

Trust Board Meeting in Public: Wednesday 12 September 2018

TB2018.85

Title	Finance & Performance Committee Report
--------------	---

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 8 August 2018

Introduction

Since the Board last met in public in July 2018, the Finance and Performance Committee [“the Committee”] held its most recent meeting on 8 August 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 July 2018, key points noted in relation to operational and financial performance reported for the period up to 31 May 2018 included:

- The Trust Board was noted to have agreed a series of Enforcement Undertakings with NHS Improvement [NHSI]. Work was underway to develop plans to improve performance on key priorities which the Board had already identified for 2018/19 – emergency care, planned care and financial sustainability – as well as two additional areas – governance and strategic workforce planning.
- An Urgent Care Improvement Programme actioned through an Urgent Care Delivery Group chaired by the Chief Nurse was reported to be focusing on seven areas of delivery. In addition, it was noted that an Elective Care Programme had also been established to coordinate relevant projects.
- Four of the eight national cancer standards had not been met in April 2018, representing a worsening of performance on both 31 day and 62 day waits to first treatment and a worsening of waits for subsequent surgical treatment.
- In June 2018, 1,191 patients had waited over four hours from arrival to admission, transfer or discharge from OUH’s Emergency Departments, continuing the reduction seen since March. The Trust’s four-hour wait performance improved to 91.08% (last achieved in December 2016), bringing it to above the trajectory level for the month agreed with NHS Improvement [NHSI], though still below the national standard of 95%.
- RTT [Referral to Treatment] Incomplete Performance was reported to have improved slightly from 85.13% in March to 85.25% in April and 85.65% in May against the national standard of 92%. The number of people waiting over 18 weeks reduced slightly while the number of over 52-week waits rose above the level in March.
- Over 52-week waits in Gynaecology grew from 152 in April to 162 in May. Another 25 patients were waiting for over 52 weeks for treatment in other specialities. As part of the clinical care of patients experiencing over 52-week waits a systematic process (Clinical Harm Review Programme) for assessing clinical and psychosocial harm had been established.
- Month 2 (May) EBITDA¹ was £0.3m below plan. Actuals included:
 - Commissioning Income of 372.2m, £1.0m higher than in April and marginally below plan;

¹ Earnings before interest, tax, depreciation and amortization

- Other Income of £12.8m, £1.6m higher than in April and £0.9m below plan;
- Pay of £49.8m, a decrease of £0.4m compared to April and £0.7m below plan; and
- Non-pay of £32.2m, a decrease of £1.4m from April and marginally above plan.

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

NHS Improvement Undertakings

The August meeting of the Committee had a particular and necessary focus on scrutiny and assurance related to the Trust's plans in response to the NHS Improvement Undertakings and particular issues reviewed by the Committee included those outlined below:

Programme Management and Governance

- a) The Committee received an update outlining the PMO structure that had been put in place to coordinate the five programmes relating to the NHSI undertakings and reviewed these arrangements.
- b) The Committee was briefed on the approach that was being taken to define and assess the maturity of different projects.
- c) The involvement of an identified NED in the development of each programme was noted and the value that this had added was recognised by those leading the individual pieces of work.
- d) The Committee recognised that further work was required to strengthen prioritisation, better understand interdependencies, recognise where systemwide support was needed and to assess where additional resource was needed to support the development and delivery of plans.

Elective Care Plan

- a) The Committee noted that this programme was at an early stage in development but the detailed analysis of key issues was recognised and commended.
- b) The early focus of the programme was identified to be on cancer harm reviews, diagnostic capability and capacity and on halting the increase in the number of patients waiting over 52 weeks.
- c) The importance of establishing a clear and effective performance dashboard was recognised by the Committee.
- d) The Committee noted that the growth in the size of the waiting list was concerning but was assured that no evidence of clinical harm to patients had been identified.

Urgent Care Plan

- a) The relative maturity of this programme was recognised by the Committee which was informed that it had recently been refreshed based on support and guidance from the NHSI economics team. This was felt to have been extremely valuable in focussing the programme on the most evidence-based priorities and in quantifying the expected deliverables.

- b) The Committee again noted the value that would be added through the development of a performance dashboard to support this programme.
- c) The Committee was pleased to note that analysis had demonstrated improved resilience by the Trust both in responding to surges of pressure and in recovering from these subsequently.

Financial Recovery Plan

- a) The Committee heard that this programme was developing well with a recognition that further work was required to carry out risk assessments and to more clearly define KPIs.
- b) It was highlighted to the Committee that work was underway to revise the approach to Quality Impact Assessments, recognising that a process that was flexible enough to be employed in situations broader than assessing traditional CIPs was needed.
- c) The success of the programme was recognised to rely on the ability of the Children's Directorate to deliver plans following the recent restructure, on corporate budget housekeeping (noting that the required savings were twice those for clinical budgets in percentage terms) and on the delivery of increased elective income across year as projected.
- d) The Committee highlighted the importance of sufficient attention being devoted to the workstreams relating to medium term sustainability and productivity in order to ensure that delivery in the current year was not at the expense of creating future problems.

Other financial and operational performance issues reviewed by the Committee in August 2018

- a) The Committee received a summary of the outcomes of the Q1 divisional performance reviews. It was noted that information regarding the MRC Division had not be available at the time of circulation due to a delay in holding the meeting. The Committee considered the level of assurance provided by the current process, noting that an updated Performance Management Framework was in development for consideration by TME and the Board. It was suggested that further development should include greater clarity in tracking actions and more granular information about particular clinical areas.
- b) The Trust's ED 4 hour wait performance had deteriorated from 91.08% in June to 88.13% in July 2018. It was noted that there had, however, been an overall trend of improvement over the first quarter and that greater resilience had been noted in recovering after periods of escalation.
- c) The Committee heard that no patients had waited over 12 hours from a decision to admit to admission in April, May, June or July 2018.
- d) The Committee heard that 109 beds were currently closed with occupancy at 95% at that this impacted on the ability to transfer patients from the Emergency Department.
- e) The Committee was informed that on 30 June 2018 7,834 of 54,121 patients on incomplete elective care pathways at OUH were waiting for over 18 weeks, meaning that the percentage of patients awaiting planned care waiting less than

18 weeks was 85.53% (against the standard requiring that this figure be above 92%).

- f) The number of patients waiting over 52 weeks for treatment in Gynaecology had fallen from 162 in May to 157 in June. A further 30 patients were waiting over 52 weeks in other specialties. Options to increase capacity through both outsourcing and insourcing were being explored.
- g) Three cancer waiting time standards were not met in May: the two week breast symptomatic standard, the standard for 62 day waits to first treatment after urgent GP referral and the standard for 62 days to first treatment after a screening service referral. The Committee noted that performance against the 62 day standard following GP referral was below the planned trajectory.

The Committee heard that an agreed protocol was in place to undertake a harm review on any cancer patient waiting over 104 days for treatment with details reported to the Clinical Governance Committee.

It was noted that there had been an increase in Urology referrals due to the National 'Be Clear on Cancer' campaign.

- h) The Committee was made aware that diagnostic wait performance stood at 3.03% of patients waiting for over six weeks in June, in breach of the national standard of a maximum of 1%, and with particular pressures in MRI, audiology and myocardial perfusion scans (cardiology).
- i) The Committee heard that Month 3 financial performance reported EBITDA, excluding Provider Sustainability Funding (PSF) at +£3.3m, which represented a £1.3m improvement on Month 2. It was noted that this included release of three twelfths of the contingency funding during the first quarter. On a control total basis performance was a £9.2m deficit year to date which was £0.9m ahead of plan.
- j) EBITDA during June was £1.7m ahead of plan and £1.3m higher than May with commissioning income £1.4m ahead of plan, other income £0.9m behind plan, pay £2.1 below plan and non-pay £0.8m above plan.
- k) Cash was £40.3m at month end. This is £22.0m above the plan and £12.7m better than the previous month end.
- l) Capital expenditure was £4.2m at month end, £1.3m below plan, due to less spend in Global Digital Exemplar (£1.3m) and Estates General (£1.1m), offset by higher spend on Research and Development (R&D) and Donations.

Key Risks identified included:

- a. The ongoing impact of workforce constraints on both bed and theatre capacity was highlighted. These will affect the ability of the Trust to treat elective patients and to deliver reductions in patients waiting over 52 weeks and in the overall waiting list. In addition the impact of limited bed capacity on occupancy and non-elective flow is recognised which has implications for the sustainability of improvements in performance against the four hour ED standard.
- b. 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 was noted, particularly in relation to the requirement for systemwide winter planning.

- c. The risk to delivery of the 62 day cancer standard in line with the planned trajectory was highlighted, with theatre and diagnostic capacity recognised as key factors. Mitigating actions included more systematic prioritisation and the shift of benign work out of the Churchill Hospital to increase capacity for cancer activity.
- d. Risks were noted in relation to confidence in divisional plans to deliver the underlying £25m deficit required by the financial plan with work underway to test the robustness of proposals.
- e. A financial risk was also identified should it not prove possible to deliver the assumed increase in elective income across the year or if this could be achieved only at premium cost. It was noted that workforce constraints and the ability to outsource activity were the most immediate barriers but that, should these be resolved, commissioner affordability could also be a relevant factor.
- f. The risk that insufficient capacity for analytics support was available to deliver performance management data for divisional reviews and dashboards for improvement programmes was noted.

Key Actions agreed included:

- i. The further development of plans related to the NHSI undertakings, with a particular focus on work to strengthen prioritisation, better understand interdependencies, recognise where systemwide support was needed and to assess where additional resource was needed to support the development and delivery of plans;
- ii. The establishment of performance dashboards for improvement programmes, including areas of focus for change alongside quality impact measures (e.g. mortality, staff satisfaction, friends and family test) as balancing metrics;
- iii. The development of the elective care programme with a focus on harm reviews, diagnostic capability and capacity, outsourcing / insourcing of activity and improved waiting list management;
- iv. The implementation of key aspects of the urgent care programme including establishment of a discharge to assess facility with adult social care, the roll out of whiteboard and a supporting escalation process, making available point of care flu testing and completing the interim plan to increase physical space in the Emergency Department;
- v. Strengthening of the financial recovery plan with risk assessments clearly defined KPIs;
- vi. Completing work to revise the approach to Quality Impact Assessments, recognising that the process needed to be flexible enough to be employed in situations wider than assessment of traditional CIPs; and
- vii. Development of an updated Performance Management Framework, including greater clarity in tracking actions and more granular information about particular clinical areas, for consideration by TME and the Board.

Recommendation

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

Mr Geoff Salt
Finance and Performance Committee Chairman

September 2018