



Council of Governors Meeting: Wednesday 5 July 2017
CoG2017.16

Title	Performance, Workforce and Finance Committee
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Purpose	For information.
History	Draft unapproved minutes attached but not for onward circulation pending formal approval.

Council of Governors' Performance, Workforce and Finance Committee

Minutes of the meeting held on Friday, 16 June 2017 at 10:30 to 12:30 in the Boardroom, Level 3, John Radcliffe Hospital.

Present:	Dr Cecilia Gould	CG	Public Governor, Oxford City
	Dr Ian Roberts	IR	Public Governor, South Oxfordshire
	Mr Brian Souter	BS	Public Governor, Buckinghamshire, Berkshire, Wiltshire and Gloucestershire
	Mr Martin Havelock	MH	Public Governor, Vale of the White Horse
	Mr Richard Soper	RS	Staff Governor, Non Clinical
In attendance:	Mr Peter Ward	PW	Chairman of the Finance and Performance Committee and Non-Executive Director
	Ms Susan Polywka	SP	Head of Corporate Governance and Trust Board Secretary
	Dr Neil Scotchmer	NS	Programme Manager
	Ms Marilyn Rackstraw	MC	Corporate Governance Manager (Minutes)

Apologies None

The minutes are produced in the order of the agenda

CoGPWF/17/06/01 Welcome, Apologies and declarations of interest

The Committee welcomed Dr Neil Scotchmer and Mr Peter Ward.

No apologies for absence were received.

No declarations of interest were made.

CoGPWF/17/06/02 Minutes of the meeting held on 24 March 2017

The minutes of the meeting held on 24 March 2017 were accepted as a true and accurate record.

CoGPWF/17/06/03 Matters Arising**CoGPWF17/03/06 Tender process for external audit services**

Following agreement at the meeting of the Council of Governors held on 7 April 2017, it was confirmed that an Audit Working Group was to be established, comprising two Non-Executive Directors [NEDs] and three Governors. RS and CG had already volunteered, and MH confirmed that he was also willing to volunteer. The two Non-Executive Directors were confirmed to be Mr Christopher Goard and Ms Anne Tutt.

The Trust Secretary noted that the Chief Finance Officer had advised that the attendance of one Governor would be sufficient to ensure that a meeting was quorate.

CG asked if the process might be able to start in July to avoid the busiest

holiday period in August. The Trust Secretary noted the request, and agreed to check if this was possible. Governors would then be contacted with a list of dates.

Action: SP

CoGPWF/17/03/09 Topical Updates – Executive Director vacancies

The Committee asked for an update on recruitment to the posts of Chief Nurse, and Director of People.

It was confirmed that an offer of appointment had been made in relation to the post of Chief Nurse, but not (as at the time of report) to the post of Director of People.

The Committee emphasised the importance of providing leadership to meet what were recognised to be significant workforce challenges, although there was some difference of views as to how this should best be achieved.

CoGPWF/17/06/04 Report from Finance & Performance Committee [F&PC]

Chairman

Mr Peter Ward, Non-Executive Director and Chairman of the Finance and Performance Committee [F&PC] reported on the meetings held in April and June, to provide assurance on the extent to which F&PC was discharging its remit to provide assurance to the unitary board in relation to the operational and financial performance of the Trust.

Key points highlighted included the following:

4 hour ED standard

Performance was noted to have been reported at 88.8% in April 2017. Delayed Transfers of Care had continued above 100 since January 2017.

The Urgent Care Improvement Plan specified actions which were expressly linked to the causal factors identified to contribute to breaches, including:

- Pre-hospital screening;
- Waiting for diagnostics;
- Patient flow/ bed capacity;
- Patient transport;
- Repatriations to DGHs.

Cancer standards

Seven out of eight national cancer standards had been met in March (the latest period for which data could formally be confirmed at the time of report, because of national data reporting requirements)

The Director of Clinical Services had indicated that unconfirmed data did indicate that all 8 standards had been met in April.

The Cancer Care Improvement Plan specified actions which were expressly linked to the causal factors identified to contribute to breaches, including:

- Limited outpatient capacity;
- Patient choice;

- Diagnostic delay;
- Theatre availability;
- Bed/ITU availability.

Referral to Treatment (RTT) incomplete standard

It was noted that the incomplete referral to treatment (RTT) standard stated that over 92% of patients referred to the Trust and currently awaiting first treatment should have been waiting for fewer than 18 weeks. The Trust's performance against this standard had showed significant decline during the 2016/17 financial year. In April 2017, performance was reported at 89.9%.

The Trust had carried out an assessment of the additional activity required to meet the RTT standard, based on a nationally approved model. This identified two types of additional activity required: Backlog (the amount by which waiting lists were too large to be sustainable) and Run Rate (the amount of additional activity required on a recurrent basis to avoid the backlog growing).

The Trust had developed an RTT recovery plan for Q2 of 2017/18 at specialty level, and established a process for regular monitoring which included monthly meetings at divisional level chaired by the Director of Clinical Services, on-going monitoring by the Trust Management Executive, scrutiny by F&PC and monthly report to the Board.

The RTT Activity Plan for Q2 had been approved by the Trust Board on 31 May 2017, and it was confirmed that F&PC judged that there was satisfactory assurance that the plan could be delivered.

In relation to development of the medium term RTT Activity Plan (which NHSI required to be agreed by the Oxfordshire system and submitted by 1 September 2017), F&PC heard that it would take at least 4 months to mobilise, from the point at which agreement was reached, and therefore the step-up in activity required was likely to be delayed into Q4. A significant risk to the plan would be the ability to recruit the required staff.

F&PC had therefore recommended that the Trust write formally to its system partners, and to NHSI and NHSE, formally to register this point.

MH asked what would be the consequences of the Trust not meeting the operational standards detailed within the final enforcement undertakings, which had been signed and returned to NHSI on 1 June. PW reported that the Trust was engaging with its partners in the Oxfordshire healthcare system to ensure that all efforts were being made to achieve the RTT standard, and highlighted the appointment of a System Improvement Director.

It was noted that Deloitte had been commissioned to support a programme to improve productivity and CG asked if it would be possible for the Council of Governors to receive a summary report on the outcome in due course.

IR remarked that he would like to know how much the Trust spent on external consultants

The Committee was also informed that the Trust was working with NHSI's Intensive Support Team (IST), which was supporting a review of the Trust's modelling and waiting list management which was felt to be a constructive and helpful process.

The Committee asked that the Director of Clinical Services be invited to attend the next meeting of the Council of Governors to provide an update on operational performance.

Action: SP

Financial performance up to 30 April 2017

The Committee noted that F&PC had been informed that an investigation had been initiated by NHS Improvement as a result of the Trust's financial position and in particular the deterioration of financial performance in Month 8, 2016/17.

The Committee heard that F&PC reviewed the additional cost control measures which had been introduced, the impact of which was being monitored by the Trust Management Executive.

It was confirmed that the Chief Finance Officer had been able to provide a provisional indication of financial performance in May, which had improved by approximately £4m, compared to April.

In explaining the current financial position, it had been recognised that its genesis lay in earlier years. While the reported position at year end 2015/16 accurately showed a surplus, this had been achieved in part through a series of one-off non-recurrent items (including the sale of land), and the underlying recurrent position showed expenditure running at a level that was too high relative to the Trust's income.

Budgets for 2016/17 had been set at a level predicated on the delivery of Cost Improvement Programmes [CIP]. Budgets had then been devolved down to divisions, and to the extent that CIP was not delivered in full (although CIP of £47m *was* delivered), there was no central reserve from which to meet the shortfall.

There had been also some extraordinary operational pressures in 2016/17, including for example those caused by the need to implement a contingency plan to deal with the temporary suspension of obstetric and neonatal services at the Horton General Hospital [HGH].

In addition, the Trust had borne operational costs associated with re-design of the urgent care pathway.

Further, the cumulative effect of a block contract with the Oxfordshire Clinical Commissioning Group [OCCG] had limited income for additional activity delivered.

The Trust's "control total" (*ie* the financial target set by NHSI) had been amongst the highest set in the country. The control total set for OUH required the Trust to deliver a surplus that was amongst the highest required of any trust in the country, when the control total set for many trusts required them to achieve a decrease in their deficit.

The failure to deliver the control total set meant that the Trust also failed to qualify for Sustainability and Transformation Funding [STF], which would otherwise have made a positive contribution to the financial position at outturn for 2016/17.

The Committee asked that the Chief Finance Officer be invited to attend the next meeting of the Council of Governors to provide an update on financial performance.

Action: SP

CoGPWF/17/06/05 Governors' reflections on Operational and Financial Performance

It was noted that, when the Chief Executive had attended the Governors' seminar on 9 May 2017, he had reported on the financial position at year end, and given an indication of the explanation.

The Trust had then been notified by NHSI on 31 May that it would be investigating the Trust's finances, and the impact of the actions that were being taken in response.

When the Chief Executive attended the Governors' seminar on 9 May, he had also reported on the anticipated outcome of NHSI's investigation into the Trust's operational performance (waiting times), since when final enforcement undertakings had been signed and returned by the Trust on 1 June 2017.

The Committee discussed at some length the information provided in report from the meetings of F&PC held in April and June.

Concerns were expressed relating to the ability to deliver operational and financial performance standards, given constraints - some of which lay outwith the Trust's control.

Points raised included concern about limited GP capacity, as well as limited capacity in the provision of social care.

Committee members also felt that failures in administrative systems had an adverse impact on the ability to deliver quality, operational and financial standards.

IR expressed concern that the ability to deliver against standards was constrained by insufficient bed capacity, including ITU capacity, and asked how F&PC had been assured that improvements in cancer standards would be sustainable. IR also sought more evidence of the basis upon which specialty-specific demand and capacity plans had been developed.

The Committee asked that the Director of Clinical Services and the Chief Finance Officer be invited to attend the next meeting of the Council of Governors to provide an update on both Operational and Financial performance.

Action: SP

CoGPWF/17/06/06 Staff Recruitment and Retention Initiatives

The Committee noted that a summary of recruitment and retention initiatives had been provided to the Trust Board in May.

The extent of the challenge was not to be under-estimated, particularly with regard to delivering the additional activity that was likely to be required under the medium-term RTT Activity Plan.

It was noted that the Trust was also taking action to improve productivity, so as to deliver more activity within existing resources, but it was nonetheless recognised that additional staff would be required in key areas (including theatre nurses and anaesthetists).

The Committee felt that the inability to secure the right workforce represented one of the most significant risks across the NHS, and suggested that the cost of living in and around Oxford increased the challenge associated with the recruitment and retention of staff.

The Committee asked that the Interim Director of Workforce be invited to attend the next meeting of the Council of Governors to provide an update on how staff recruitment and retention was being addressed.

Action: SP

COGPWF/17/06/07 Update on Values into Action Programme

The Committee was advised that concerns about bullying and harassment had been raised by PFI [Private Finance Initiative] staff to one of the staff governors, indicating that more may need to be done to ensure that the PFI providers were fully engaged with the Trust's *Values into Action* programme.

The Trust Secretary reported that the Trust was holding a *Values into Action* event on 19 July 2017, which it was hoped staff Governors would be able to attend. Subject to the availability of places, the invitation might be extended to other Governors.

The Committee noted that there was a known correlation between staff experience/engagement and patient experience/quality of care, and it was suggested that further consideration should also be given to these issues at the next meeting of the Council of Governors meeting on 12 July 2017.

COGPWF/17/06/08 Any Other Business

IR reported that he had asked for clarification of the level of activity that it was planned to transfer from the JR to the Horton General Hospital and asked if this could be sent via email, or uploaded onto the Governors forum for information.

Action: NS/SP

CoGPWF/17/06/11 Date of the next meeting

The next meeting will be held at 10.30 to 12:30 hours on Friday 28 July 2017 in the Boardroom, Level 3, John Radcliffe Hospital.