

TRUST BOARD

Date of Meeting: 05/07/2011	Agenda Item No: 6.1	Enclosure: 4
Intended Outcome:		
For noting ✓	For information	For decision
Title of Report: Performance Report		
Aims: To update the Trust Board on the operational, financial, workforce and care quality performance for the first two months of the financial year.		
Executive Summary: The performance report summarises Trust performance against a range of operating, quality, financial and workforce indicators for month two of 2011/12. <ul style="list-style-type: none"> Operational performance against key targets remains broadly strong with some pressures within specific specialities on access targets; The Trust is reporting a balanced financial position assuming concluding contractual negotiations, achieving CIP in full and securing strategic change support funding; Workforce indicates continue to show steady improvement, whilst recognising the use of flexible labour remains high; Excellent performance on minimisation of infection within the hospital continues with zero MRSA and CDiff remaining below trajectory <p>Moving through the year the Trusts key risk remains achievement of its financial targets and greater pace and focus will be required to achieve the necessary outcomes as the financial year progresses. Financial achievement will continue to be balanced against delivering necessary access targets, supporting the Trusts workforce and achieving the highest quality standards.</p>		
Overview of key areas for consideration or noting: As above.		
Specific implications and links to the Trust's Strategic Aims:		
Ensure we provide high quality, safe and effective care for all our patients including meeting essential standards of safety and quality as set out by the CQC		✓
Develop a viable integrated clinical strategy for secondary care services which is sustainable and affordable		
Develop a new healthcare facility in West Cumbria that is fit for the 21st century		
Achieve sustainable financial balance through the delivery of the Trust's internal Cost Improvement Programme, securing a viable contract income from our GP commissioners and contributing to the system wide cost reductions		
To develop and implement a successful merger or acquisition plan that enables the Trust to become part of an existing NHS Foundation Trust		
Recommendations: The Trust Board is asked to note the content of the report.		

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APPENDIX A

**TRUST BOARD
PERFORMANCE REPORT
Month Two (May) performance
Reported in
JULY 2011**

INTRODUCTION

This report provides the Trust Board with a summary of the organisations performance against a range of key performance indicators as at 30 May 2011.

The report sections are as follows: -

- SECTION 1: OPERATING PERFORMANCE**
- SECTION 2: QUALITY REPORT**
- SECTION 3: WORKFORCE REPORT**
- SECTION 4: FINANCE REPORT**
- SECTION 5: CONCLUSION & RECOMMENDATION**
- APPENDIX B: PERFORMANCE DASHBOARD**

SECTION 1

OPERATING PERFORMANCE

1. OPERATING PERFORMANCE

The full Performance Dashboard is located at Appendix A. The Dashboard has been updated to ensure that all operating performance targets are now aligned to the integrated performance measures which were published in the Technical Guidance for the 2011/12 Operating Framework.

The Operating Framework for 2011/12 identifies a series of measures and targets against which all NHS Trusts will be monitored throughout the year. The Operating Framework focuses on the following:

- Quality
- Resources

The Framework also further splits the above categories into:

- Headline measures
- Supporting measures

The Performance Dashboard structure has now therefore been set up with eleven distinct sections and these are identified below:

1. Quality: headline measures
2. Resources: headline measures
3. Quality: supporting measures
4. Resources: supporting measures
5. Local monitoring
6. Local productivity metrics
7. Local workforce metrics
8. Local quality metrics
9. Estates metrics
10. Facilities metrics
11. Referral to Treatment analysis by speciality

HR issues are addressed within section 3 of this document with section 4 considering financial performance measures.

- In addition to national requirements local targets have also been maintained, particularly around productivity metrics.

1.1 MONTH TWO PERFORMANCE

Month two sees a continuation of sound performance against a key range of national output performance targets, including

- MRSA bacteraemia
- Mixed sex accommodation breaches
- A&E clinical quality: unplanned re-attendance rate
- A&E clinical quality: left without being seen rate

- Cancer 2 week waits
- Cancer 31 day waits
- Referral to Treatment: median waiting times
- Emergency re-admissions (within 30 days)
- Length of stay
- Day case rate
- Delayed transfers of care
- Data quality on ethnic groups
- Number of patients waiting longer than 6 weeks for diagnostics tests
- Estates and Facilities metrics

1.2 PERFORMANCE IMPROVEMENT PLANS AND PROGRESS

Thrombolysis

The dip in call to needle performance in month relates to the low volume of patients and journey times. Weekly clinical reviews of all cases are undertaken jointly with the ambulance service. Cumulatively the position remains strong at 71.4%.

Cancelled Operations

The percentage cancelled on day of operation returned a level of 0.89% in month against an annual target of 0.8%. The Divisions continue to balance the requirement for elective throughput and the need to provide appropriate capacity to support emergency flows.

The 28 Day Rule Performance

Cumulatively the Trust remains on trajectory despite a dip in month. 7.1% in month reflects 2 patients requiring HDU beds for which there was no available capacity.

Cancer 62 Day Wait

The downturn in performance in month can be primarily attributed to capacity issues within the urology services which have now been addressed. Further factors impacting on performance are patient choice and complex pathways. Year to date performance remains on trajectory.

1.3 PRODUCTIVITY METRICS

Integrated performance measure SRS09 identifies the overall day case rate for general and acute care. The Trusts performance against this measure was 80.3%.

1.4 ESTATES AND FACILITIES

At the end of month two the Estates and Facilities Directorate continue to perform well against the set targets. This performance demonstrates consistent and high performing service provision to both the West Cumberland Hospital Whitehaven and the Cumberland Infirmary Carlisle.

1.5 18 WEEKS RTT BY SPECIALITY

The Dashboard (at Appendix A) contains the details of the month two position. Section 11 shows the speciality performance levels as follows:

- a) Admitted and non admitted – percentage treated within 18 weeks
- b) Admitted patient care 95th percentile
- c) Non admitted patient care 95th percentile
- d) Admitted patient care median wait
- e) Non admitted patient care median wait
- f) Incomplete pathways 95th percentile
- g) Incomplete pathways median wait
- h) Incomplete pathways – number of incomplete pathways (this is shown for trending analysis purposes)

The significant pressure within Ophthalmology continues to detrimentally impact upon the Trusts overall performance against 95th percentile achievement, which is falling short of the required target level of less than or equal to 23 weeks.

To manage the pressures within Ophthalmology specifically and some other specialities experiencing pressure plans to reduce the numbers of long waiters are in place and being enacted throughout June. In addition to ophthalmology specific plans exist within

- Orthopaedic Surgery
- Gynaecology
- Dermatology
- Oral Surgery

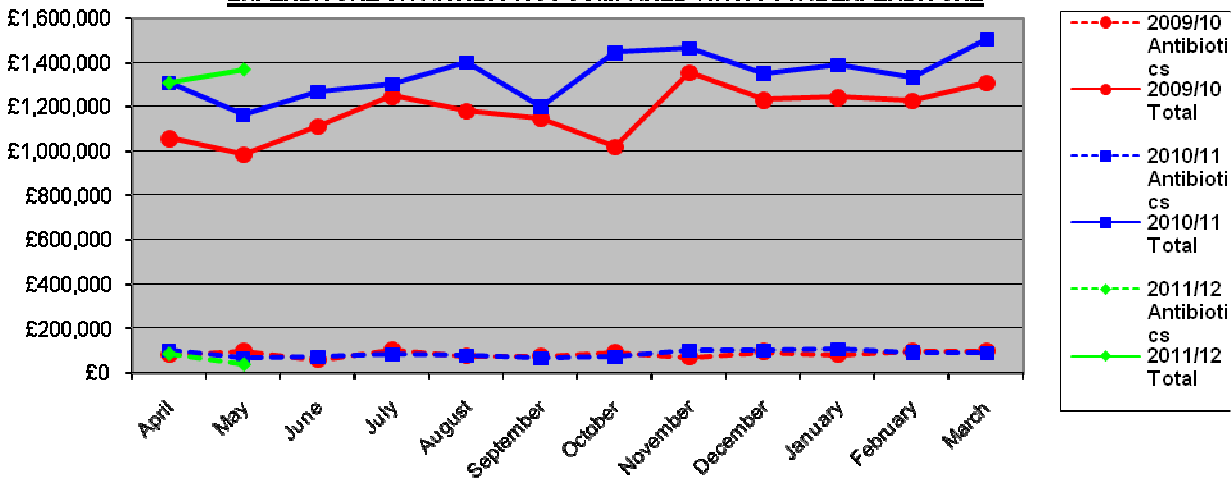
The impact of this work in June will be that the Trust's in month overall aggregate performance level for admitted care will be around 75% (against the target level of 90%). It is imperative that the actions taken resolve the issue and return the Trust to the requisite level of performance. There will be close monitoring of delivery of the required actions within each speciality.

1.6 PHARMACY METRICS

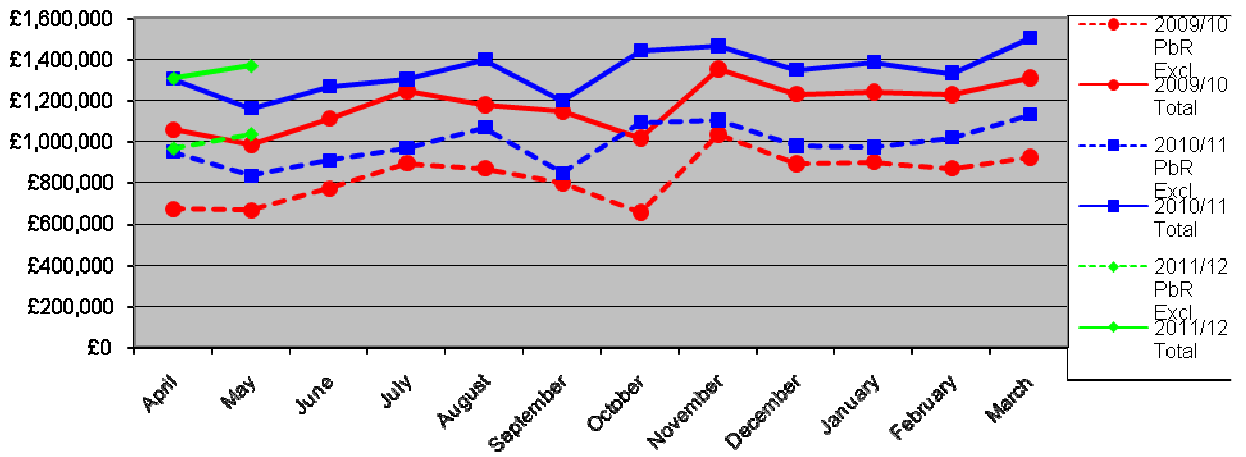
The North West SHA level 4 QIPP workstream on Medicines Management has recommended that all Trust Boards should be aware of high level data in respect of key prescribing issues. The aim being to encourage Board level scrutiny especially in the area of PbR excluded drugs which requires a whole health economy focus.

The charts below highlight expenditure for three key areas comparing expenditure against total expenditure and also comparing the current year and the previous two years. The headlines from the charts indicate that drugs spend comparing month 2 2011/12 is above the level of drugs spend in 2010/11 in all instances with the exception of antibiotic costs which are showing a marginal reduction. The expenditure positions do however indicate that they are broadly below the level of month 12 2010/11 and therefore indicating an improvement against the most recent months costs.

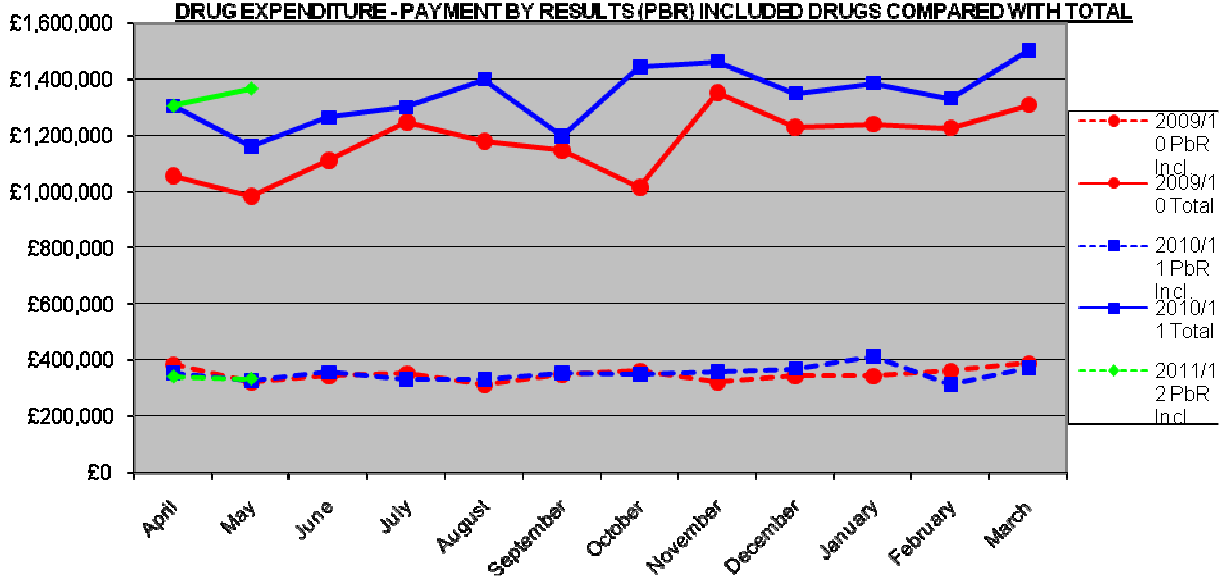
EXPENDITURE ON ANTIBIOTICS COMPARED WITH TOTAL EXPENDITURE



DRUG EXPENDITURE - PAYMENT BY RESULTS (PBR) EXCLUDED DRUGS COMPARED WITH TOTAL



DRUG EXPENDITURE - PAYMENT BY RESULTS (PBR) INCLUDED DRUGS COMPARED WITH TOTAL



SECTION 2

QUALITY REPORT

2. QUALITY REPORT

2.1 Development of Quality and Safety Indicators

At the February 2011 meeting of the Trust Board, detailed information was provided regarding the further development of quality and safety indicators for reporting to the Board. From June 2011 (which reports the April 2011 data period) the Trust is required to report quality and safety indicators as per the Technical Guidance Operating Framework for 2011/2012. Accordingly, the performance Dashboard has been updated to reflect the new quality reporting requirements of the Operating Framework for 2011/12.

In addition to the quality reporting requirements in the Operating Framework the governance team have also reviewed how the local Trust priorities for quality can be reported during the new financial year. The Trusts local Quality Dashboard outlining the areas developed to incorporate into one section all the other local quality measures that are appropriate for the organisation, these include:

- CQUIN targets
- Advancing Quality
- CQC enforcement
- Trust Governance and Risk Management indicators
- Progress against the Trust's Quality Account priorities

The criteria for the traffic light position is still being finalised within the governance team to ensure this focuses the Board on the key quality issues on a monthly and quarterly basis. This will also include enhanced reporting from the CHKS benchmarking system to ensure that outliers are easily identified in the local Quality Dashboard.

The Trust's local Quality Dashboard is still being developed within the governance team and will be reported to the Board in September 2011.

2.2 MRSA bacteraemia

The Trust continues to perform very well against the Department of Health's targets for reducing the incidence of MRSA bacteraemia. The Trust has to achieve year on year reductions with the incidence of MRSA. The target for 2011/12 is less than 4 apportioned cases. The excellent work carried out by our clinical teams to minimise infections has meant that there has been no post 48 hour bacteraemia for 13 months at the Cumberland Infirmary and for 12 months at the West Cumberland Hospital.

2.3 Clostridium Difficile

The Trust has to achieve year on year reductions with the incidence of Clostridium Difficile. The target for 2011/2012 is 69 attributed cases.

This target will be challenging for our clinical teams who are committed to maintaining the excellent achievements made in 2010/11 of 57 attributed cases against a target of 120. There were 3 attributed cases in May.

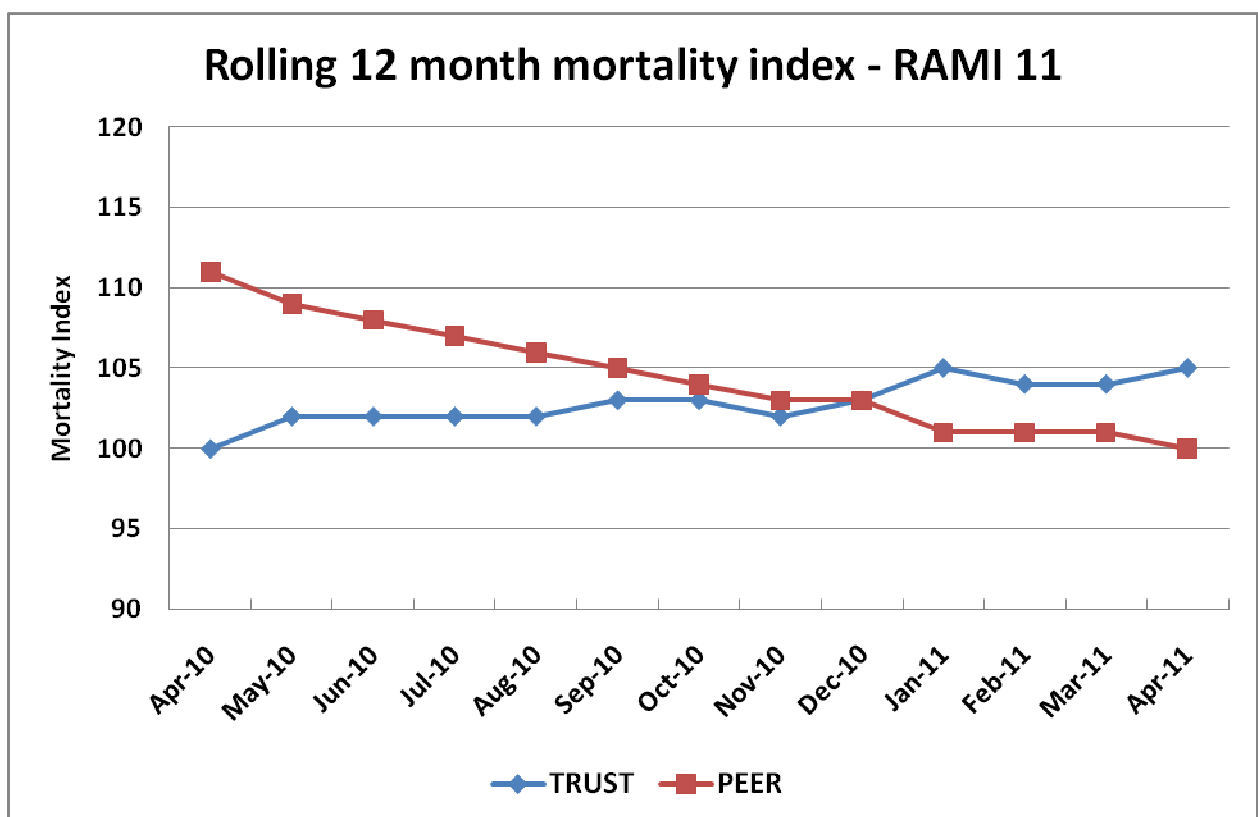
The work of the Steering Group will continue to ensure our clinical teams monitor all preventative measures and instigate actions as required. As part of that work the Infection Prevention and Senior Nursing Team are implementing a deep clean programme for identified clinical areas which is in addition to the Trusts existing cleaning programmes. On 1 June 2011 the team launched the “Cdiff” patient card which will be provided to newly identified patients and all relapse patients. The purpose of the card is to raise awareness of susceptibility for patients who may be prescribed antibiotics.

2.4 Mortality Rates

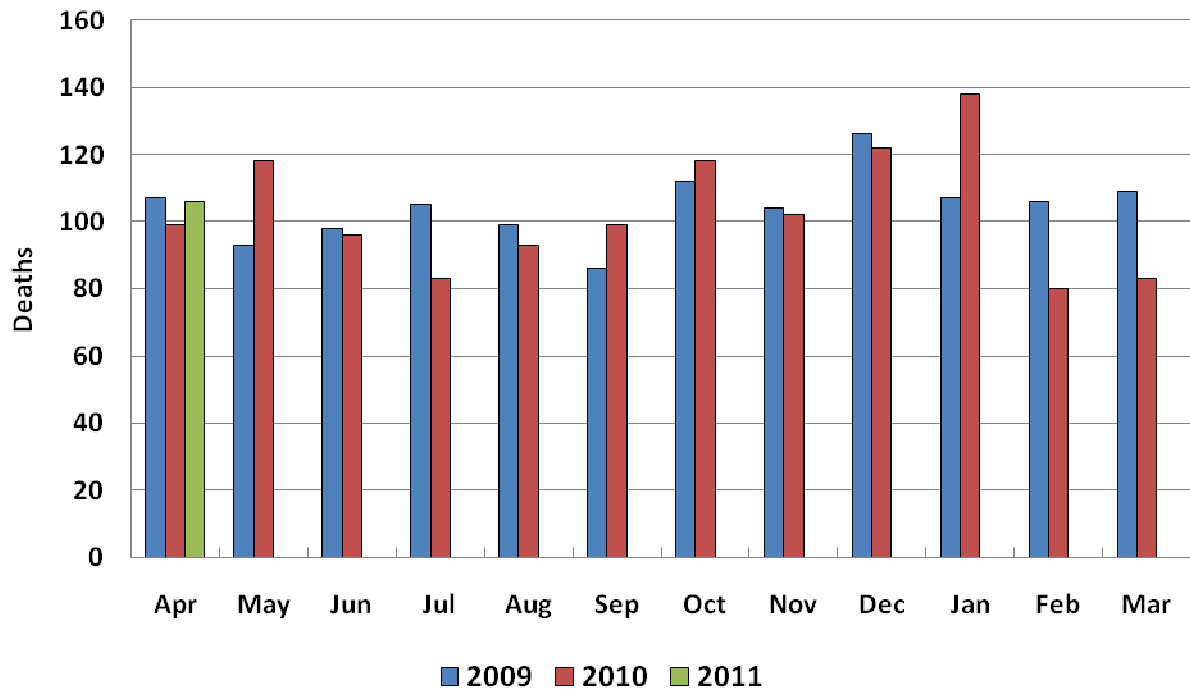
Hospital mortality indices, extracted from the Caspe Healthcare Knowledge System (CHKS) comparative database, are summarised in the Performance Dashboard. These are derived from data submitted by all CHKS client Trusts to the Secondary Uses Services (SUS) and are further processed through a complex methodology 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.

CHKS have rebased their Risk Adjusted Mortality Index (RAMI) to reset the average index for all patients to 100. This rebase shows an average increase of 19% and as a result Trusts are likely to observe a step increase in their index score. This should not be interpreted as a shift in performance but will be monitored closely to ensure increasing trends are acted upon.

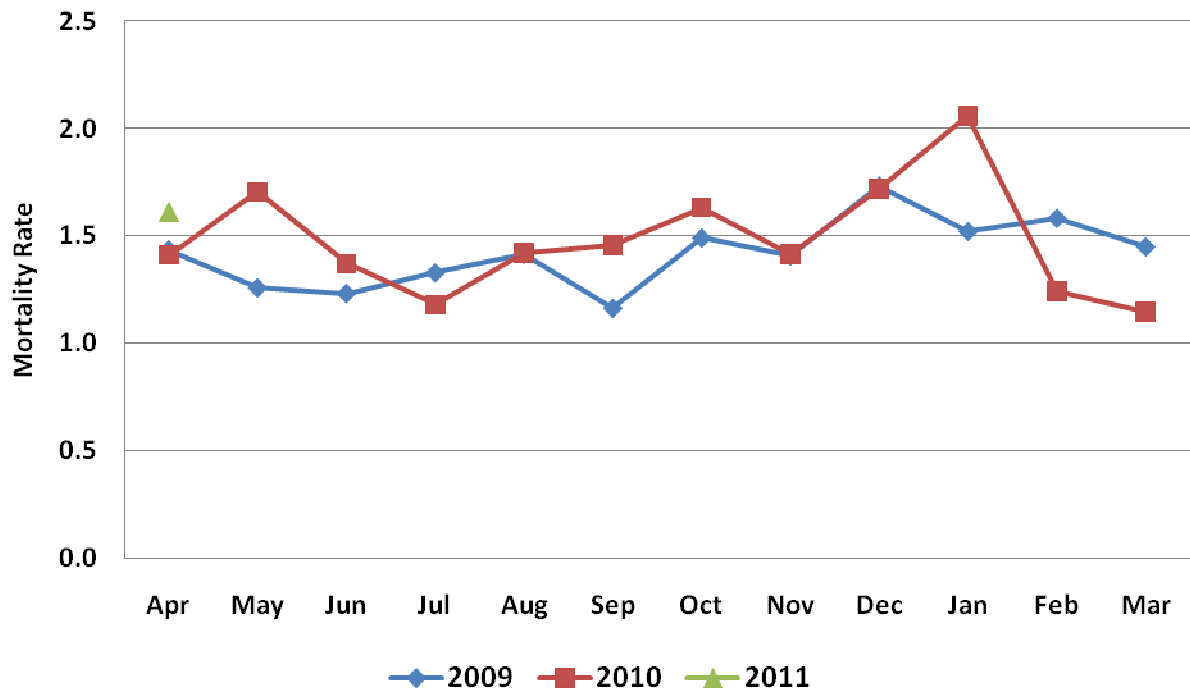
Rebasing is a necessary and value-adding exercise for index-based indicators. Changes in clinical coding and clinical practice can create a shift in index scores and this decreases the norm over time, therefore a rebasing process is needed to bring the norm back to 100.



Number of Deaths



Unadjusted Mortality Rate

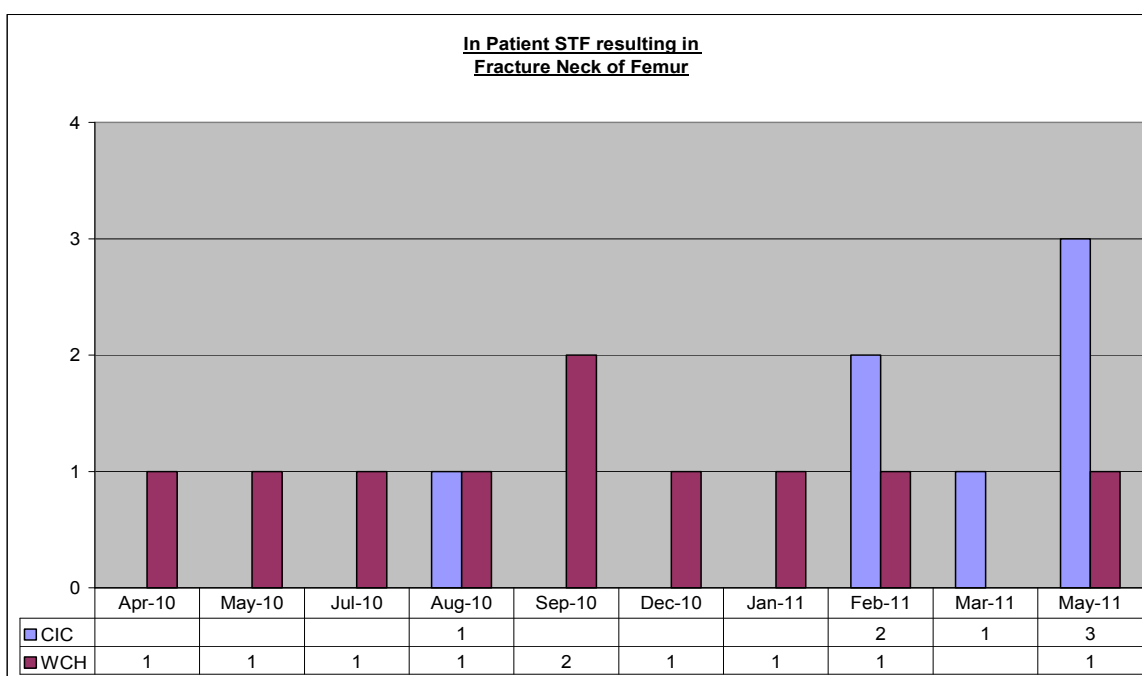


2.5 Slips, Trips and Falls

Excellent performance continues in respect of slips, trips and falls prevention. The May 2011 figure was 81 against a target of ≤ 100 . Considerable changes have been made in our approach to improving patient safety with regard to falls. The Trust remains committed to reducing the number of incidents relating to inpatient falls and harm sustained as a result of those falls. Data relating to fractured neck of femur injuries sustained following a slip trip or fall is included below.

2.5.1 Fractured Neck of Femur Sustained Following A Slip, Trip Or Fall

The Trust has continued to deliver excellent performance in the overall reduction of slips, trips and falls. As part of the development of the Trust's quality and safety indicators monthly reporting will continue to include all fractured neck of femur's sustained following a fall. A Root Cause Analysis (RCA) is completed for all falls where a fractured neck of femur has occurred. All RCA's are reviewed at the slips, trips and falls operational group where actions required and lessons learnt are disseminated to clinical teams. In May 4 patients sustained a fractured neck of femur following a slip trip or fall. These are all currently under review as high level incidents by the Acting Director of Nursing and the Medical Director. The review will report back to the Trust Board in August/ September.



2.6 Venous Thromboembolism (VTE)

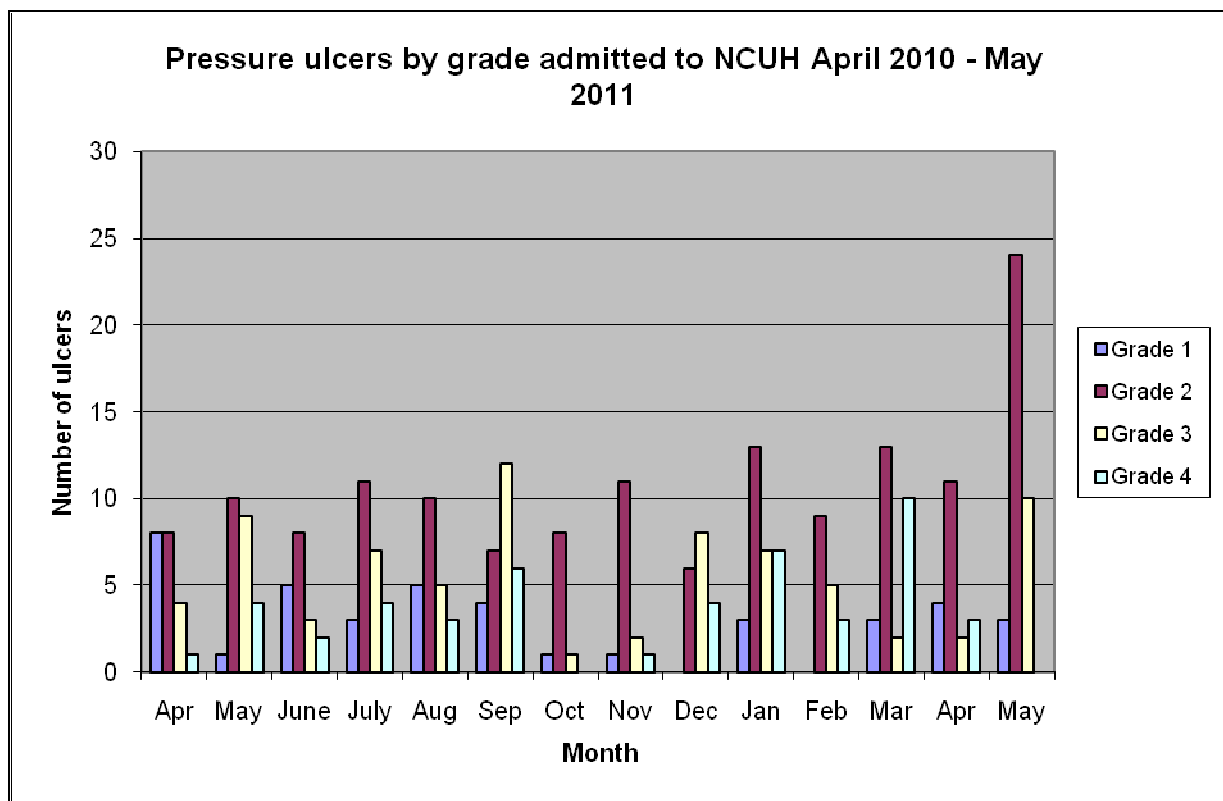
From June 2010 all Acute Trust's were required to report monthly to the Department of Health on the number of inpatients who are VTE risk assessed as per the National Institute for Health and Clinical Excellence (NICE) clinical guideline number 92. By March 2011 all Trusts were expected to have reached a target of 90 % of inpatients who have been risk assessed for VTE. As part of the National Commissioning for Quality and Innovation

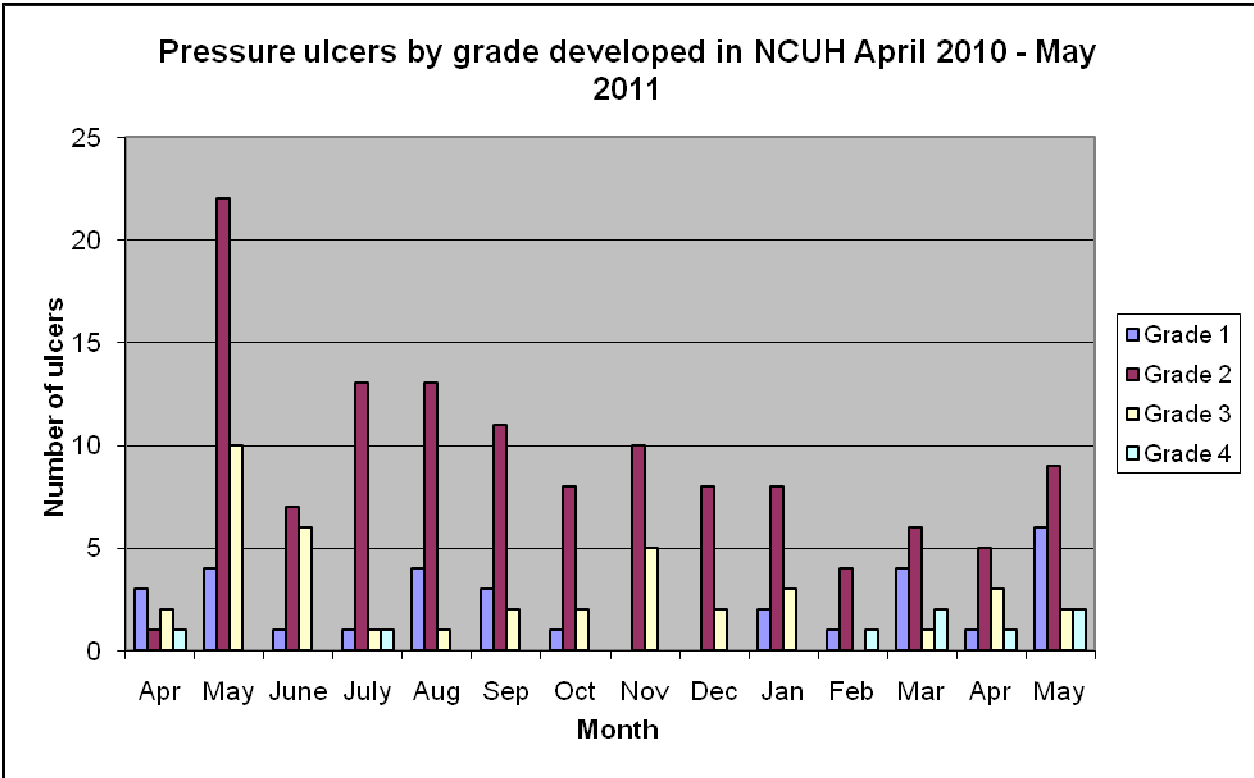
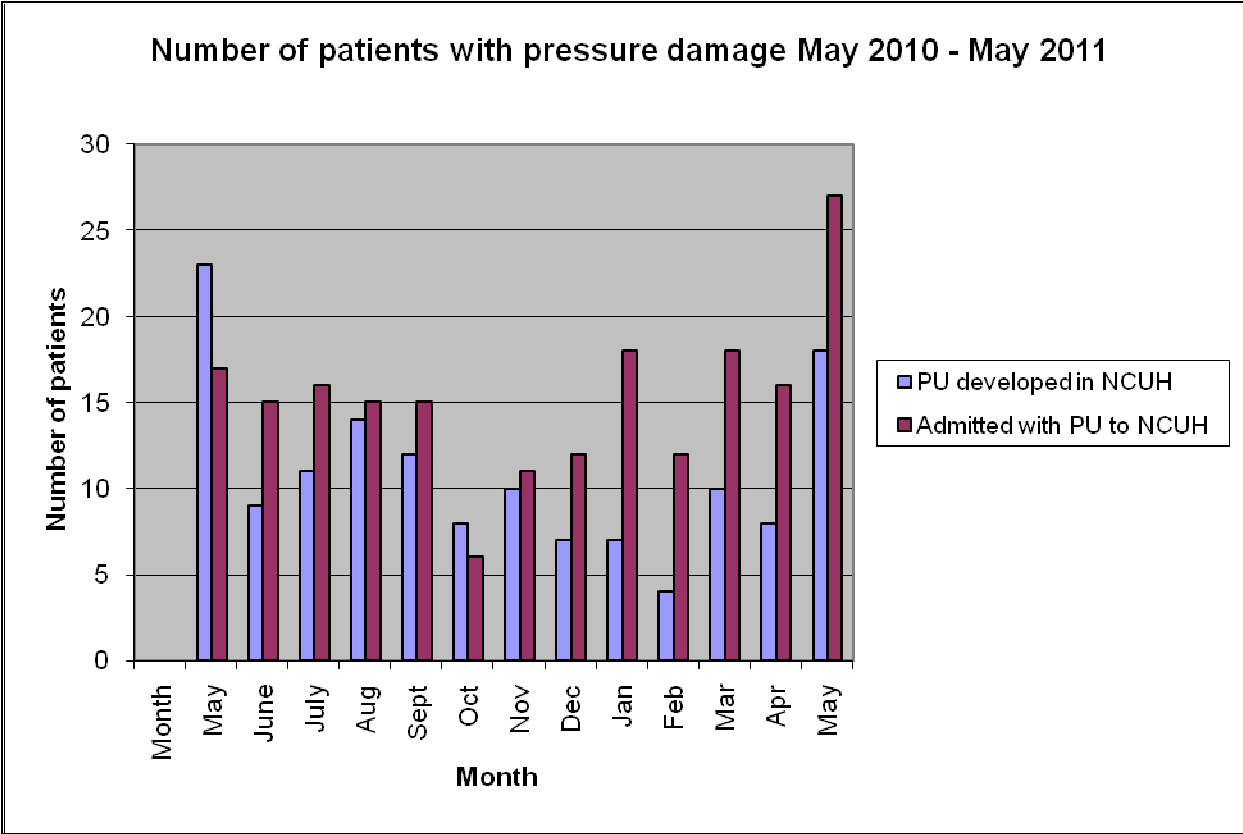
(CQUIN) scheme the Trust is also monitored by NHS Cumbria. VTE assessment is also reported to the Governance Committee by the Divisions through the quarterly divisional reporting process. The 90% target has been achieved since January 2011 (Appendix A Code SQU01).

2.7 Pressure Ulcers

The reporting process for pressure ulcers was reviewed by the senior nursing team and Tissue Viability Specialist Nurse in 2010. This was to improve reporting of pressure ulcers and to raise awareness with clinical teams. As part of CQUIN an audit tool was developed and baseline data collection commenced. There are two pilot groups established across the Trust focussing on continence and pressure ulcers. A continence pilot was completed in May 2011 to identify moisture lesions in comparison to pressure lesions and this has been piloted on Jenkin Ward at WCH and Willow A at CIC. The pressure area pilot has commenced across both sites on Beech A, B, Maple CD, Overwater 1 and Jenkin ward and this focuses on the classification of ulcers, increased monitoring, root cause analysis and educational development. A root cause analysis is completed on all grade 3 & 4 ulcers developed post admission.

The following graphs include data pre admission and post admission.





Reporting of pressure ulcers has increased; this is due to raising of awareness through education and training, both in Primary and Secondary Care.

SECTION 3

WORKFORCE REPORT

Contents & Target Summary

Section	Subject	Status
1	Summary / Narrative	Not Applicable
2	Staff in Post	
3	Overtime	
4	Turnover	
5	Sickness – Month 1	
6	Employee Relations	Not Applicable
7	Occupational Health	Not Applicable
8	Appraisal	

Key	
Green	Significant Progress
Amber	Progress
Red	Limited/No Progress

1. Summary

Staff in Post	<p>Staff in post for the Trust as a whole is at 2980.95 WTE at Month 2 (2011/2012) This equates to a reduction of 106.77 WTE when compared to the equivalent month in 2010/11 and a reduction of 12.20 WTE compared to Month 1 (2011/2012). Since the start of 2011, WTE has reduced by 29.52 WTE and headcount by 91.</p> <p>The largest two staff groups are Nursing & Midwifery (1068.45 WTE) and Admin & Clerical (660.59 WTE). Currently the Trust has a total of 301.25 WTE Medical and Dental staff and 471.12 WTE providing Additional Clinical Services.</p> <p>In terms of Divisional statistics, Medicine has the largest establishment (789.27 WTE) followed by Family and Support Services (695.20 WTE) and Surgery (658.47 WTE).</p>
Overtime	<p>The overtime figures reported from April 2011 have been enhanced and set out :</p> <ul style="list-style-type: none"> • Overtime worked above the normal weekly contracted hours of 37.5 (Prime) • Overtime worked by part time staff up to the full-time normal weekly contracted hours of 37.5 i.e 'Additional Basic Pay' (Basic). These figures were not included in last year's reports. <p>The amount of Prime overtime has decreased across all Divisions from Month 1 (2011/12). Basic overtime has increased in Corporate and Family & Support Services. The total has decreased by £3, 213</p>
Turnover	<p>Annualised turnover (headcount) for non-medical staff for Month 2 (2011/12) is 11.04% (including bank workers). There were 40 non-medical staff leavers (1.09%).</p>
Sickness Absence	<p>The Trust sickness absence rate for Month 2 (2011/12) is 3.91%, lower than at the equivalent month in 2009/2010 (4.64%) and a very slight increase over Month 1 (2011/12) of 0.05%.</p> <p>Family & Support Services (3.17%) and Surgery (3.43%) have dropped below the revised target of 3.50%. Corporate Services remains below target (3.12%) but has increased by 0.67%. Estates & Facilities has also dropped this month by 1.05% to 5.87%.</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 introduction of sickness absence cautionary hearings has further tightened this process. To date, 14 hearings have been held and 11 First Written Absence Cautions have been issued.</p> <p>HR Business Partners are also monitoring absence on a weekly basis to assist the achievement of the revised stretch target of 3.50% and reporting to the QIPP team on a regular basis.</p>

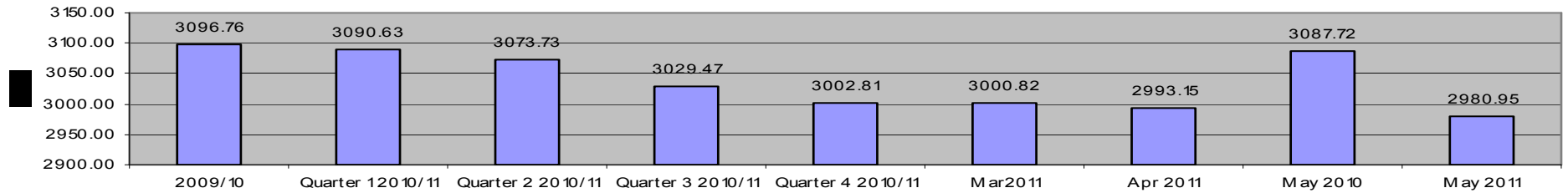
<p>Appraisal</p>	<p>The annualised figure for the number of appraisals (non-medical staff) completed at Trust level (from 1 June 2010 to 31 May 2011) is 77.45%, down 1.93% from last month.</p> <p>The Medical Division (83.92%) has continued to increase and is above the minimum target of 80%. Estates & Facilities (79.91%) and Family & Support Services (79.36) remain around target.</p> <p>The HR Business Partners continue to actively monitor appraisal completion within the Divisions.</p> <p>All Foundation Doctors undertake an Annual Review of Competence Progression (ARCP) in May/June. They complete a learning portfolio to bring together the evidence including educational review, assessment, appraisal and planning. The trainees undertaking this in the Trust are Foundation 1 trainees = 33 Foundation 2 trainees = 28</p>
<p>Occupational Health</p>	<p>Figures include flu vaccination appointments. Self referral figures include face to face appointments and telephone contact.</p>

2. Staff in Post

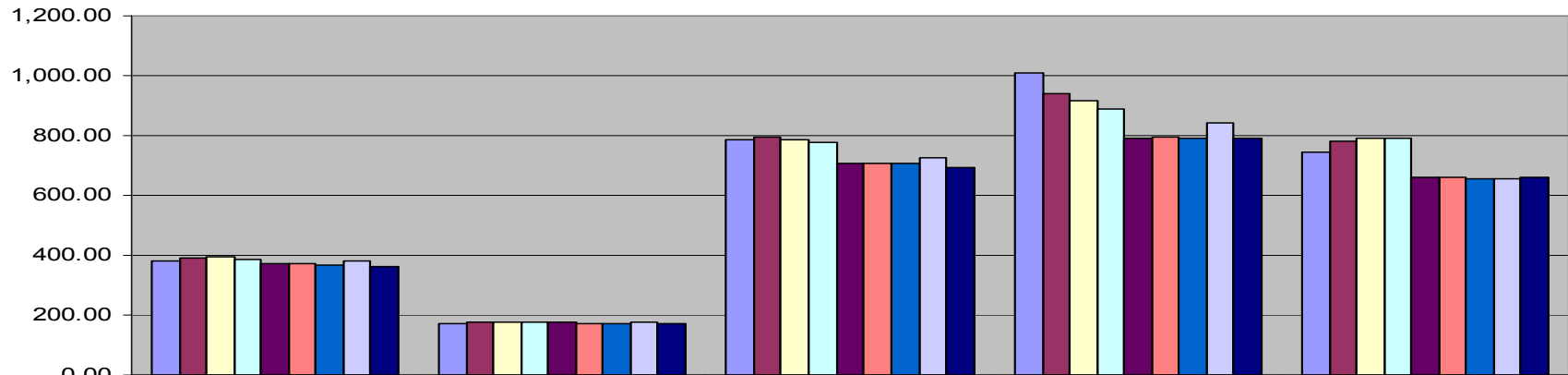
Staff Group	2009/10	Quarter 1 2010/11	Quarter 2 2010/11	Quarter 3 2010/11	Quarter 4 2010/11	Mar2011	Apr 2011	May 2010	May 2011
	WTE	WTE	WTE	WTE	WTE	WTE	WTE	WTE	WTE
Additional Professional & Technical	112.41	111.99	103.96	96.30	94.28	92.87	92.08	111.96	93.70
Additional Clinical Services	507.25	494.93	495.07	485.44	470.36	470.33	470.05	494.58	471.12
Admin & Clerical	677.97	689.45	691.85	683.20	673.70	671.46	669.25	691.01	660.59
Allied Health Professionals	140.84	137.10	135.99	133.64	132.52	132.79	131.59	135.48	131.15
Estates & Ancillary	178.22	186.85	185.37	194.35	202.22	201.50	199.45	186.62	197.58
Healthcare Scientists	72.83	69.42	68.21	66.71	64.91	64.61	64.11	71.14	64.11
Medical & Dental	308.40	301.11	298.04	292.73	295.51	298.06	297.80	302.32	301.25
Nursing & Midwifery (Registered)	1,098.83	1,099.78	1,095.25	1,077.10	1,069.30	1,069.19	1,068.81	1,094.60	1,061.45
Trust	3096.76	3090.63	3073.73	3029.47	3002.81	3000.82	2993.15	3087.72	2980.95

Staff Group	2009/10	Quarter 1 2010/2011	Quarter 2 2010/2011	Quarter 3 2010/2011	Quarter 4 2010/11	Mar2011	Apr 2011	May 2010	May 2011 Head
	Head	Head	Head	Head	Head	Head	Head	Head	
Additional Professional & Technical	139	138	127	117	113	110	110	137	110
Additional Clinical Services	794	799	807	799	768	762	756	786	751
Admin & Clerical	872	865	891	881	862	851	845	892	833
Allied Health Professionals	196	196	196	196	196	195	195	195	195
Estates & Facilities	239	226	247	263	275	275	273	247	271
Healthcare Scientists	76	79	71	69	68	68	67	74	67
Medical & Dental	358	370	359	361	364	366	369	349	371
Nursing & Midwifery (Registered)	1,454	1,458	1,460	1,453	1,445	1,439	1,438	1,463	1,435
Trust	4425	4131	4158	4139	4091	4066	4053	4143	4033

WTE Staff in Post - Trust



WTE Staff in Post - Divisions (excluding medical staff)

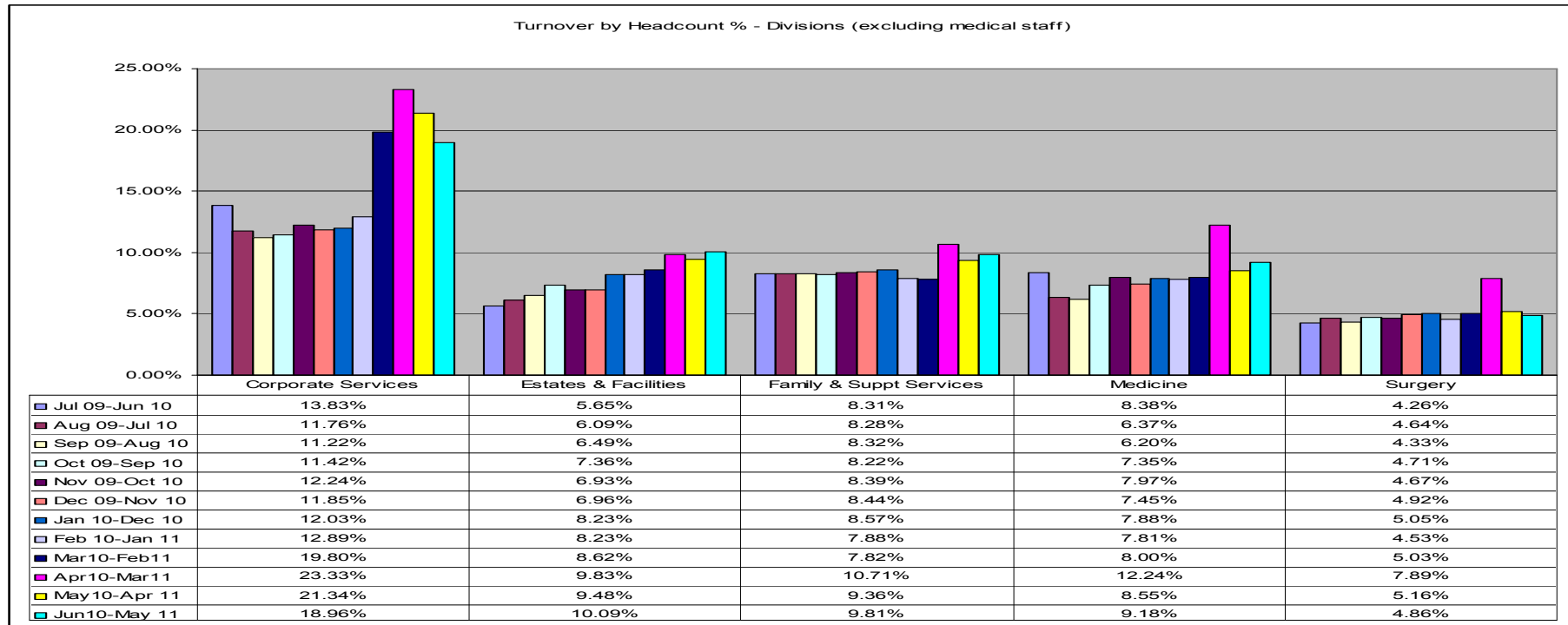
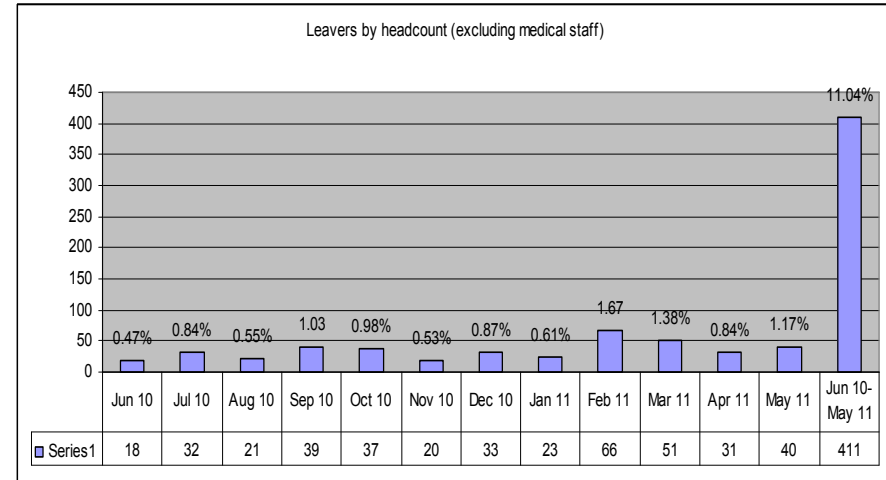
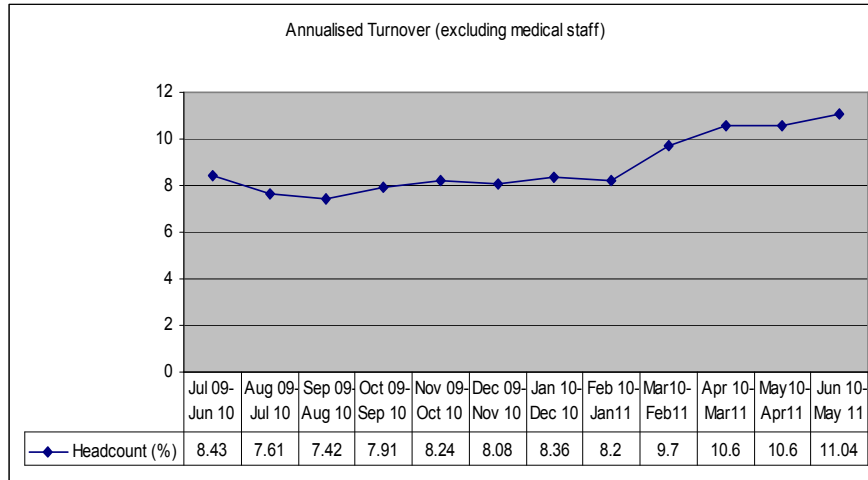


Period	Corporate Services	Estates & Facilities	Family & Suppt Services	Medicine	Surgery
2009/2010	379.46	171.15	786.88	1,009.86	746.30
Quarter 1 2010/11	392.92	175.22	793.75	939.59	781.28
Quarter 2 2010/11	396.00	176.77	786.37	916.81	789.92
Quarter 3 2010/11	387.43	177.46	777.69	888.50	791.52
Quarter 4 2010/11	372.39	174.92	707.18	790.44	658.56
March 2011	371.52	174.38	707.41	795.64	660.20
April 2011	366.32	172.24	705.56	789.30	657.64
May 2010	380.77	174.98	724.52	843.97	655.03
May 2011	361.40	171.06	695.20	789.27	658.47

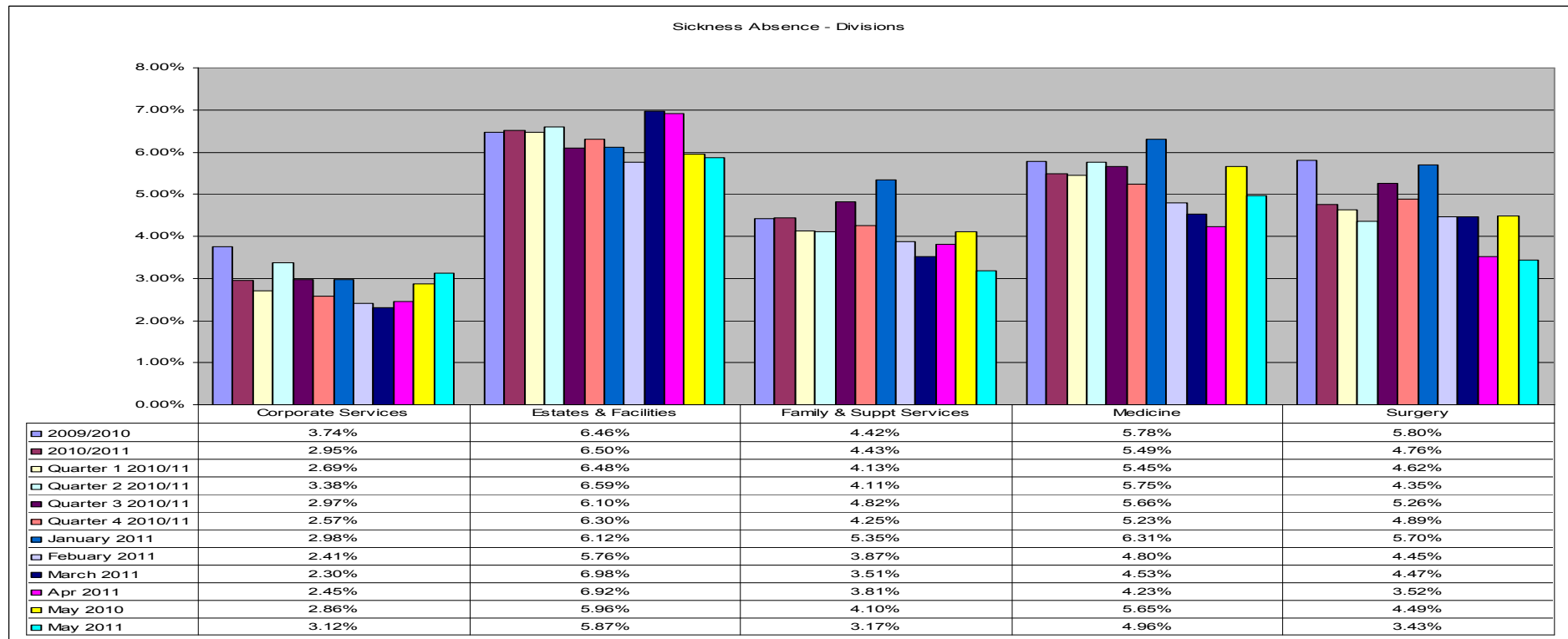
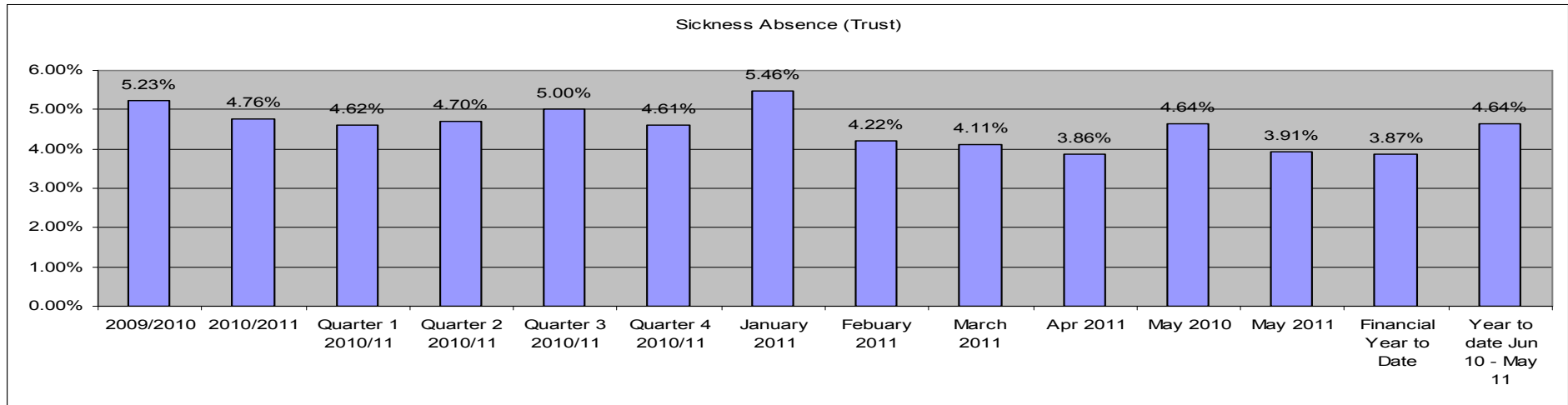
3. Overtime

	Apr			May			YTD	YTD	YTD	2010/11 Prime
	Basic	Prime	Total	Basic	Prime	Total	Basic	Prime	Total	
Corporate Services	9,698	4,241	13,939	11,606	1,538	13,144	21,304	5,779	27,083	41,867
Estates & Facilities	35,966	13,380	49,346	32,502	11,336	43,838	68,468	24,716	93,184	175,888
Family & Support Services	73,086	15,956	88,682	81,243	13,970	95,213	153,969	29,926	183,895	236,372
Medicine	68,852	6,753	75,605	73,693	3,693	77,386	142,545	10,446	152,991	93,362
Surgery	36,632	9,564	46,196	34,538	6,437	40,975	71,170	16,001	87,172	123,334
TOTAL 11/12	223,874	49,895	273,769	233,582	36,974	270,556	457,456	86,870	544,325	670,823

4. Turnover

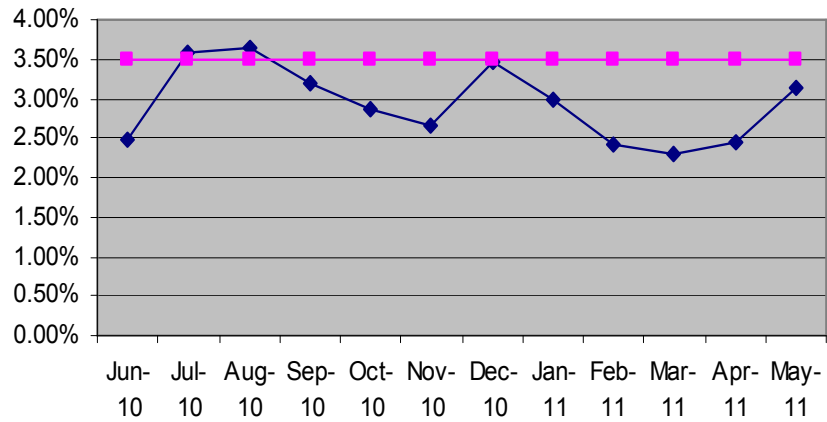


5. Sickness Absence

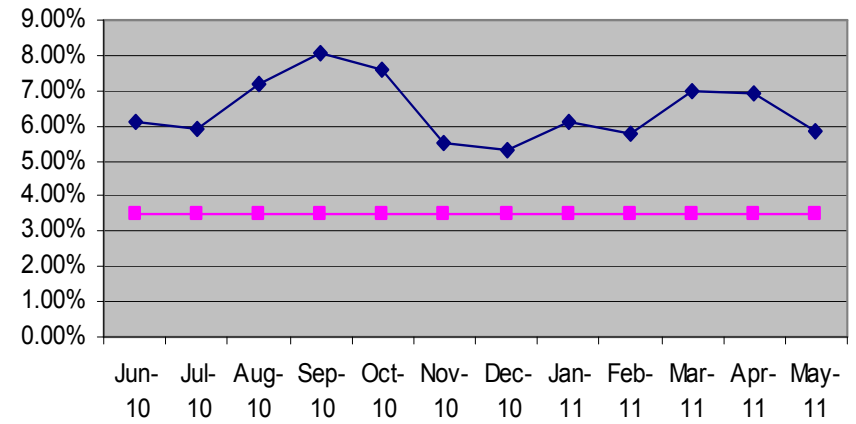


Sickness Target Trackers 2010/11

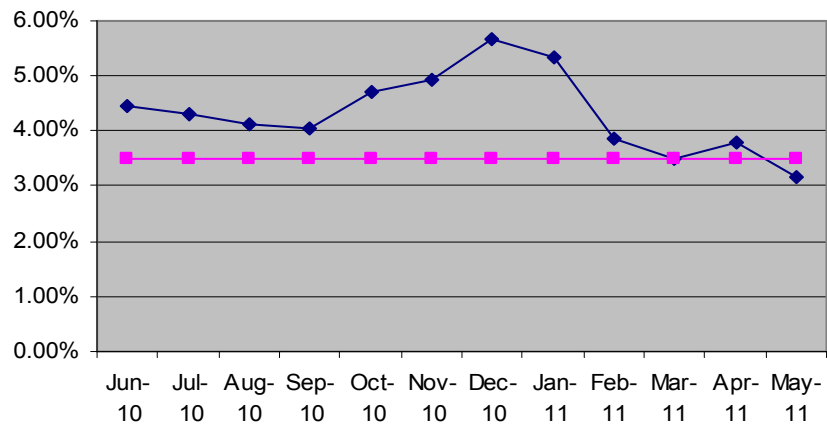
Sickness Absence Corporate Services



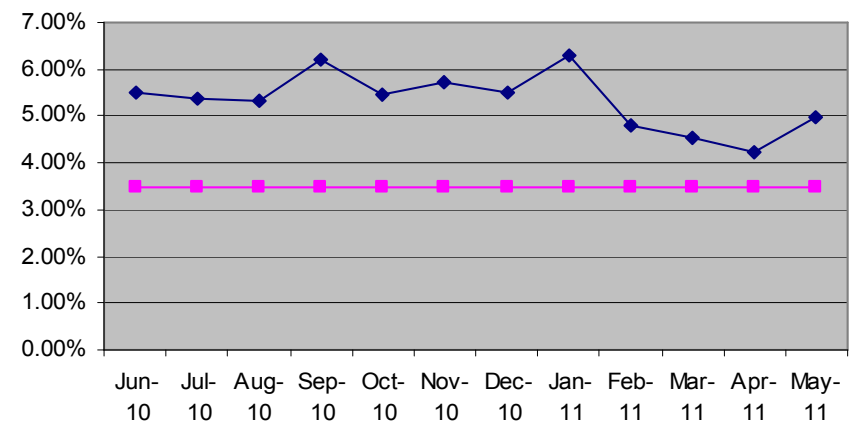
Sickness Absence Estates & Facilities



Sickness Absence Family & Support Services



Sickness Absence Medicine



7. Occupational Health

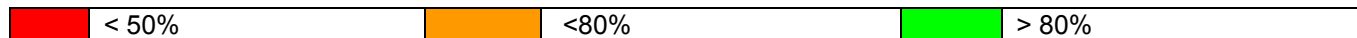
Cumberland Infirmary	2010/11 (from Aug 10)	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sept 2011
Pre-Employment Acute Staff	250	17	16				
Pre-Employment Non Acute Staff	22	13	3				
Pre-Employment Placements	114	5	1				
Managers Referral (no in brackets - stress related)	335 (28)	28 (4)	24 (1)				
Self Referral (no in brackets - stress related)	289 (13)	15	20 (0)				
Nurse Review Appointments	175	7	6				
Other Routine Nursing Appointments	1869	54	77				
Doctor's Appointments	169	27	29				
<u>TOTAL</u>	3223	166	186				
DNA	368	27	24				

West Cumberland Hospital	2010/11 (from Aug 10)	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sept 2011
Pre-Employment Acute Staff	115	11	7				
Pre-Employment Non Acute Staff	5	-	-				
Pre-Employment Placements	149	10	3				
Managers Referral (no in brackets - stress related)	265 (23)	20 (2)	24 (2)				
Self Referral (no in brackets - stress related)	425 (50)	54 (22)	57 (12)				
Nurse Review Appointments	118	13	14				
Other Routine Nursing Appointments	1148	19	34				
Doctor's Appointments	114	-	--				
<u>TOTAL</u>	2339	127	139				
DNA	111	15	22				

8. Appraisal

Division	01/07/09 to 30/06/10	01/08/09 to 31/07/10	01/09/09 to 31/08/10	01/10/09 to 30/09/10	01/11/09 to 31/10/10	01/12/09 to 30/11/10	01/01/10 to 30/12/10	01/02/10 to 31/01/11	01/03/10 to 28/02/11	01/04/10 to 31/03/11	01/05/10 to 30/04/11	01/05/10 to 30/04/11	RAG
Corporate Services	60%	59%	61%	64%	68%	68%	66.7%	67.6%	65.14%	60.05%	61.05%	60.24%	
Estates & Facilities	91%	92%	92%	87%	89%	63%	62.6%	80.4%	77.78%	94.88%	91.16%	79.91%	
Family & Support Services		39%	42%	53%	56%	64%	65.3%	67%	67.07%	80.96%	82.07%	79.36%	
Surgical	28%	41%	47%	51%	54%	61.5%	62.7%	69.8%	76.51%	82.29%	80.65%	76.30%	
Medical	18%	27%	29%	40%	43%	44%	44.6%	47.4%	53.07%	74.10%	81.49%	83.92%	
Total	38%	41%	46%	52%	56%	58%	58.9%	62.9%	68.00%	77.47%	79.38%	77.45%	

RAG coding



SECTION 4

FINANCE REPORT

4. FINANCE REPORT

At the end of May the Trust is reporting a surplus of £6k against a planned surplus of £153k, resulting in an adverse variance of £146k.

Total income for the Trust was £669k ahead of the plan in May and is £966k ahead cumulatively. The majority of this is driven by patient related activity being ahead of the plan at the end of May, leading to a financial over performance of £643k. Other Operating Income is also ahead of the plan as a result of the Trust agreeing a number of provider to provider contracts with partner organisations. The Trust is in the process of agreeing its contract for patient care services with NHS Cumbria, these negotiations are expected to conclude by the end of June. The current financial position therefore assumes positive resolution to all contractual and financing issues with commissioners and the SHA.

Financial gains on income are offset by overspending on pay which is reporting, after two months, an adverse variance of £235k. Whilst pay costs continue to outstrip available budget the trend established towards the end of 2010/11 where the rate of overspending was reducing has continued into 2011/12. The main driver of the pay overspend remains the use of temporary staffing at a significant financial premium to cover for substantive medical staffing vacancies. The cost of these staff increased in May to £491k from £406k in April.

Non-Pay overspent by £781k in May and is £1,103k overspent cumulatively. Although expenditure was higher in May it remains in line with the run rate established on non pay expenditure in 2010/11. To manage the financial position moving forward the Trust needs to reduce the non pay run rate to align with available budget on a month on month basis.

The core team supporting the turnaround process has been changed in recent months and this change has adversely impacted upon previously gathered momentum. To date £126k of CIP has been delivered against an annual requirement of £15.2m. The turnaround process has been re-launched with specific individuals identified to drive the delivery of the requisite targets into operational achievement paying particular attention to increasing clinical engagement, pace of delivery and a broader base of accountability around achievement.

The Trust has agreed a financial plan to deliver a surplus of £1m at the end of March 2012. This is predicated on delivering the CIP target and securing further additional income from NHS North West to support strategic change during the year once the contract with NHS Cumbria is finalised.

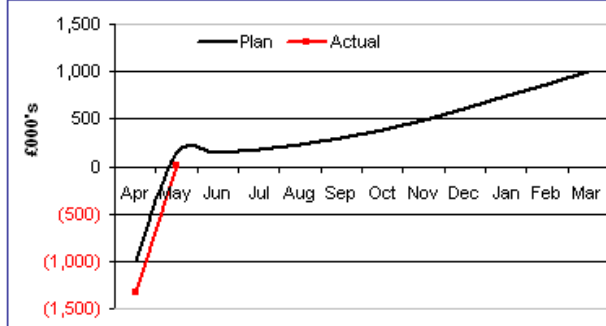
The Trust's cash position remains weak although sufficient resource is available to meet day to day obligations.

FINANCIAL OVERVIEW - 31st May 2011 (Month 2)

Income & Expenditure

The Trust is reporting a surplus of £6k against a planned surplus of £153k at the end of May, resulting in a negative variance of £146k. Income includes additional support from NHS North West which will be required to meet the Trust's statutory financial duties. Expenditure generally continues to reduce in line with the trend established in 2010/11 although there was an increase in Non Pay expenditure in May.

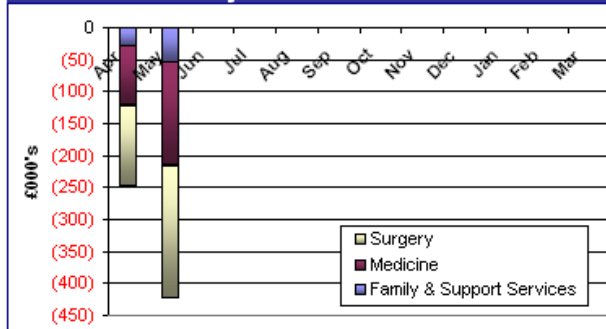
I&E Performance 2011/12



Divisional Performance

The overspend is £424k in May and £673k cumulatively. Medicine is overspent by £256k, Surgery by £335k and Family and Support by £82k. Budgets have been reduced in line with CIP by £7,164k. Work is underway in the Divisions to set out detailed plans to deliver this CIP. Agency costs amounted to £491k in May and £897k cumulatively. Medicine (£585k), Surgery (£248k) and other areas (£64k).

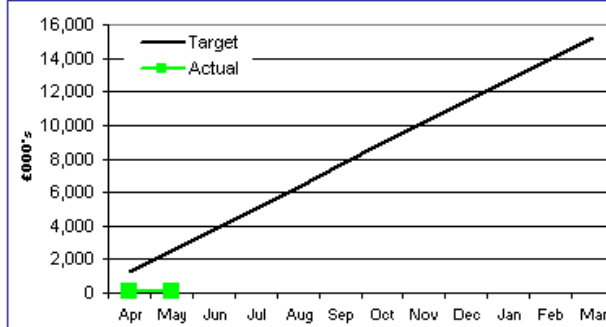
Divisional Monthly Variance



CIP Delivery

The CIP target for 2011/12 is £15,232k of which £7,164k has been allocated to the Divisions with a further £8,068k being held centrally. No CIP was actioned in May leaving the cumulative position at £126k. Discussions are ongoing to ensure continued focus on delivering the agreed schemes and the accurate capture of progress to date. Work on developing the 4 economy wide turnaround schemes also continues.

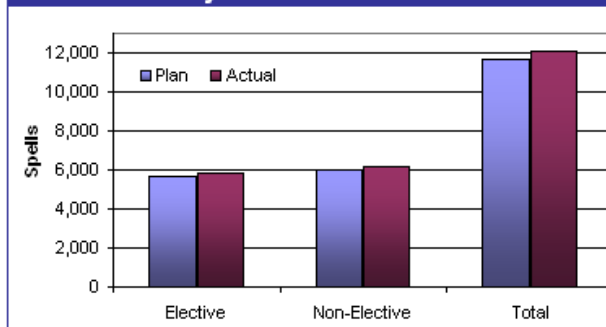
CIP 2011/12



Performance Against SLAs

Total elective activity is 169 spells ahead of the plan with Daycases over performing and Inpatients under performing. Activity was higher in May than April but it was still a relatively low month for activity due to the public holidays in the month.

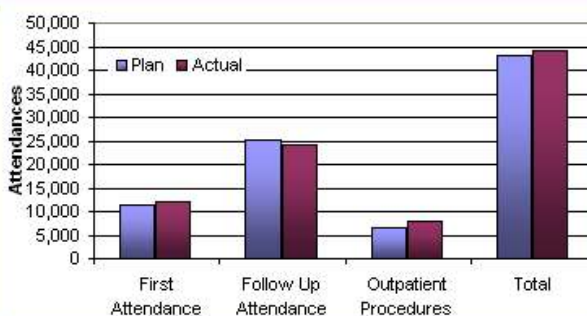
Contract Activity Performance



Outpatient Performance

Total Outpatient activity is 1,075 attendances ahead of the cumulative plan. Outpatient Procedures have over performed by 1,155 attendances continuing the trend established in 2010/11. First Attendances are also ahead of the plan with Follow-Ups behind the plan. This reflects the work currently being done in Outpatient to reduce the number of follow up attendances.

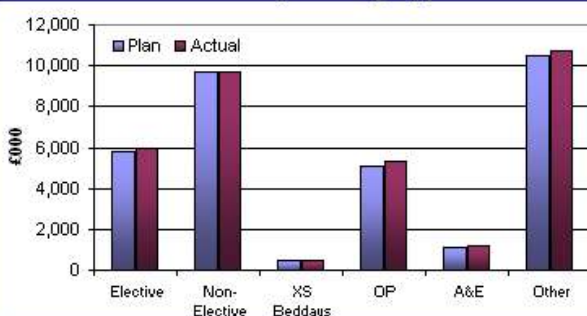
Outpatient Contract Activity Performance



Total NHS Clinical Income

Total clinical income is ahead of the cumulative plan by £642k. All points of delivery are currently ahead of the income plan at this stage of the year. The main areas contributing to the over performance are Electives, Outpatients and Other income.

Income Performance by Activity Type



Statutory Financial Targets

The Trust is forecasting a surplus of £1m in 2011/12 predicated on delivering the full CIP target and a satisfactory resolution to the contract value with NHS Cumbria.

2011/12 Performance Against Targets

Duty	Target	M02	Forecast
Breakeven Duty	To achieve a breakeven I&E	£6k surplus	£1,000k 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	●	●

North Cumbria North Cumbria University Hospitals NHS Trust

Summary Financial Position to 31st May 2011 (Month 2)

(adverse) / favourable variance

Previous Net Variance						Annual Budget	In Month				Cumulative						
£000	%					£000	Budget	Actual	Variance		Budget	Actual	Variance				
						£000	£000	£000	£000	%	£000	£000	£000	%			
Income																	
1	0.0%	NHS Clinical Income				192,768	17,624	18,266	642	3.6%	32,725	33,367	643	2.0%			
(2)	(0.4%)	Other NHS Income (R&D, training etc)				6,415	566	610	44	7.7%	1,115	1,157	42	3.7%			
19	14.8%	Non NHS Clinical Income (PP's, RTA)				1,541	128	183	55	42.5%	257	330	74	28.6%			
279	31.8%	Operating Income				8,844	827	756	(71)	(8.6%)	1,705	1,914	208	12.2%			
297	1.8%	Total Income				209,568	19,146	19,816	669	3.5%	35,802	36,768	966	2.7%			
Expenditure																	
		EST	WTE	Var													
Clinical Divisions																	
(27)	(0.7%)	Family & Support Division				791	795	(4)	(47,248)	(4,076)	(4,130)	(54)	(1.3%)	(8,107)	(8,189)	(82)	(1.0%)
(94)	(1.9%)	Medical Division				898	927	(30)	(48,517)	(4,425)	(4,587)	(162)	(3.7%)	(9,456)	(9,713)	(256)	(2.7%)
(128)	(3.1%)	Surgical Division				801	817	(16)	(48,887)	(4,210)	(4,418)	(207)	(4.9%)	(8,292)	(8,627)	(335)	(4.0%)
(249)	(1.9%)	Sub Total				2,490	2,539	(49)	(144,652)	(12,711)	(13,135)	(424)	3.3%	(25,855)	(26,528)	(673)	(2.6%)
Corporate Directorates																	
(0)	(0.0%)	Chief Executive				15	16	(0)	(6,620)	(568)	(564)	4	0.7%	(1,103)	(1,100)	4	0.3%
(16)	(1.0%)	Estates and Facilities				197	200	(3)	(18,886)	(1,578)	(1,707)	(130)	(8.2%)	(3,217)	(3,362)	(146)	(4.5%)
(58)	(6.9%)	Finance				253	231	22	(10,185)	(986)	(1,182)	(195)	(19.8%)	(1,822)	(2,076)	(253)	(13.9%)
55	15.8%	Human Resources				69	70	(1)	(3,850)	(347)	(335)	12	3.6%	(693)	(626)	67	9.7%
10	40.7%	Medical Director				8	5	3	(292)	(24)	(14)	10	41.3%	(49)	(29)	20	41.0%
3	1.5%	Nurse Director				56	45	11	(2,089)	(175)	(192)	(17)	(9.6%)	(348)	(362)	(14)	(4.1%)
218	62.1%	Reserves				-	-	0	(14,607)	(979)	(133)	846	86.4%	(1,331)	(267)	1,064	80.0%
(672)	(100.0%)	Cost Improvements				-	-	0	8,068	672	0	(672)	100.0%	1,345	0	(1,345)	100.0%
(710)	(4.3%)	Total Expenditure				3,087	3,105	(17)	(193,114)	(16,696)	(17,262)	(566)	(3.4%)	(33,074)	(34,349)	(1,276)	(3.9%)
(413)	(148.7%)	EBITDA				16,454	2,450	2,554	103	4.2%	2,728	2,420	(310)	(11.4%)			
		EBITDA %				7.9%	12.8%	12.9%									
4	0.8%	Depreciation				(6,182)	(515)	(511)	4	0.8%	(1,030)	(1,022)	8	0.8%			
2	89.4%	Interest receivable				25	2	4	2	92.8%	4	8	4	91.1%			
83	13.9%	Interest payable				(7,159)	(597)	(530)	67	11.2%	(1,193)	(1,043)	150	12.6%			
(0)	(0.2%)	PDC Dividend				(2,000)	(167)	(165)	2	1.0%	(333)	(332)	1	0.4%			
(366)	(36.7%)	Net surplus / (deficit)				1,138	1,175	1,352	178	15.1%	176	29	(147)	(83.0%)			
0	0.0%	Adjustment for Impairments					0	0	0		0	0	0				
(11)	0.0%	IFRIC 12 / Dual Accounting				(138)	(23)	(12)	11	49.6%	(23)	(23)	0	0.0%			
(377)	(37.8%)	Revised Net surplus / (deficit)				1,000	1,152	1,340	189	16.4%	153	6	(147)	(95.5%)			

SECTION 5

CONCLUSION & RECOMMENDATION

CONCLUSION

The Trusts performance in the first two months, whilst broadly on target, is underpinned by assumption of closing out a favourable contractual position with the PCT, securing necessary structural change income via the SHA and delivering a challenging CIP. Each of these areas attracts a high degree of risk individually and more so when aggregated. The Trust is working closely with all internal and external partners to close of all discussions and mitigate and manage all risks.

RECOMMENDATION

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

Barbara Monk

DIVISIONAL GENERAL MANAGER - MEDICINE

Alistair Mulvey

DIRECTOR OF FINANCE

Damian Gallagher

DIRECTOR OF HUMAN RESOURCES

Chris Platton

ACTING DIRECTOR OF NURSING, QUALITY AND GOVERNANCE

APPENDIX B

PERFORMANCE DASHBOARD

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.
-