

**Trust Board Meeting: Wednesday 14 January 2015**  
**TB2015.19**

<b>Title</b>	<b>Finance &amp; Performance Committee Chairman's Report</b>
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<b>Status</b>	For Information
<b>History</b>	This is a regular report to the Board

<b>Board Lead(s)</b>	Mr Christopher Goard, Committee Chairman			
<b>Key purpose</b>	Strategy	<b>Assurance</b>	Policy	Performance

## 1. Introduction

The Finance and Performance Committee met on 10 December 2014. 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:

- 2.1. The Committee considered the forecast of the Trust's year-end financial position for 2014/15 as at Month 7, noting that the planned surplus should be deliverable, but only with the use of contingency and balance sheet flexibility. It was reported that further options and expenditure controls continued to be considered, and it was estimated that those already identified should result in a corporate mitigation which should be sufficient to deliver the year end position. However, it was recognised that these were generally non-recurrent and the underlying financial pressure would need to be tackled in 2015/16.
- 2.2. The Committee considered the financial context facing the Trust in 2015/16 as currently known. This included the current size of the savings requirement for next year, the responsibilities for agreeing financial plans for next year, and the timelines for agreeing next year's financial plans. It was noted that some projects were already underway, but further work was urgently required to address some of the most significant areas. The budget setting principles proposed for 2015/16 were approved.
- 2.3. The Committee received an update on financial plans for 2015/16, and supported the pursuit of a more transformational approach to deliver the necessary savings required in some of the most significant areas, including *for example* procurement, pay spend on bank and agency staff, the re-design of patient pathways, and the Electronic Patient Record [EPR].
- 2.4. The Committee received an update on the national and local business planning process and timetable for 2015/16, together with a summary of the commissioning intentions for 2015/16 from the Trust's major commissioners, and an initial assessment of the tariff for 2015/16.
- 2.5. The Committee recognised the importance of achieving progress in negotiations relating to outcomes-based commissioning, in particular in relation to work undertaken jointly between Oxford University Hospitals Trust (OUH) and Oxford Health NHS Foundation Trust (OHFT) under the 'Most Capable Provider' [MCP] Assessment process. It was noted that this was aimed at developing proposals to operate as an 'Alliance', with the aim of transforming urgent healthcare services for older people and adults who have complex health problems across Oxfordshire. The decision on the MCP Assessment process was still awaited from the Oxfordshire Clinical Commissioning Group [OCCG]. It was therefore not anticipated that agreement would be finalised in time to be incorporated into the 2015/16 contract with effect from April 2015, but it was expected that terms as negotiated would be effected by way of agreed variation.

- 2.6. The Integrated Performance Report for Month 7 was reviewed, noting achievement of the standard of no more than 1% waiting over 6 weeks for Diagnostic tests, and of the 18 week Referral to Treatment [RTT] incomplete standard. The standards for RTT admitted and non-admitted had been failed in October 2014, with performance at 87.49% and 94.34% against the 90% and 95% targets respectively, but this was noted to be in line with the national requirements of NHS England and the TDA for the months of October and November 2014. Seven of the eight cancer standards were reported to have been achieved in September 2014.
- 2.7. The Committee received a report on the main themes to have emerged from the Quarter 2 divisional performance reviews, covering financial, operational and quality performance. Specific consideration was given to how best to ensure that the Committee could gain appropriate assurance from the process. It was agreed that this should be reviewed, and a further report will be provided to the next meeting.
- 2.8. An update was provided on progress in the Outpatient Re-profiling Project, to confirm that 852 clinic profiles had now been re-designed and re-built, currently live on EPR. A further 444 clinic profiles (across 28 Services) were due to be completed and in effect by 31 March 2015. It was noted that, with a minimum 'tail' of 13 weeks for each clinic, the benefits were yet to be felt, but should soon have a positive impact, including on job plans, and theatre scheduling, as well as providing data to inform a review of the timing and sequencing of clinics, which might have a positive impact on site access, and ease pressure on car parking.

### 3. Key Risks Discussed

The following risks were discussed:

- 3.1. The Committee considered updated extracts of the Board Assurance Framework [BAF] and Corporate Risk Register [CRR] relating to the risks assigned to it, and in particular discussed:

- i. The potential failure of accurate reporting and poor data quality due to implementation of the Electronic Patient Record [EPR]; and
- ii. The potential failure to obtain the clinical advantages from EPR

Data quality audits undertaken by Internal Auditors, and by External Auditors, were reported to have found a good level of assurance with regard to the former. Review of EPR benefits realisation has been scheduled for further consideration at a future Trust Board Seminar.

- 3.2. The risks associated with potential winter pressures were considered, and an update was provided on the additional capacity planned, noting that confirmation had just been received that the Tranche 2 Winter Funds (£560,000) were to be allocated to the Trust to commission capacity in the private sector. Any further contingency plans would need to be informed by and based upon the outcome of on-going negotiations relating to outcomes-

based commissioning, and in particular the decision on the Most Capable Assessment process, the objective of which was to gain more control over the system, so as to be able better to mitigate the risk factors which could represent additional pressures, through an integrated management structure. The importance of the Trust's commitment to work with its partners in the Oxfordshire health economy to deliver the change required was emphasised.

3.3. The Committee considered an updated risk assessment of the forecast of the Trust's year-end financial position as at Month 7, noting that the planned surplus should be deliverable, but only with the use of contingency and balance sheet flexibility.

3.4. The risks associated with delivery of the operational performance standards were considered, and the Committee noted the latest forecast projections. It was noted that that the principal challenges to meeting and sustaining the delivery of operational performance standards related to:

- A/E 95% of patients seen within 4 hours from arrival/transfer/ discharge; and
- Delayed Transfers of Care, noting that the number of patients whose average stay exceeded 14 days was continuing to rise, reaching 508 patients per day in the week commencing 1 December 2014.

#### 4. Key Actions Agreed

The Committee agreed actions as follows:

- Subject to ensuring that there was no prejudice to any on-going appeal, the Trust's internal processes for approving consultant sessional payments would be revised and clarified
- Progress in negotiations relating to outcomes-based commissioning, and in particular the decision on the Most Capable Assessment process, should be reviewed and considered further by the Trust Board at its meeting in private on 14 January 2015
- The process for undertaking and reporting on the review of divisional performance should be reviewed, with the objective of achieving better connectivity between (and within) the divisions, the executive management team, and the Board. An update would be provided to the Committee at its next meeting
- A further report on Financial Plans for 2015/16 would be provided to the Trust Board at its meeting in private on 14 January 2014
- A further report on the adoption of the NHS Premises Assurance Model [NHS PAM] would be provided to the TME during the first quarter of 2015/16.

## 5. Future Business

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

- Review of the process of Divisional Performance Review
- Report on Quarter 3 Divisional Performance Reviews;
- Review of the integrated performance of the Trust;
- Review of financial performance against plan;
- Review of in-year delivery of efficiency savings for 2014/15;
- Review of the Board Assurance Framework and Corporate Risk Register;
- Reference Costs: report on outputs

## 6. Recommendation

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

**Mr Christopher Goard**  
**Finance and Performance Committee Chairman**

**January 2015**