## Title
Finance & Performance Committee Report

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<thead>
<tr>
<th>Status</th>
<th>For information and discussion</th>
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<tr>
<td>History</td>
<td>The Finance and Performance Committee provides a regular report to the Board.</td>
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<th>Board Lead(s)</th>
<th>Mr Peter Ward, Committee Chairman</th>
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1. Introduction

The Finance and Performance Committee met on 10 August 2016. The main issues raised and discussed at the meeting are set out below.

2. Significant issues of interest to the Board

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

a) The Integrated Performance Report for Month 3 was received, noting:
   - June 2016 saw a higher than expected level of Emergency Department attendances. 88.2% of patients were seen, treated and discharged or transferred within four hours of arrival at the Trust’s Emergency Departments. This represented the highest performance since December 2015 and performance for Quarter 1 (at 87.6%) was ahead of the trajectory agreed with NHS Improvement.
   - The RTT Incomplete performance for June was 91.11% which is below the 92% standard and the trajectory agreed with NHSI although this does not impact on access to the SET fund which will apply from Q2 onwards. April and May performance had been above the trajectory at 91.3% and 91.53% respectively.
   - Delayed transfers have continued to reduce month on month, with 6.45% of the Trust’s acute bed days accounted for in June by people whose transfer was delayed. This was the lowest level experienced in Oxfordshire’s acute hospitals since June 2011 (since when it has usually been above 12%). Figures for the last week in June (w/e 3rd July 2016) show delays in the OUH at 60 compared to 130 at the start of the DTOC project in November 2015.

b) The Committee was informed that NHS Improvement had published (on 7 July) the criteria that will be used to determine whether Trusts can access the Sustainability and Transformation Fund (STF) money linked to control totals. For OUH, this will determine access to £5.1m per quarter, to be paid quarterly in arrears (with Quarter 1 to be paid in August, later than originally thought). Trusts will not be penalised financially for not meeting trajectories for Q1, with the requirement being to have delivered the control total and to have trajectories in place. However, from July 2016, 30% of STF will depend upon meeting the RTT Incomplete trajectory (12.5% of STF), 4 hour wait trajectory (12.5%) and Cancer 62 day waits (5%).

c) The Committee received reports from the Clinical Services division and the Children’s and Women’s Division, which updated the Committee on current performance against the divisional cost improvement programmes [CIP] that had been agreed and on plans currently being implemented within each respective division to improve performance.
d) The Committee considered the Trust’s financial position up to 30 June 2016.
   Points of note included:
   - an EBITDA of £17.69m against the plan of £18.01m, an adverse variance of £0.33m.
   - £1.83m surplus, £0.1m ahead of plan.
   - A period-end cash balance of £57.44m, £29.1m below the plan.
   - CIP delivery of £7.77m, £2.8m below the year to date target.
   - Capital investment of £3.20m, £6.37m behind the plan, which was reported to be largely due to the timing of the milestones.

e) The Committee received an update on the capital allocation for 2016/17, and the process for reviewing the capital requirements for 2017/2020.

f) The Interim Chief Finance Officer will provide a report to the next meeting on further cost savings schemes.

g) The Director of Clinical Services reported on the development of contingency plans, to address the risk that obstetric services could not be safely maintained at the Horton General Hospital [HGH] beyond the end of September. A decision as to whether the contingency plan would need to be implemented in full would need to be taken by late August 2016, in the light of the outcome of the latest efforts to recruit sufficient numbers of middle grade obstetric doctors to staff the rota at HGH with effect from 1 October 2016. The committee supported the preparation of contingency plans as described, to ensure the safety of mothers and babies if middle grade obstetric doctors could not be recruited in sufficient numbers to maintain the rota at HGH; upon which the ability to maintain obstetric and special care services at HGH depended.

3. Key Risks Discussed

Risks discussed by the Committee included:

i. Risks associated with the challenges faced in delivering Cost Improvement programmes.
ii. The risk that obstetric services could not safely be maintained at the Horton General Hospital beyond the end of September, and the risks associated with implementation of a contingency plan.
iii. Risks associated with not meeting the trajectory for the 4 hour A&E standard and the potential impact on the release of moneys from the STF.

4. Key Action Agreed

The Committee agreed action as follows:

- developing the use of operational and productivity metrics for Trust wide and divisional performance reporting, internal trading and monthly profitability reporting by service line to be in place by the time that budgets are set for 2017/18.
• The IPR to feature productivity measures such as the CHPPD [Care Hours per Patient Day] as required under the Carter report.

• Developing a budget for 2017/18 to be in place before 1st April 2017, to ensure investment needs are clear and that there is evidence of the commitment of each budget holder in the process.

5. Future Business

Areas upon which the Committee will be focusing over the next three months include continued review of:

• the integrated performance of the Trust;
• the financial performance against plan for 2016/17;
• in-year delivery of annual efficiency savings for 2016/17;
• Capital prioritisation for the Trust 2016/17 and planning for 2017/18

and monitoring of:

• delivery of performance against divisional budgets and transformation plans, with clear accountability for financial performance by budget holder;
• delivery against trajectories for improved operational performance and the delivery of access standards.
• contingency plan for maternity and neonates services

6. Recommendation

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

Mr Peter Ward
Finance and Performance Committee Chairman

September 2016