

Trust Board Meeting in Public: Wednesday 13 January 2016
TB2016.08

Title	Finance & Performance Committee Chairman's Report
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Status	For discussion
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 9 December 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 7 was reviewed, noting:
 - The percentage of adult inpatients that had a VTE risk assessment in September 2015 was 96.47%, against the standard of 95%;
 - The standard of no more than 1% waiting over 6 weeks for Diagnostic tests had been achieved, with 42 patients (0.35%) having waited over 6 weeks at the end of October;
 - 18 week Referral to Treatment [RTT] incomplete standard was achieved in August, at 92.116% against the standard of 92%;
 - The Cancer 62 day standard was missed for 2 patients, but all other cancer targets were achieved in September;
 - Zero cases of MRSA bacteraemia were reported in October;
 - Zero same sex accommodation breaches had been reported at the end of October;
 - Patients spending $\geq 90\%$ of time on the stroke unit was 98.44% against a standard of 80% in October 2015.
- b) Seven out of the eight cancer standards were met in September, but the Cancer 62 day standard was missed for 2 patients, and it was expected (subject to verification of figures awaited from Open Exeter) that the Cancer 62 day standard would not be met in October either. Performance against the 4 hour ED standard was 88.01% in October, against the standard of 95%, and the Trust therefore scored 2 against Monitor's Access and Outcomes matrix in relation to each of the months of September and October (although, except for RTT, the matrix operated on a quarterly basis).
- c) The Committee reviewed an extract of the assigned risks from the Board Assurance Framework [BAF] and Corporate Risk Register [CRR], in particular to consider whether the risks as recorded accurately and adequately reflected the most significant issues currently facing the Trust. It was suggested that the Executive Team should report explicitly on what actions are being pursued, against a specified timeframe, to impact upon long-standing 'red' risks.
- d) The Committee considered the Trust's financial position, noting that the Month 7 year-to-date position was reported to be £0.2m behind plan, with the financial position of the clinical divisions having worsened further since re-forecasting had been undertaken in Month 5. Meetings were reported to have been held with each division.

- e) The financial framework for 2016/17 was reviewed, and it was agreed that the focus on improving EBITDA performance, and the sustainability of the underlying position, should be maintained.
- f) Progress in the implementation of agency controls was recognised to be crucial to reversing the underlying trend of overspend on pay, and an update was provided on implementation of the agency price cap.
- g) The Committee also considered a review of the in-year delivery of annual efficiency savings, noting the established projects for 2016/17, and the emerging work on the 2017/18 programme for improving efficiency. Delivery of the Cost Improvement Programme [CIP] Year to Date was reported at 84.6%.
- h) With regard to 2016/17 and beyond, the Committee endorsed the need to identify further significant transformation streams, focused on improving the quality of care, which would also have the benefit of realising improvements in operational and financial performance, thereby releasing EBITDA for re-investment in services.
- i) The Committee considered proposals for developing and focusing on the use by clinical divisions of benchmarked costing and profitability data, and it was agreed that primary attention should be on identifying the drivers in variation between profitability for the same procedures.

3. Key Risks Discussed

The following risks were discussed:

- i. The Committee reviewed the risks assigned to it, as currently recorded on the Board Assurance Framework [BAF] and Corporate Risk Register [CRR]. In particular, the Committee discussed risks associated with Delayed Transfers of Care [DToCs] and Theatres' utilisation and efficiency. In respect of the former, it was expected that the on-going system-wide initiative to reduce DToCs should soon be seen to have a positive impact. In respect of the latter, it was hoped that plans for a new transformation stream could have a similarly positive effect. The Executive Team will be asked to report explicitly on the actions being pursued, against a specified timeframe, to impact upon long-standing 'red' risks;
- ii. The Committee reviewed the risk to the Trust's year-end position for 2015/16, associated with the underlying trends of overspend on pay, and activity under-performance against commissioner contracts, and noted that divisional performance was being actively and closely managed.

4. Key Actions Agreed

The Committee agreed actions as follows:

- The Board Assurance Framework and the Corporate Risk Register will be further reviewed, in the light of the Trust-wide strategic review, and specific initiatives to reduce DToCs, and improve Theatres performance;
- All financial reports will be focused on reporting recurrent income, costs and EBITDA.

5. Future Business

Areas upon which the Committee will be focusing at its next meeting 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 monitoring of:

- implementation of transformation streams identified;
- further development of benchmarked costing and profitability data.

6. Recommendation

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

Mr Christopher Goard
Finance and Performance Committee Chairman

January 2016