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<td>Status</td>
<td>For information and discussion</td>
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Introduction

Since the Board last met in public in January 2018, the Finance and Performance Committee ["the Committee"] held its most recent meeting on 14 February 2018.

Under its terms of reference, the Committee is responsible for providing information and making recommendations to the Trust Board on financial and operational performance issues and for providing assurance that these are being managed safely. This report aims to contribute to the fulfilment of that purpose.

Background

At the meeting of the Board held in public in January 2018, key points noted in relation to operational and financial performance included:

- On-going challenges to delivery of the 4 hour emergency department [ED] standard, with persistently high bed occupancy rates, and bed closures necessitated by staff shortages;
- Although delayed transfers of care were reported to have reduced slightly in October and November 2017, the number of patients experiencing delayed transfer (having been assessed as medically fit for discharge) continued to occupy just under 9% of the Trust’s bed days;
- The six week standard for patients awaiting diagnostic tests continued to be met;
- Six out of seven cancer standards had been met in October 2017 (the latest nationally validated data available), but the requirement that at least 85% of patients referred by their GP received first treatment within 62 days was not quite met. (Under the standard, 147 out of 173 accountable referrals made should have received first treatment within 62 days, and 141 patients did so);
- November’s Referral to Treatment [RTT] performance was better than October’s, but elective activity remained below the level that would be required to equalise the run rate, and the likelihood of growth in the size of the waiting list remained a concern;
- Constraints on the availability of staff were recognised to represent the most significant risk to the Trust delivering its RTT improvement plan;
- November’s EBITDA (at +£5.8m) was an improvement on October’s (at +£5m), however, financial performance had not improved sufficiently to deliver underlying recurrent EBITDA at a level that could be regarded as a sound basis for medium to long term sustainability;
- At the meeting of the Board in public in January, there was a reasonable degree of confidence that the revised financial forecast to deliver a £5.2m deficit at year end would be met, though it was expected that this would depend upon non-recurrent items.

The main issues raised and discussed at the meeting of the Finance and Performance Committee in February are set out below.
Financial and operational performance issues reviewed by the Committee in February 2018

a) In relation to performance against the 4 hour ED standard, although fewer people waited over 4 hours in Oxford University Hospitals Emergency Departments [EDs] (2,519 in January, down from 2,415 in November 2017), there was a continued deterioration in the percentage of patients seen, assessed and discharged or admitted within 4 hours, which stood at 82.83% in January.

b) During January 2018, 53 people waited for over 12 hours in the Emergency Department from a Decision to Admit ["DTA"] to admission, as bed occupancy remained high despite success in keeping beds open on the John Radcliffe site. The number of patients medically fit for discharge was reported to have grown, with at least 150 assessed as being in this group in snapshot audits conducted during January. The level of 12 hour breaches reported – including fifty in one week – was significantly above the number typically reported in any one month for many years.

c) The Committee considered an independent diagnostic report, commissioned by NHS England to help understand the key drivers of current ED performance, and recommend measures to achieve sustainable improvement. The report identified the need for additional bed capacity at OUH in the immediate term, to alleviate the pressure on acute beds, caused in part by the number currently occupied by patients medically fit for discharge. Over the longer term, it clearly recommended the need for more shared responsibility across the system to increase capacity out of hospital.

d) The Committee heard that changes had been made during January to the functioning of the Emergency Assessment Unit and Short Stay wards at the John Radcliffe with the aim of improving flow. In response to national guidance, some non-urgent and non-cancer inpatient elective surgery had been suspended on the Trust’s Headington sites throughout January, and the Committee noted that this had been re-started in early February.

e) Performance on the six-week standard for diagnostic waits continued to improve, with a figure of 0.46% against a maximum of 1% standard in December 2017.

f) All cancer time waiting standards were met in December 2017. However, achievement of the 62 day to first treatment standard was recognised to be at high risk for January 2018, in part because of patient choice to delay appointments beyond the holiday season. It was also noted that changes in the national reporting of cancer waits during 2018/19 may affect OUH’s recorded performance in future on the 62-day standard.

g) The Committee heard that performance against the national standard for referral to treatment [RTT] on incomplete pathways (requiring that 92% of patients should not wait longer than 18 weeks for consultant-led elective treatment, and none should wait more than 52 weeks) stood at 86.6% in December, down from 87.39% in November.
On 31 December 2017, 6,714 of 48,508 patients on incomplete pathways at OUH were waiting for over 18 weeks. This represented a reduction of 628 in the list size since 30 November, but an increase of 518 in the number of people waiting for over 18 weeks.

h) Over 52-week waits in Gynaecology had grown to 70 and a further 20 patients were waiting for over 52 weeks in eleven other specialties. In November, the latest month for which national data were available at the time of report, OUH accounted for 5.3% of national >52 week waits and its Gynaecology service alone had 4.1% of all people waiting over one year for treatment in England.

i) The Committee undertook a specific review of performance in Gynaecology; receiving a presentation from the Divisional and Clinical Directorate management team, and welcoming a Consultant Gynaecologist to give his views from the clinical ‘front-line’.

j) Options were presented for expanding capacity in Gynaecology on a sustainable basis, including the extension of all day theatre lists (3 sessions per day) from Monday to Friday, adding emergency cases to the elective Caesarean Section list, and contracting for additional activity to be undertaken at other facilities.

It was recognised that more work was required to deliver the measures proposed; and to develop a plan for sustainable improvement of performance in Gynaecology, of which the Committee will expect to hear more.

k) The Committee received a report on the reviews of Q3 performance in all five clinical divisions, in which performance had been assessed against the four key domains of:

- Quality;
- Workforce;
- Operations; and
- Finance

Data had been reviewed at directorate level, and a ‘heat map’ had been used to identify particular topics upon which to focus.

The four most challenged clinical areas were identified to be:

- Acute Medicine and Rehabilitation (within the Medicine, Rehabilitation and Cardiac [MRC] Division);
- Gynaecology (within the Children’s and Women’s [C&W] Division);
- Trauma and Orthopaedics (within the Neurosciences, Orthopaedics, Trauma and Specialist Surgery [NOTSS] Division); and
- Radiology and Imaging (within the Clinical Support Services [CSS] Division).

Together, these four clinical areas accounted for a significant proportion of the shortfall in reaching the EBITDA target for financial sustainability; which it was emphasised should not be regarded as the end in itself, but rather the means by which to maintain the highest possible quality of care, linked to the delivery of operational and financial performance.

It was noted that the MRC and C&W Divisions were receiving support from the Hunter Healthcare team, and all four of the most challenged clinical areas were to receive extra help from the internal Transformation Team.
l) In reviewing the Trust’s financial performance up to 31 December 2017, it was highlighted that EBITDA in December (at +£2.3m) was lower than in November, although EBITDA related to NHS activity had increased by £1.8m on Month 8, and there had been a £0.6m increase in income (£5.3m below plan).

m) The Committee received an update on delivery of the financial re-forecast for 2017/18, noting that £4.4m contingency had been released to offset the risks that had crystallised. On that basis, there was still a reasonable degree of confidence that the Trust should deliver the -£5.2m deficit at year end, although only as a result of some one-off items, and the deferral of some expenditure into the next financial year.

n) The Chief Finance Officer reported on NHS Planning Guidance issued by NHS England and NHS Improvement on 2 February 2018 Refreshing NHS Plans for 2018/19, which represented a refresh of plans already prepared under the two-year NHS Operational Planning and Contracting Guidance 2017-2019; setting out the detail of how the additional funding from the November 2017 budget will be allocated, and developments in national policy with regard to system level collaboration.

The Committee noted in particular:

a. Very limited additional funding had been provided for Oxfordshire Clinical Commissioning Group [OCCG];

OCCG is funded at less per head (£1,040) than the national average (£1,254), because the demographic and age weighting in the allocation judges Oxfordshire to have less healthcare need than other parts of the country. Even allowing for this formula Oxfordshire is still 4.94% below its target funding allocation. (NHSE regards a 5% “distance from target” as the maximum that is acceptable before a top up is made).

b. Some of OCCG’s resources would necessarily be consumed in meeting the requirement placed on it for growth in mental health spending to exceed growth in other areas.

c. Nationally, an additional £1.1bn would be available in 2018/19 for specialist commissioning, compared to a planned increase of £700m. However, it was not yet clear how this was to be allocated to regions, nor how much would be consumed by the growth in spending on high cost drugs.

d. In relation to operational performance targets:

i. In A&E: Trusts would be required in aggregate to achieve 90% in relation to the 4 hour ED standard by September 2018, and 95% by March 2019.

ii. For Referral to Treatment [RTT]: The minimum requirement is to maintain the size of the elective waiting list and halve 52 week waiters.
e. The headline control total (before any moneys from the Providers’ Sustainability Fund [PSF]) had increased by £4.6m to £24.6m, compared to £19m to which the Board had originally signed up to in December 2016.

f. Despite the planning guidance having been released on 2 February, with further details only emerging the following week, there was an extremely tight timetable for submission of the Trust’s Plan, including workforce, activity and financial elements, to meet the following deadlines:
   1. Draft plans: 8 March
   2. Contracts signed: 23 March
   3. Final plans: 30 April

o) The Chief Finance Officer gave a presentation, outlining the proposed approach to development of the Trust’s Business Plan 2018/19, in the light of the NHS Planning Guidance. The 2018/19 Business Plan was noted to be structured around the Trust’s key strategic themes, but with a greater prominence given to the supporting theme of Sustainable Compliance, and adding greater prominence to the theme of Building Capabilities, in recognition of the emphasis being given to workforce planning.

The Committee supported development of the Trust’s Business Plan 2018/19 as proposed, and noted that this would be submitted for further consideration by the Board.

It was further noted that, having given an initial presentation on the Trust’s Business Plan 2018/19 to the Council of Governors on 30 January (before the NHS Planning Guidance had been issued), its further development in the light of guidance now issued would be shared with Governors initially at their Performance, Finance and Workforce Committee in March, and subsequently at the meeting of the Council of Governors on 30 April.


Key Risks were identified to include:

I. Risks to delivery of the 4 hour ED standard, including those associated with lack of flow through and out of hospital;
II. Risks to delivery of the 62 day cancer treatment standard in January 2018, in part because of patient choice to delay appointments beyond the holiday season;
III. Risks to achieving and sustaining the improvement that was required in performance in Gynaecology services;
IV. Risks to achieving and sustaining the improvement that was required in performance in the other most challenged clinical areas identified;
V. Risks associated with delivery against the Trust’s financial re-forecast for 2017/18, including the adverse impact of winter pressures beyond the ‘norm’;
VI. Risks associated with development and delivery of the Trust’s Business Plan 2018/19.

1 renamed from ‘Sustainability and Transformation Funding [STF]’
Key Actions agreed included:

- Development of the options presented for the sustainable expansion of capacity in Gynaecology, and of a realistic plan for achieving and sustaining the improvement that was required in Gynaecology service, is to be monitored closely by the Executive team, and the outcome reported to the Committee;

- Extra support is to be provided to the four most challenged clinical areas, as identified during the Q3 Divisional Performance reviews;

- The Trust’s Business Plan 2018/19 is to be further developed in the light of NHS Planning Guidance issued, for further consideration by the Board - initially in readiness for submission of the draft plan due on 8 March 2018.

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

Mr Geoffrey Salt
Finance and Performance Committee Chairman

March 2018