



Trust Board Meeting in Public: Wednesday 11 July 2018

TB2018.61

Title	Finance & Performance Committee 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 Geoff Salt, Finance & Performance Committee Chairman			
Key purpose	Strategy	Assurance	Policy	Performance

Executive Summary

1. The Finance and Performance Committee is a sub-committee of the Trust Board, and as such provides a regular report to the Board on the main issues raised and discussed at its meetings.

2. 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.

Recommendations

3. The Board is asked to:

- Note the Finance and Performance Committee's regular report to the Board from its meeting held on 13 June 2018

Introduction

Since the Board last met in public in May 2018, the Finance and Performance Committee [“the Committee”] held its most recent meeting on 13 June 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 May 2018, key points noted in relation to operational and financial performance reported for the period up to 31 March 2018 included:

- Performance in relation to the Emergency Department [ED] 4 hour standard had dropped to under 80% in March. Although performance was verbally reported to have improved to 86.3% in April, the Board noted that this remained below the trajectory of 90% and the national standard of 95%. ED attendances were noted to have increased year on year, as had Emergency Admissions, with patient acuity reported to be high, and ‘general and acute’ bed occupancy having been running at over 95% since October 2017.
- In relation to Referral to Treatment Time [RTT] for elective care, the Board heard that in March the percentage of patients receiving planned care within 18 weeks of referral had reduced further to 85.13% (against the standard requiring that at least 92% should not wait longer than 18 weeks). The total number of patients on incomplete pathways at OUH waiting for over 18 weeks on 31 March 2018 stood at 7,456 out of a total of 50,147 patients on incomplete pathways. This represented a growth in the total size of the waiting list of 1,562 compared to February and a growth in over 18 week waits of 654 (9.6%).
- The number of patients waiting over 52 weeks for treatment in Gynaecology rose to 164 in March.
- The Board heard that the Trust had met 7 out of the 8 cancer standards in February (the most recent month for which nationally validated data was available), but the percentage of patients receiving first treatment within 62 days from urgent GP referral had fallen to 81.4%, against the standard of 85%.
- Diagnostic wait performance had worsened in March, when 2.07% of patients waited for over six weeks, in breach of the national standard of 1%.
- The underlying EBITDA¹ run rate had improved in Month 12 to £3.8m, and that improvement had been supplemented by non-recurrent measures to deliver £41.1m EBITDA outturn, which was £32.3m behind plan (excluding Sustainability and Transformation Funding) and £0.9m behind the forecast.
- For 2017/18, the Trust reported a control total deficit inclusive of STF of -£7.3m.

The main issues raised and discussed at the meeting of the Finance and Performance Committee in June are set out overleaf.

¹ Earnings before interest, tax, depreciation and amortization)

Financial and operational performance issues reviewed by the Committee in June 2018

- a) The Trust's ED 4 hour wait performance had improved to 88.63% in May 2018.
- b) The Chief Nurse provided an update on the Urgent Care Delivery Programme on which she was taking the lead across the Oxfordshire system. Ten projects were being pursued, all of which were aimed at improving patient flow. These included implementation of a systematic review of all 'stranded' patients (those in hospital for more than 7 days).
- c) The Committee heard that no patients had waited over 12 hours from a decision to admit to admission in either April or May 2018. Levels of bed occupancy were reported to have begun to reduce in mid-May.
- d) In April, the percentage of patients receiving planned care within 18 weeks of referral had increased slightly to 85.25% (against the standard requiring that at least 92% should not wait longer than 18 weeks).
- e) The number of patients waiting over 52 weeks for treatment in Gynaecology had reduced slightly to 152 in April. A further 24 patients were waiting over 52 weeks in twelve other specialties.
- f) The Committee received a report on progress in the development and delivery of an action plan for sustainable improvement in Gynaecology services, in which there had now been an appointment made to the newly created post of Clinical Director in Gynaecology.

The action plan in development included: provision for the outsourcing of surgical activity; improvements in theatre utilisation and productivity at the Horton General Hospital [HGH] by developing a 23 hour stay facility; additional theatre capacity on the JR1 site; support commissioned by Oxfordshire Clinical Commissioning Group [OCCG] for external validation of the waiting list; and the development of a list of alternative providers to GPs on the Choose and Book referral system for Gynaecology outpatient services. The new Clinical Director was also reviewing all job planned consultant capacity to facilitate appropriate planning and scheduling of the medical workforce, to be mirrored by an analysis of demand using IMAS [Interim Management and Support] modelling tools.

- g) Diagnostic wait performance had improved to 1.73% of patients waiting for over six weeks in April, but this was still in breach of the national standard of 1%.
- h) 7 out of the 8 cancer standards had again been met in March (the most recent month for which nationally validated data was available), but only 81.3% of patients had received first treatment within 62 days from urgent GP referral, against the standard of 85%.

It was noted that Urological, Gynaecological Oncology, Lung, and Head & Neck tumour sites continued to account for most breaches.

With many Head & Neck cancer patients coming from hospitals across the Thames Valley Cancer Alliance, the Committee heard that a proposal had been agreed with Alliance partners for the development of local specialist teams, which should improve patient experience, and release capacity with OUH to reduce the waiting times to first treatment.

- i) Month 1 financial performance reported EBITDA at +£0.3m, which was £0.4m behind plan, and on a Control Total (surplus / deficit) basis, performance was a deficit of -£4.6m, £0.4m below plan. The Chief Finance Officer advised that assumptions on income had yet to be fully tested, but it was encouraging that pay and non-pay costs were below plan in Month 1.
- j) The Chief Finance Officer then updated the Committee on progress in implementation of the Financial Plan for 2018/19 and budget-setting.
- k) The Committee heard that discussions were ongoing with NHS Improvement regarding the Trust's control total for 2018/19. It was noted that the Board would be considering formally whether the control total (including allocated Provider Sustainability Funding [PSF]) could be accepted at an extraordinary meeting to be convened on 19 June 2018.
- l) The Committee received an update on workforce planning, outlining measures being undertaken to address the challenges in recruiting and retaining staff; particularly in the specific departments and staff groups where shortfalls were starting to constrain the amount of activity which the Trust was able to provide. For example, to improve the retention of Band 5 nurses, the 'Foundation Development Programme' was being introduced to create a clear and attractive development path.
- m) The Committee received a summary of the key actions arising from the Q4 divisional performance reviews and progress made against those actions.
- Performance had been assessed against four key performance domains:
- o Quality;
 - o Workforce;
 - o Operations; and
 - o Finance.
- Key priorities within each division were highlighted along with progress made to date.
- n) The Acting Director of Clinical Services and Chief Nurse presented an update on preparedness for Winter 2018/19, which included plans to provide additional capacity across the Oxfordshire system of 131 urgent care beds or bed equivalents.
- o) The Director of Improvement and Culture reported on the Trust's engagement with the improvement function of NHS Improvement, aimed at realising operational productivity improvements. The Committee heard that the Trust had been invited to be one of eight hospitals in a second wave of 'Deep Dives' into medical productivity, with a suggested focus on Radiology, Orthopaedics and A&E, where the benefits of participation should include help to get full value from effective job planning and e-rostering of medical staff, and the opportunity for peer learning from other hospitals in the second wave.
- p) Taking into account the Care Quality Commission's Well-Led review of the Trust, reported in March 2018, together with the findings of other recent reviews, the Committee considered the extent to which the Trust could demonstrate compliance with the NHS Improvement single oversight framework (Well-led), as the basis for identifying any themes which might warrant further focus and detailed review.

- q) In the light of correspondence received from NHS Improvement in its capacity as regulator, the Committee considered progress in the development of plans to improve governance and performance in relation to Urgent Care, Elective Care, finance and workforce.

The Committee noted that further work would be required, and was to be pursued as a matter of urgency, to develop a trust-wide comprehensive improvement plan that captured the relationship between individual improvement plans.

Key Risks identified included:

- a. The continuing risk that improved performance against the four hour ED standard would not be sustained unless improvements were maintained to achieve better flow through and discharge from the hospital;
- b. The risk that workforce constraints would limit the elective capacity required to achieve sustainable reductions in waiting times for patients on incomplete pathways, resulting in a failure to meet national guidance that the waiting list should be no larger at the end of 2018/19 than at the beginning of the year;
- c. The risk that, unless sustainable improvement in performance was delivered in gynaecology, too many patients would be waiting too long for treatment, and the Trust would not be able to meet the national requirement to aim to eradicate or at least halve the number of patients waiting over 52 weeks;
- d. The risk that capacity would be insufficient to meet increasing referrals particularly on the Urological cancer pathway, and that consequently the percentage of patients receiving first treatment within 62 days from urgent GP referral would not meet the standard of 85%;
- e. The risk that workforce constraints may limit the capacity of elective care that can be delivered, which will in turn constrain income, undermining the pace of improvement in underlying EBITDA performance that is required to achieve financial sustainability and deliver the Trust's control total.

Key Actions agreed included:

- i. Further development of the options to deliver sustainable expansion of capacity in Gynaecology, and of a realistic plan for achieving and sustaining improvements in its services, is to be monitored closely by the Executive team, and progress reported to the Committee and to the Board;
- ii. Further development of plans to improve governance and performance in relation to Urgent Care, Elective Care, finance and workforce will be closely monitored, and progress in implementation of a trust-wide comprehensive improvement plan reported to the Committee and to the Board.
- iii. An update on the effectiveness of measures being implemented to attract and retain workforce is to be reported to the Committee at the next quarter.
- iv. Regular update reports are to be provided to the Committee in respect of the agreed programme of work to realise NHSI operational productivity opportunities.

- v. The trajectory for 4 hour ED performance is to be reviewed before re-submission to NHSI, to ensure that it is appropriately ambitious but realistically reflective of anticipated pressures over winter.

Recommendation

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

Mr Geoffrey Salt
Finance and Performance Committee Chairman

July 2018