Trust Board Meeting: Wednesday 10 September 2014
TB2014.107

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1. Introduction

At its last meeting held on 9 July 2014, Trust Board received the Finance and Performance Committee Annual Report 2013/14. The Committee’s last regular report was considered by Trust Board at its meeting on 14 May 2014. Since then, the Finance and Performance Committee has met on 11 June and 13 August, 2014. The main issues raised and discussed at the meetings are set out below.

2. Significant issues of interest to the Board

The following issues of interest have been highlighted for the Trust Board:

   2.1. The Committee received a presentation from the management team of the Medicine Rehabilitation and Cardiothoracic [MRC] Division.

   2.2. A review of operational and financial performance reflected the fact that there had been very difficult challenges throughout 2013/14, and continued to be so; an extensive action plan was in place to address the main challenges identified. There had been an increase in the number of ambulatory places within the Emergency Department [ED], and the rapid Nursing Assessment introduced in ED had now also been extended to the Emergency Assessment Unit [EAU].

   2.3. An overview of key objectives and priorities revealed challenges, including the fact that MRC was a division operating on all four sites of the Trust, and in some of the most challenging estate.

   2.4. MRC was noted to be a big division, with 2083 whole time equivalents [WTE], a headcount of 2,533, and a significant turnover of staff. There were difficulties with recruitment and retention, particularly of middle grade doctors and nursing staff to the ED.

   2.5. Key Issues identified included:

   - Relocation of respiratory medicine
   - Clinical Genetics relocation
   - Need for Medical High Dependency Unit
   - Trust-wide rehabilitation strategy to be developed and implemented
   - Expansion and development of Supported Hospital Discharge Service
   - Collaborative working with Oxford Health and Oxfordshire County Council on Older Peoples’ commissioning
   - Embedding of cardiac clinical networks
   - Developing cardiac commercial work

   2.6. The Committee considered the performance of the Trust as a whole against key operational and financial targets up to the end of Month 3, 2014/15. Regular reports were supplemented by an Update on Operational Delivery up to the end of July 2014, which detailed the underlying causes of previous failure to meet performance targets, and the actions implemented to improve performance particularly with regard to the A&E 4 hour standard, Referral to Treatment [RTT], cancer standards and diagnostic waits. Operational performance was reported to be continuously under review.

   2.7. The Committee had specifically requested an overview of the ED 4 hour standard breaches, to ascertain if any further action could be taken to improve performance. Analysis of the data included a breakdown of the
breaches by time of day, suggesting that performance might improve if there were better access to senior clinical decision-makers after midnight. A detailed Action Plan had been developed, which included provision for improved access to additional senior clinical decision-makers over the winter period.

2.8. The Committee considered the Trust’s financial performance up to 30 June 2014, which reported a Month 3 year-to-date position that was on plan, but noted that there were many risks present in the forecast to year end.

2.9. Detail was provided on the emerging trends which underlay the reported year-to-date position, and action plans were presented to address the potential financial risks raised.

2.10. The Committee received a presentation on Planning for Winter Pressures and noted the plan to proceed with measures proposed to address winter pressures, within the allocation anticipated from national system resilience funding.

2.11. A review of efficiency savings for 2013/14 showed an out-turn position that reflected delivery of savings totalling £42.696m, against a programme of £44.730m (95%). Of this sum, £40.353m was considered to be recurrent in nature.

2.12. A review of 2014/15 delivery of annual efficiency savings up to the end of Month 3 identified the need for further efforts to be concentrated on minimising any shortfall in delivery of the planned savings of £46.039m.

3. Key Risks Discussed

The following risks were discussed:

3.1. Risks highlighted to be associated with the income and expenditure plan were considered, and it was advised that these should be taken into account in review of the Corporate Risk Register;

3.2. The Committee received an update on the risks associated with performance of non-clinical operational services, under the Churchill Private Finance Initiative [PFI] contract. The issues were referred for more detailed consideration by the Trust Board, and a sub-committee has subsequently been established, constituted as a short-term working group. The PFI Committee has responsibility for reviewing any issues relating to PFI contracts that are escalated to the Trust Board as representing significant potential risk to the Trust, to provide appropriate advice on resolution of the escalated issues, and provide assurance to the Board that the risks are being appropriately mitigated.

3.3. The Committee reviewed an updated extract of the Corporate Risk Register, reflecting on the risks regarded as the key risks within its remit, and considering these in the light of detailed discussion of the Trust’s performance against key operational and financial targets. The Committee welcomed the proposal that the Trust Management Executive would be paying particular attention to the review of risks which had remained static for over six months.
4. Key Actions Agreed

The Committee agreed actions as follows:

- The proposed methodology in relation to Reference Cost Collection was approved, and it was agreed that a substantive report on outputs would be scheduled into the cycle of business for the Committee, and quarterly report made to the Trust Management Executive [TME];
- The Report from the Historical Due Diligence [HDD3] undertaken by KPMG would be circulated when available, and referred for further consideration by the Trust Board;
- The updated NHS Premises Assurance Model [NHS PAM] was being trialled in the Trust, and the outcome would be reported back to the Committee;
- Governance arrangements for the Cost Improvement Programme [CIP] were agreed, and the organogram would be re-designed to reflect the governance arrangements put in place.

5. Future Business

Areas upon which the Committee will be focusing in the next three months include:

- Review of the Quarter 1 and Quarter 2 Divisional Compact Letters;
- Review the integrated performance of the Trust;
- Review financial performance against plan;
- Review in-year delivery of efficiency savings for 2014/15;
- Review the Board Assurance Framework and Corporate Risk Register;
- Workforce recruitment and retention;
- CIPs progress; and
- CIPs governance arrangements.

6. Recommendation

The Trust Board is asked to note the contents of this paper.

Mr Christopher Goard
Finance and Performance Committee Chairman

September 2014