

Trust Board Meeting in Public: Wednesday 9 September 2015
TB2015.107

Title	Finance & Performance Committee Chairman's Report
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Status	For Information
History	The Finance and Performance Committee provides a regular report to the Board.

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

1. Introduction

The Finance and Performance Committee met on 12 August 2015. 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 reviewed, noting:

- The percentage of adult inpatients that had a VTE risk assessment in May and June was 97.36% and 97.63% respectively, against the standard of 95%
- Performance against the 4 hour ED standard was 96.2% in June 2015
- Zero same sex accommodation breaches had been reported at the end of June, and for Quarter 1 2015 as a whole;
- The standard of no more than 1% waiting over 6 weeks for Diagnostic tests had been achieved, with 19 patients (0.16%) having waited over 6 weeks at the end of June 2015;
- 18 week Referral to Treatment [RTT] incomplete and Non-admitted standards were achieved in June 2015, at 93.27% and 95.02% against the standards of 92% and 95% respectively;
- Seven of the eight cancer standards were achieved in May 2015, and all eight standards including the 62 day standard were achieved in June 2015;
- Patients spending $\geq 90\%$ of time on the stroke unit was 86.21% against a standard of 80% in June 2015.

Overall, the Trust achieved a score of 2 against Monitor's risk assessment framework for Q1 of 2015/16, and scored 0 in the month of June.

The Committee recognized the significant achievements made to improve operational performance in areas of great pressure, noting that it would be a continuing challenge to maintain performance at that level, whilst increasing efforts to address those areas which still required further improvement, such as Delayed Transfers of Care [DTocS]. There was some concern that changes in the volume of social care and community health provision might impact adversely on capacity at the OUH Trust.

- b) A verbal update was provided on the approach proposed to undertake further analysis of the profile of bed stays, as reported within Appendix A to the Integrated Performance Report, which indicated that just under 4% of the patients admitted to the hospitals accounted for nearly 46% of all bed days consumed. An audit of the clinical appropriateness of the length of stay of this cohort of patients is planned for September 2015, and its conclusions will subsequently be reported to the Committee at its meeting in December 2015.
- c) The Committee received a report on the Trust's financial position, and reviewed the main variances which had led to a Month 3 year-to-date position that was reported to be £0.8m behind plan. Concern was expressed at the underlying

trends of overspend on pay, and activity under-performance against commissioner contracts, and there was strong support for material corrective action to reverse these trends.

- d) A presentation on the Quarter 1 'Wash-Up' provided further information on the trends underlying the position as reported at Month 3, and the effect on the current financial projections to year end 2015/16, highlighting a risk that the Trust might not be able to deliver its plan. A plan for delivery was outlined which described how the risks identified might be mitigated, and a balanced out-turn delivered. The Committee endorsed the measures which were suggested, and requested regular updates on progress in implementing these actions.
- e) The Committee considered a report on the Q1 Divisional Performance Reviews, noting that the Medicine, Rehabilitation and Cardiac [MRC] Division, and Surgery and Oncology [S&O] Division, had yet to be reviewed. Given the Trust's financial position, as reported at Month 3, the reviews included a focus on the deficit performance delivered by all five clinical divisions at the end of Quarter 1. Whilst a variety of explanations were offered by the divisional teams for this performance, a number of trends have been identified as common to all, including non-delivery of the Divisional General Efficiency [DGE] components of the Trust Cost Improvement Programme [CIP] at Q1. These shortfalls have been increased by overspends against pay budgets; with divisions having increased permanent establishments and not having reduced temporary staffing. Further, the divisions are not at present delivering their respective clinical income targets.
- f) It was noted that the Trust had delivered £9.6m in savings in the first quarter of the year, representing 87.0% of the year-to-date plan. Details of the performance of the savings programme in Quarter 1 were reported to the Committee, emphasising that delivery of the promised savings programmes, especially by the clinical divisions in respect of DGE, procurement, medicines management and workforce, was an essential component of the Trust's plan to discharge its financial responsibility for 2015/16.
- g) It was formally reported that the Trust had reached a settlement in relation to the Churchill Private Finance Initiative [PFI], with a Deed of Settlement and Variation having formally been executed on 22 July 2015.
- h) The Committee received a report on 2014/15 Reference Costs [REFC] and the 2014-15 Service Line Reporting [SLR] data. Whilst it was emphasised that direct comparisons between these data sources must be undertaken cautiously, due to the different source data and the respective uses, the Trust will take further steps to understand the cost drivers that impact adversely on the costs of delivering activity compared to the England average, and to identify steps that can be taken to mitigate costs.

3. Key Risks Discussed

The following risks were discussed:

- i. The Committee considered in detail the risks associated with the current financial position, and identified the need for corrective action, recognising that further steps might need to be considered within the medium term, which could include a more fundamental re-configuration of services, as the outcome of negotiations on the tariff was confirmed, and its impact on the configuration of services was more fully understood;
- ii. The Committee specifically advised that the risks associated with the potentially negative impact of a deteriorating financial position should be included on the Corporate Risk Register;
- iii. In reviewing 2014/15 Reference Costs [REFC] and the 2014-15 Service Line Reporting [SLR] data, two key potential risks for the organisation were identified:
 - Where losses are currently being made at SLR level, if the average cost of delivering the activity, as reported in REFC, reduces across England, this could result in tariff prices being further reduced and hence the losses could increase;
 - Where profits are currently being made at SLR level, if the average cost of delivering the activity, as reported in REFC, reduces across England at a faster rate than that achieved by OUH, this could result in tariff prices being reduced and hence profits will reduce.
- iv. The Committee considered an extract of the updated review of the Corporate Risk Register (CRR), reflecting the outcome of the quarterly review, following which it was noted that a number of new risks had been added to the CRR, as follows:

ID	Risk Description
1.27	Revalidation for Nurses and midwives and failure to comply with NMC Guidance
1.28	Failure to demonstrate compliance to the duty of candour
3.11	Potential risk of failing to respond to the results of diagnostic tests. (OCCG)
3.12	Potential risks to handover of treatment through poor communication of discharge summaries. (OCCG)

4. Key Actions Agreed

The Committee agreed actions as follows:

- Further information will be circulated to quantify the net savings likely to be realised in association with the national ban on the use of off framework agencies

- Data will also be provided on the difference in net earnings received by a nurse working on the bank, as compared to a framework agency
- A report on the outcome of TME's review of Consultant Job Planning will be reported to the Committee at its meeting in December 2015
- An audit is planned for September 2015, to review the clinical appropriateness of the length of stay of the 4% of the patients admitted to the hospitals who account for nearly 46% of all bed days consumed. The conclusions of that audit will subsequently be reported to the Committee at its meeting in December 2015.

5. Future Business

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

- the integrated performance of the Trust;
- the financial performance against plan for 2015/16;
- in-year delivery of annual efficiency savings for 2015/16;

and consideration of:

- outcome of the review of use of bed resource by long-stay patients; and
- feedback from the initiative to be undertaken 9th to 15th September: 'Breaking the Cycle – No Delayed Transfers of Care'

6. Recommendation

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

Mr Christopher Goard
Finance and Performance Committee Chairman

September 2015