reactive requests for the same period have seen an increase from 292 to 592. This action has been taken following a recent review of all Estates Planned Preventative Maintenance activity and the updating of the Bactraq Computer Aided Facilities Management System.

Planned and reactive work requests continue to be handled well and generally in a timely manner.

A review of the Medical Engineering service is now being undertaken and the performance of this specialist area will be added to the Dashboard in future months.

Catering waste scores for August indicate the best performance of the year to date at a combined rate of 4.75% (5% for the Cumberland Infirmary and 4.5% for West Cumberland Hospital).

Cleaning audit figures for the second quarter of the year will be available next month.

Portering performance and the recording of tasks continue to develop, with increased activity being recorded month on month. This improvement in the recording of all activity has been further enhanced at the West Cumberland

Hospital with the introduction of hand held devices, which has seen the increase in recorded activity from 1204 (July 2010) to 1747 (August 2010) for patient movements. Both sites performed very well with a combined Trust average of 97% for the month of August and an average for the year to date of 95.9%.

1.5 18 WEEKS RTT BY SPECIALTY

The Dashboard (at Appendix A) contains details of the month five position. This shows the specialty performance levels that make up the overall Trust performance level for admitted and non-admitted pathways (that is shown in section one of the Performance Dashboard). Performance levels by specialty remain good in month with the exception of Oral Surgery, Dermatology and Gynaecology.

As previously reported to the Trust Board agreement has been reached with the Oral Surgery Team to extend the target achievement date to December 2010 in order to support the specialty in delivering the final stages of their improvement plan. This adjustment to the plan will not affect the Trusts overall aggregate performance position.

The slight dip in admitted performance within Dermatology in month is not expected to continue and was agreed in order to support a recent management review of a number of patient pathways and service improvement initiatives within Dermatology. The year to date position remains very solid at 94.1%.

The in month dip in performance in Gynaecology in August was agreed in advance with the management team in order to support the longer-term sustainability of the required performance levels. The dip in the "other" category was as a result of a reduced performance level in pain management due to some downtime in X-ray which occurred when the new Angiography room was being commissioned.

1.6 REVIEW OF PATIENTS WAITING OVER 18 WEEKS

The Department of Health document "Reviewing patients who have waited longer than 18 weeks" confirms that providers have certain responsibilities for reviewing waits longer than 18 weeks. It states:

- "...to review waits longer than the 18 week standard on a monthly basis in a way that differentiates between legitimately longer waits and unnecessary waits (breaches) at speciality level and to report this information to their Board...."
- "The overarching aim of reviews of waits longer than 18 weeks is to identify systematic problems in an organisation of a local health community so that these can be tackled. Organisations will also need to have sufficient information to be able to explain the reasons for waits longer than 18 weeks when asked to do so by patients and the public".

It is impractical to review every over 18 week record on a monthly basis and this is acknowledged in the Department of Health document where a number of options for sample based approaches are suggested. Having reviewed all the suggestions Board members will know from the previous reports that the

most appropriate approach for the Trust has been identified as being to select a diverse cohort of patients covering a variety of treatments functions, examine their lengths of wait and identify the proportion of patients who have waited longer than 18 weeks for legitimate reasons and those who have potentially waited unnecessarily.

The tables below identify the position for the month of August 2010:

SPECIALTY	CLINICALLY COMPLEX	PATIENT REASON	TRUST SYSTEM REASON	TOTAL
SURGERY	1	3	6	10
UROLOGY	1		1	2
ORTHOPAEDICS	2	4	4	10
ENT		2	3	5
OPHTHALMOLOGY		1	8	9
ORAL		4	13	17
ORTHODONTICS			3	3
DERMATOLOGY			7	7
GYNAECOLOGY		2	6	8
Grand Total	4	16	51	71
PERCENTAGE	5.63%	22.54%	71.83%	

SPECIALTY	CLOCK START	CLOCK STOP	WEEKS	ROOT CAUSE ANALYSIS
ORTHODONTICS	04/02/2009 00:00	03/09/2010 00:00	82	Long waits for fitting of a particular dental appliance. Ongoing issue under discussion in Business Unit.
ORAL SURGERY	04/12/2009 00:00	03/09/2010 00:00	39	Capacity issues in Oral Surgery being addressed by the Business Unit.
SURGERY	29/03/2010 00:00	03/09/2010 00:00	22	Patient pathway still ongoing.
ORTHOPAEDICS	14/04/2010 00:00	03/09/2010 00:00	20	Capacity issues with some Orthopaedic routine patients.
OPHTHALMOLOGY	14/04/2010 00:00	03/09/2010 00:00	20	Increasing waiting times and increases in demand under urgent discussion in this specialty.
ORTHOPAEDICS	15/04/2010 00:00	03/09/2010 00:00	20	Capacity issues with some Orthopaedic routine patients.
SURGERY	19/04/2010 00:00	03/09/2010 00:00	19	Patient pathway still ongoing.
ORAL SURGERY	21/04/2010 00:00	03/09/2010 00:00	19	Capacity issues in Oral Surgery being addressed by the Business Unit.
GYNAECOLOGY	22/04/2010 00:00	03/09/2010 00:00	19	Patient pathway still ongoing.
OPHTHALMOLOGY	26/04/2010 00:00	03/09/2010 00:00	18	Increasing waiting times and increases in demand under urgent discussion in this specialty.

SECTION 2

QUALITY METRICS

2. QUALITY METRICS

2.1.1 MRSA bacteraemia

The Trust continues to perform well against the Department of Health's targets for reducing the incidence of MRSA bacteraemia. The Trust has to continue to achieve year on year reductions with the incidence of MRSA. The trajectory for 2010/11 is less than 6 apportioned cases and this will be challenging throughout the year. There have been no post 48-hour bacteraemia for August 2010. The Trust is therefore within trajectory and there has been some excellent work carried out by the clinical teams to ensure that the Trust minimises infections.

2.1.2 Clostridium Difficile

The Trust trajectory for Clostridium Difficile has been set to 120 for the year and this equates to 10 attributed cases per month. The performance for the month of August again shows the Trust performing within trajectory with only 7 attributed cases.

The work of the Steering Group will continue to ensure our clinical teams maintain the Trust's excellent position.

2.2 MORTALITY RATES

Hospital mortality indices, extracted from the Caspe Healthcare Knowledge System (CHKS) comparative database, are summarised in the Performance Dashboard. These are derived from data submitted by all CHKS client Trusts to the Secondary Uses Services (SUS) and are further processed through a complex methodology to produce an in-hospital risk adjusted mortality rate which compares Trust to Trust and is sensitive to factors such as differences in age, case mix or emergency admission rates so that which is left is as near to a like for like comparison as is possible. A mortality index is in general terms a ratio of observed number of deaths to an expected number of deaths. The Risk Adjusted Mortality index, which is derived from the CHKS system, is not the same as the HSMR analysis, which is produced by Dr Foster. The intention is to refine the criteria for benchmarking the CHKS indicator by applying an analysis of the peer group and to also seek to introduce the HSMR quarterly data to the Dashboard if this can be successfully sourced through national datasets, which are provided by Dr Foster. This will be introduced for the November 2010 Trust Board meeting.

2.3 SLIPS, TRIPS AND FALLS

The Steering Group has been running since 1st June 2009 and considerable changes have been made in our approach to improving patient safety with regard to falls. The work will now be extended to all ward areas and will form part of the CQUIN contract for 2010/2011. The Trust is committed to a further reduction over the year and will also concentrate on injuries to patients.

The group is therefore reviewing falls with particular reference to injury to patients. This work will result in a root cause analysis being undertaken

as appropriate. The results will continue to be reported on a monthly basis, as reported in last month's Performance Report.

SECTION 3

WORKFORCE REPORT

Report compiled by Judith Anderson & Andrew Pounds
Human Resources Department

Contents & Target Summary

Section	Subject	Status
3.1	Summary / Narrative	Not applicable
3.2	Staff in Post	
3.3	Turnover	
3.4	Sickness – Month 5	
3.5	Employee Relations	Not applicable
3.6	Occupational Health	Not applicable
3.7	Appraisal	

Key	
Green	Significant Progress
Amber	Progress
Red	Limited/No Progress

3.1 Summary

Staff in Post:	<p>Staff in post for the Trust as a whole is currently running at 3080.85 WTE into Month 5 2010/11. This equates to a reduction of 5.93 WTE when compared to the equivalent month in 2009/10.</p> <p>The largest two staff groups are Nursing & Midwifery (1098.72 WTE) and Admin & Clerical (697.06 WTE). Currently the Trust has a total of 298.29 WTE Medical and Dental staff and 502.29 WTE providing Additional Clinical Services.</p> <p>In terms of Divisional statistics, following the divisional restructure including combining Family Services and some reallocation of services to other divisions, Medicine has the largest establishment (824.63WTE) followed by Family and Support Services (722.22 WTE) and Surgery (665.50WTE).</p>
Turnover:	<p>Turnover for the Trust into Month 5 remains low at 0.46%. This figure is also lower than the equivalent month in 2009/2010 with a reduction of 0.19%.</p> <p>From a Divisional perspective, Family and Support Services is the highest at 1.06% with Medicine and Estates reporting the lowest overall monthly figures of 0.12 % and 0.00% respectively.</p>

<p>Sickness Absence:</p>	<p>The sickness absence rate for the Trust for Month 5 is 4.59% This performance is considerably better than the equivalent point last year (Month 5 2009/2010) when sickness absence was 5.44%.</p> <p>The financial year to date sickness absence figure is currently 4.54% which is now 1.54% outside the newly set Trust target for the year of 3.00% and is therefore reporting as amber.</p> <p>In terms of divisional performance, Corporate Services (3.44%), Surgery (3.73%) and Family & Support Services (4.22%) show the lowest percentages for Month 5. Estates and Facilities and Medicine have the highest monthly figures, those being 6.64% and 5.50% respectively.</p> <p>Looking at sickness performance for the calendar year to date, improvement can be seen in the majority of Divisions, however with the new targets, Corporate Services is the only Division that has so far achieved the required level of performance..</p> <p>Absence duration continues to be primarily short term (1-7 days). HR Business Partners are actively managing absence performance within each Division and the recently amended Sickness Absence Management policy will further tighten this process. Sickness Absence training for managers has also been taking place as part of the HR Key Skills programme, with 194 managers having attended.</p> <p>HR Business Partners are now also monitoring sickness absence on a weekly basis to assist the achievement of the new target of 3.00% and reporting to the QIPP team on a fortnightly basis.</p>
<p>Appraisal:</p>	<p>Appraisal completion at Trust level remains under target and is therefore reporting as red, with 46% of appraisals being reported as completed as at the end of Month 5. This is an improvement of 3.1% from Month 4. Estates and Facilities and Corporate Services have the highest rates with 92% and 61% respectively. Medicine has the lowest figure at 29%, showing only limited improvement from Month 4.</p> <p>The HR Business Partners are now actively monitoring appraisal completion within the Divisions and action plans will be put in place to outline how and when improvements will be made. Each Division is working to an agreed trajectory to achieve the required improvements.</p>
<p>Occupational Health Activity</p>	<p>Occupational Health Activity for Month 5 is included. Self referral figures include both face to face appointments and telephone contact.</p>

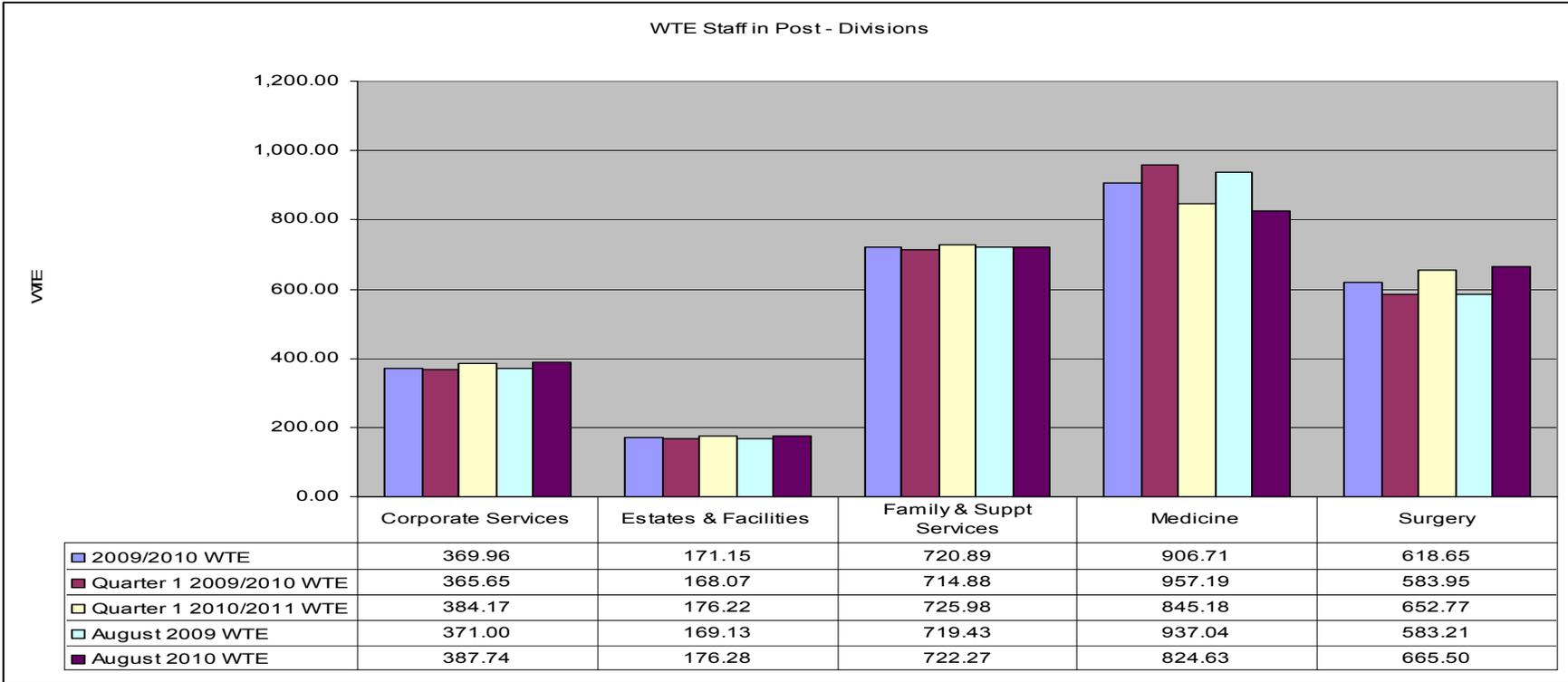
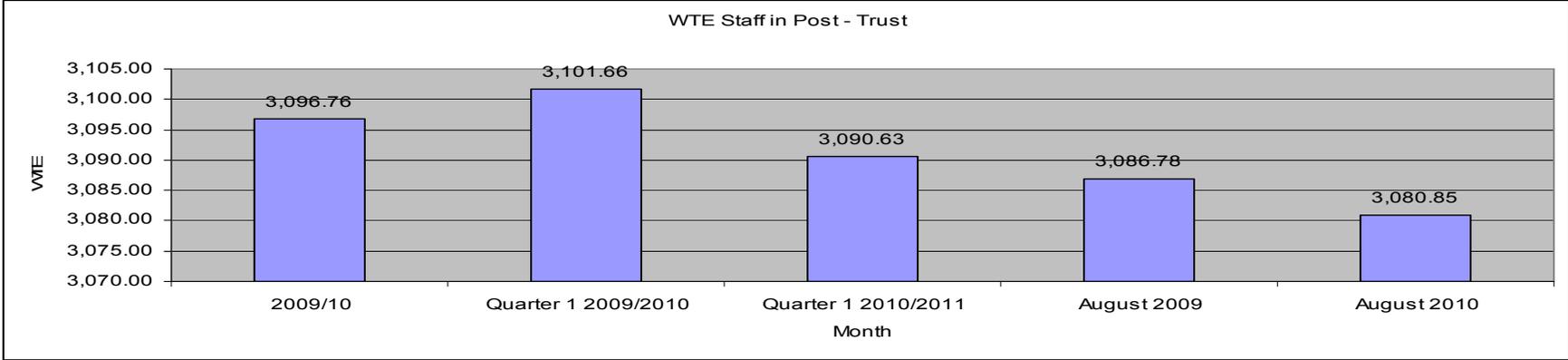
3.2 Staff in Post

WTE

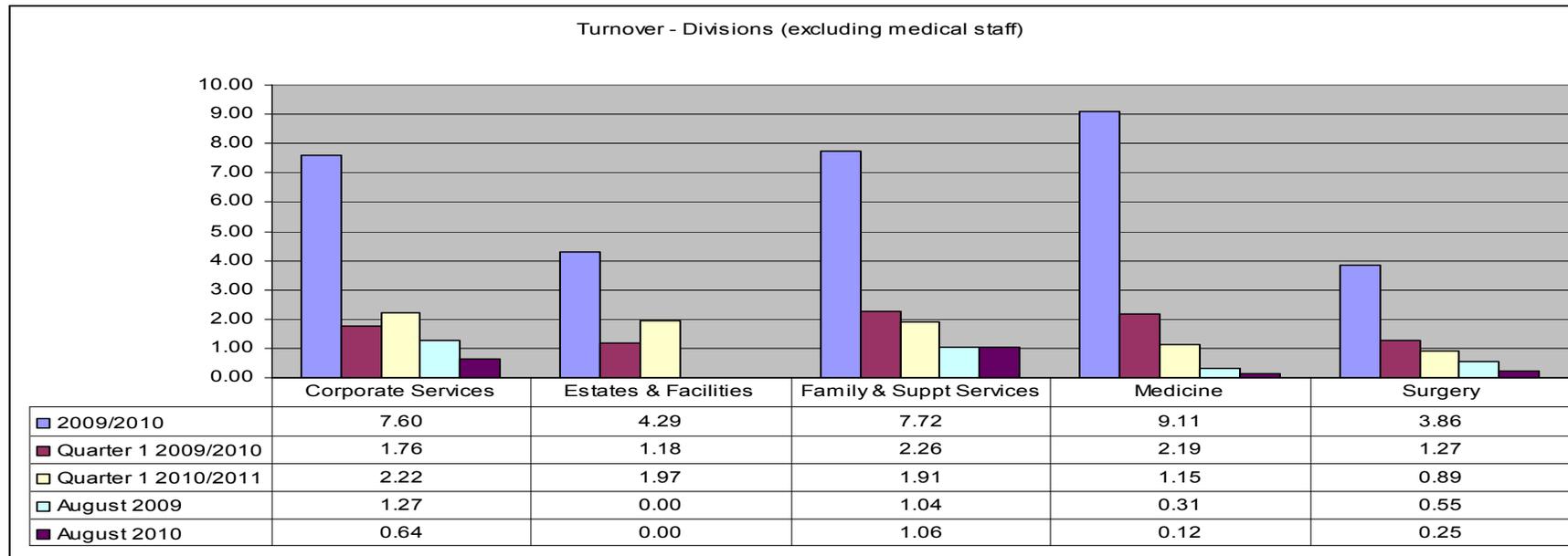
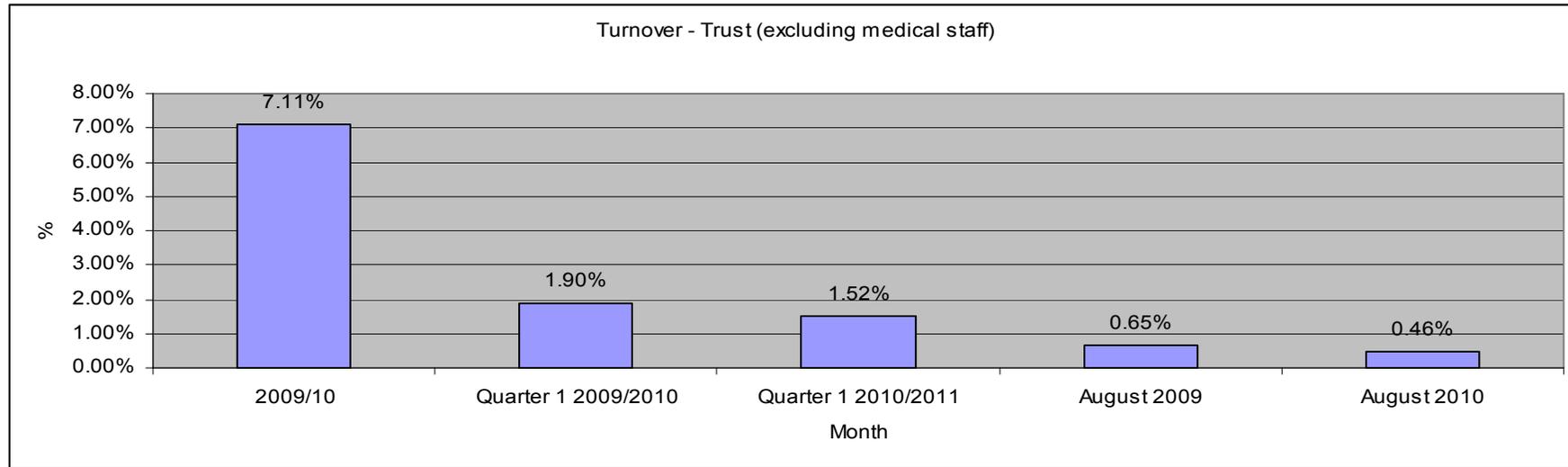
Staff Group	2009/10	Quarter 1 2009/2010	Quarter 1 2010/2011	August 2009	August 2010
	WTE	WTE	WTE	WTE	WTE
Additional Professional & Technical	112.41	112.16	111.99	112.46	110.50
Additional Clinical Services	507.25	518.20	494.93	511.01	491.59
Admin & Clerical	677.97	675.10	689.45	683.24	694.35
Allied Health Professionals	140.84	141.70	137.10	139.13	135.53
Estates & Ancillary	178.22	166.29	186.85	171.57	184.67
Healthcare Scientists	72.83	76.03	69.42	75.41	68.71
Medical & Dental	308.40	314.01	301.11	310.88	299.16
Nursing & Midwifery (Registered)	1,098.83	1,098.18	1,099.78	1,093.81	1,098.34
Trust	3096.76	3101.66	3090.63	3086.78	3080.85

Headcount

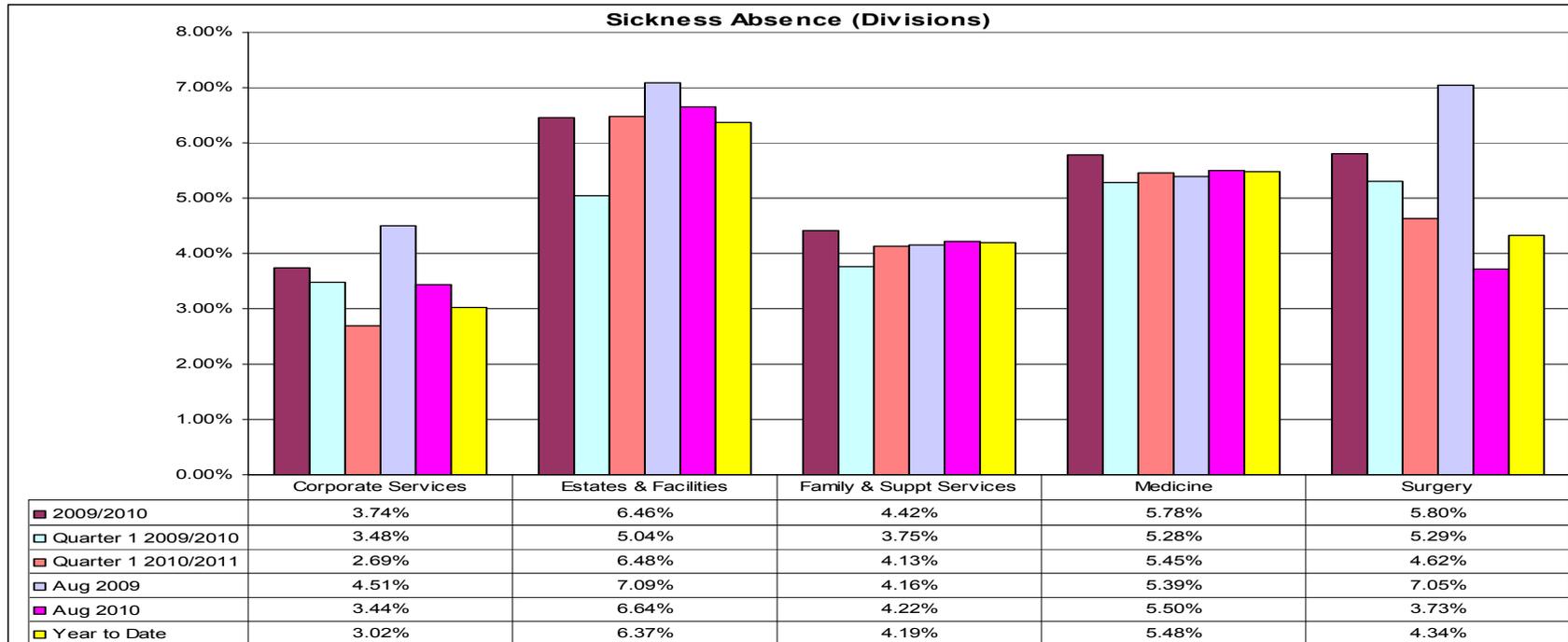
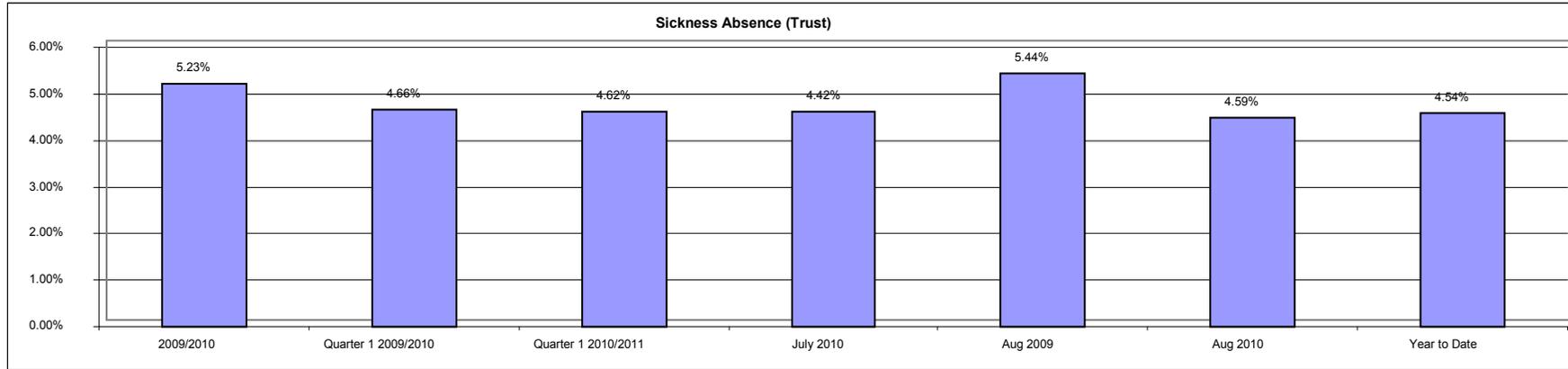
Staff Group	2009/10	Quarter 1 2009/2010	Quarter 1 2010/2011	August 2009	August 2010
	Head	Head	Head	Head	Head
Additional Professional & Technical	139	138	138	137	120
Additional Clinical Services	794	799	799	771	812
Admin & Clerical	872	865	865	892	896
Allied Health Professionals	196	196	196	197	192
Estates & Ancillary	239	226	226	232	248
Healthcare Scientists	76	79	79	78	71
Medical & Dental	358	370	370	364	347
Nursing & Midwifery (Registered)	1,454	1,458	1,458	1,442	1,461
Trust	4425	4131	4131	4113	4147



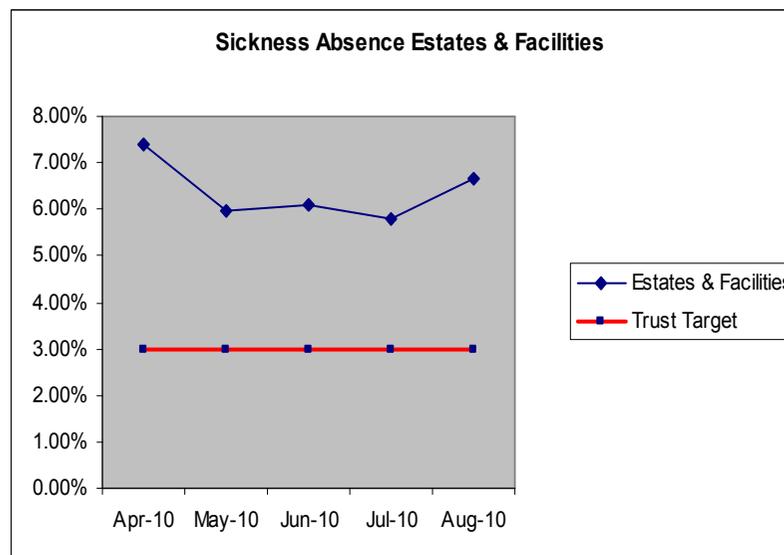
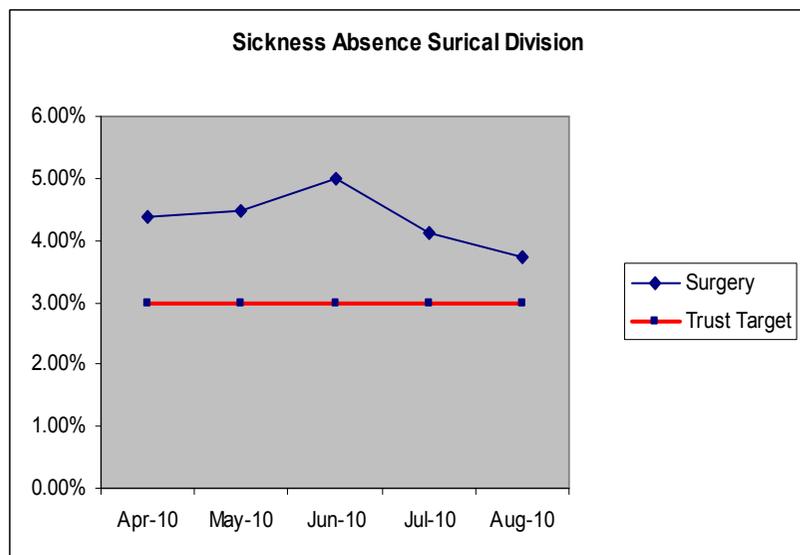
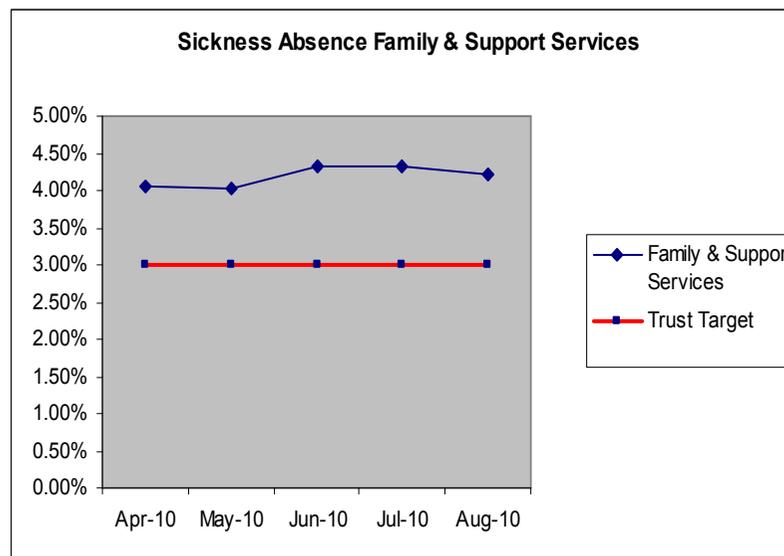
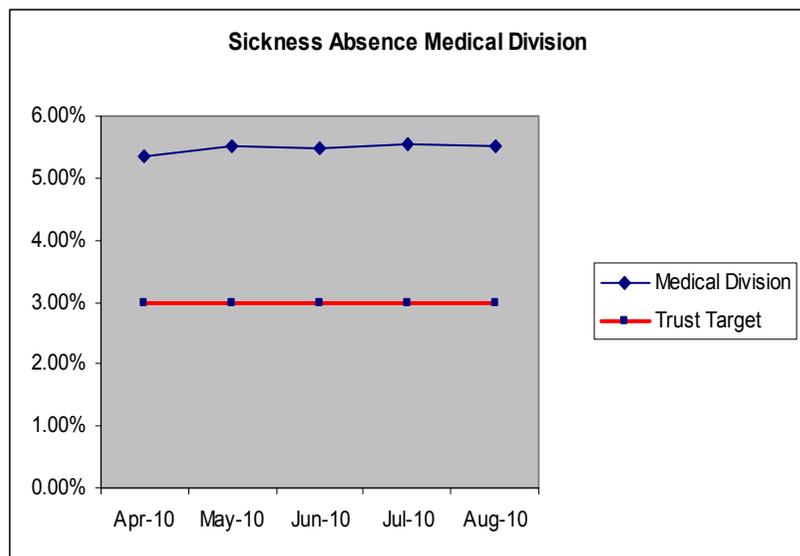
3.3 Turnover



3.4 Sickness Absence



Sickness Target Trackers 2010/11



3.5 Employee Relations

Disciplinary Action:

	2008/2009	2009/2010	2010/2011	Month 4	Month 5
Informal Action	2	1	-	-	-
Verbal Warning	1	-	-	-	-
First Written	-	1	-	-	-
Final Written	1	5	3	3	2
Dismissal	1	1	4	2	-
Total Disciplinary	5	8	7	5	2

Grievance:

	2008/2009	2009/2010	2010/2011	Month 4	Month 5
Resolved informally	8	2	1	1	-
Resolved at Stage 1	2	4	1	1	-
Resolved at Stage 2	5	-	-	-	-
Resolved at Stage 3	-	-	-	-	-
Total	15	6	2	2	0

3.6 Occupational Health

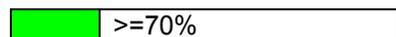
Cumberland Infirmary	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Pre-Employment Acute Staff	99							
Pre-Employment Non Acute Staff	2							
Pre-Employment Placements	20							
Managers Referral (no in brackets - stress related)	26							
Self Referral (no in brackets - stress related)	131							
Nurse Review Appointments	25							
Other Routine Nursing Appointments	48							
Doctor's Appointments	17							
<u>TOTAL</u>	368							
DNA	18							

West Cumberland Hospital	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Pre-Employment Acute Staff	41							
Pre-Employment Non Acute Staff	4							
Pre-Employment Placements	0							
Managers Referral (no in brackets - stress related)	22 (5)							
Self Referral (no in brackets - stress related)	66 (4)							
Nurse Review Appointments	19							
Other Routine Nursing Appointments	92							
Doctor's Appointments	18							
<u>TOTAL</u>	252							
DNA	4							

3.7 Appraisal

Division	01/05/2009 to 30/04/2010	01/06/2009 to 31/05/2010	01/07/2009 to 30/06/2010	01/08/2009 to 31/07/2010	01/09/2009 to 31/08/2010	RAG
Corporate Services	32%	47%	60%	59%	61%	
Estates	43%	85%	91%	92%	92%	
Family & Support Services				39%	42%	
Surgical	19%	22%	28%	41%	47%	
Medical	22%	20%	18%	27%	29%	
Total	32%	36%	38%	41%	46%	

RAG coding



SECTION 4

FINANCE REPORT

4. FINANCE REPORT

The Trust is reporting a deficit of £8,606k at the end of Month 5 this is a significant deterioration of £5,790k in month.

The impact of arbitration with NHS Cumbria has been factored into the financial position this month, which is the key driver for the decline in the reported position. The North West Strategic Health Authority (SHA) led the arbitration process and adjudicated on the differences between the Trust and the PCT. The SHA found in favour of the Trust on some issues and in favour of the PCT on other issues. The result of the process has led to a reduction in £9,000k of clinical income, of which £3,750k has been factored into the position in month.

Clinical income has also been low in month as a result of lower than planned levels of activity, however a reduction in expenditure has not been evident.

Pay overspent by £612k in month; this is driven by high levels of spending on agency and locum medical staff in excess of savings from vacant posts. Expenditure on agency staffing stands at £3,168k after 5 months which is being partially offset by underspends in other categories of pay. The agency expenditure relates predominately to medical staffing as a result of a number of vacant consultant posts and the effects of requiring additional junior doctors to comply with the European Working Time Directive (EWTD). Non-pay overspent by £818k with there being no single driver of the non-pay overspend which is driven by various categories of expenditure.

The Trust has an annual CIP target of £21,018k in 2010/11, of which £7,557k had been achieved by the end of August against a target of £8,750k, resulting in a year-to-date shortfall of £1,193k. Plans are being developed by the QIPP Team for each Division which once implemented should see an improvement in the delivery of CIP against the target.

The impact of arbitration has had a significant impact on the Trust's liquidity (cash position) and the Trust is currently in discussion with partners to ensure that sufficient cash is available to meet the Trusts obligations as they fall due.

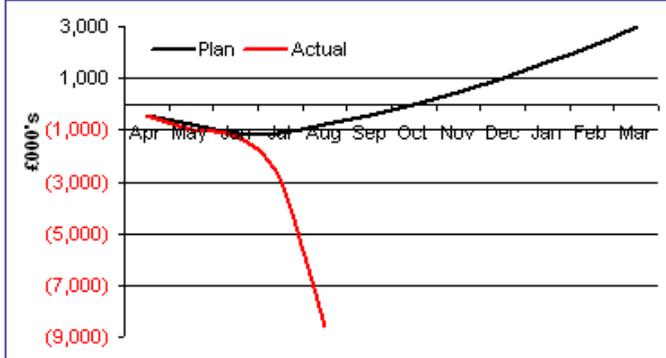
The Trusts year-end financial target is for a surplus of £3,000k (adjusting for the impact of IFRS), which is predicated on full delivery of the CIP target. The combination of non-delivery of CIP and costs associated with the use of agency / locum medical staff are the key financial risks the organisation faces in achieving its statutory financial duties.

Financial worksheets covering the I&E position, the Balance Sheet and a Statement of Cash Flows are attached as Appendix B.

Income & Expenditure

The Trust is reporting a deficit of £8,606k against a planned deficit of £797k, resulting in a variance of £7,808k. Slower than planned implementation of CIP, the continued use of premium cost agency staffing and the impact of arbitration is driving the financial position. The Trust is now in Turnaround and a recovery plan has been developed to help address these issues.

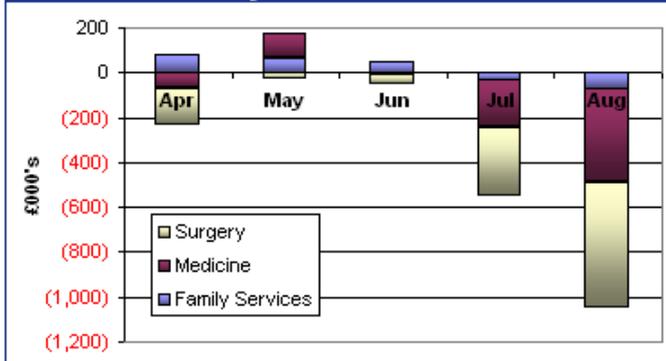
I&E Performance 2010/11



Divisional Performance

The Clinical Divisions are currently overspent by £1,617k split between Family & Support Services (£92k underspend), Medicine (£594k overspend) and Surgery (£1,115k overspend). The large movement this month in month (£1,050k) is due to allocating the CIP target to the Divisions. Clinical Support was merged into the remaining 3 divisions with effect from 1st August.

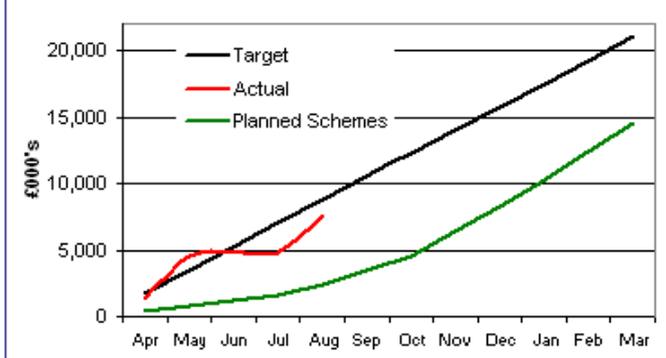
Divisional Monthly Variance



CIP Delivery

CIP delivery was £2,716k in August, bringing the total delivered to £7,558k against a plan of £8,750k. Delivery has improved following the establishment of an internal QIPP (Quality, Improvement, Productivity & Prevention) Team to help develop CIP plans and drive their delivery. In order to meet the statutory financial targets, the £21m must be achieved although this remains a significant risk.

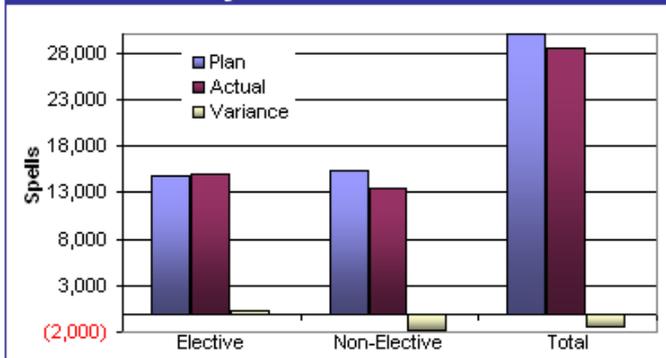
CIP 2010/11



Performance Against SLAs

Elective activity is above plan by 354 spells with Daycases continuing to over perform and Electives under perform against the plan. Non-electives are below plan by 1,769 spells; this is lower than last year's activity. The financial consequence of this performance is an under recovery against the plan on total Elective activity of £20k and £1,340k relating to Non-Electives. Activity was low during the month.

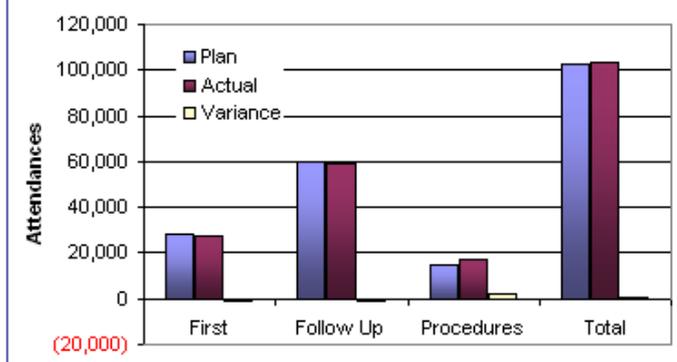
Contract Activity Performance



Outpatient Performance

Total Outpatient activity continues to be above plan resulting in a financial over performance of £121k. Within this total however, outpatient attendances are now under performing against plan by 1,613, offset by over performance in outpatient procedures of 2,300. The significant movement in month was due to adjustments as a consequence of arbitration, and low activity levels during the month.

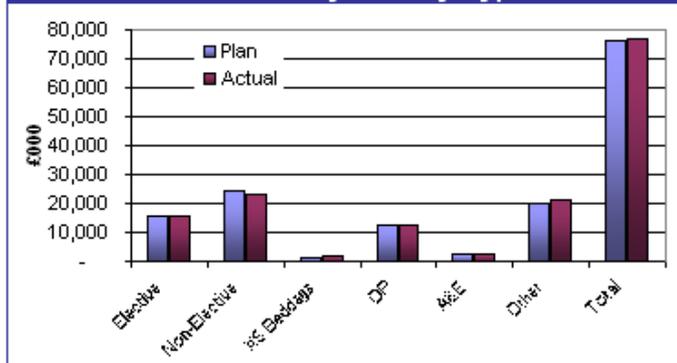
Outpatient Contract Activity Performance



Total NHS Clinical Income

Activity-based income is £389k above plan at Month 5, after the financial effects of arbitration have been worked through. Income has fallen in August as a result of lower than planned levels of clinical activity. It is expected this position will improve in September.

Income Performance by Activity Type



Statutory Financial Targets

The Trust is currently forecasting that it will achieve all its statutory financial targets. The financial surplus is predicated on the CIP target being achieved. The Trust is currently marginally behind the Better Payment Practice Code target due to a poor performance in April and May, although this has improved in recent months.

2010/11 Performance Against Targets

Duty	Target	M05	Forecast
Breakeven Duty	To achieve a breakeven I&E	£8.606k deficit	£1,500k surplus
Capital Absorption Rate	To achieve a rate of 3.5%	3.50%	3.50%
Better Payment Practice Code	95% of payments within 30 days by volume & value	●	●
External Financing Limit (EFL)	To achieve the EFL	●	●
Capital Resource Limit (CRL)	To remain within the CRL	●	●

SECTION 5

CONCLUSION & RECOMMENDATION

CONCLUSION

The Trust has continued the good start to the year during month five in respect of operating and quality performance metrics.

The Month 5 financial position has however significantly deteriorated from the last reported position as a consequence of arbitration. The QIPP Team are starting to have an impact and their success is critical in establishing the recovery programme which must be delivered to achieve the Trusts statutory financial duties.

RECOMMENDATION

The Board is asked to note the content of the report.

Kevin Clarkson

CHIEF OPERATING OFFICER/DEPUTY CHIEF EXECUTIVE

Alistair Mulvey

DIRECTOR OF FINANCE

Damian Gallagher

DIRECTOR OF HUMAN RESOURCES

Chris Platton

ACTING DIRECTOR OF NURSING, QUALITY AND GOVERNANCE

APPENDIX A

PERFORMANCE REPORT

In summary the dashboard provides: -

- A profile of performance in each month of the current year, up to and including, the latest data available.
 - All data items are shown using a monthly profile with the exception of a small number of indicators which use a quarterly profile.
 - The criteria for traffic lighting (trajectory position) is used to assess performance for the current data period. Grey shading for the latest month indicates that data is not yet available for that period, at the time of the production of the report.
 - The letters “nad” in a grey shaded box means that there was “no applicable data (nad)” for that particular period/month.
 - The “Year to Date” column is also traffic lighted for those indicators where performance has to be achieved across the whole of the year.
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APPENDIX B

FINANCIAL WORKSHEETS
