



Trust Board Meeting in Public: Wednesday 11 September 2019

TB2019.93

Title	Finance and Performance Committee Report
--------------	---

Status	For information
History	The Finance and Performance Committee provides a regular report to the Board.

Board Lead(s)	Ms Paula Hay-Plumb, Finance and Performance Committee Chair			
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 14 August 2019.

Introduction

Since the Board last met in public in July 2019, the Finance and Performance Committee [“the Committee”] held its most recent regular meeting on 14 August 2019.

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.

Relevant Risks on Risk Registers

Those rated 16 or 20 in May included in the report provided to the Committee were:

- National access targets (A&E, RTT and Cancer);
- Workforce capacity including the recruitment and retention of staff;
- Financial control total and long term financial sustainability; and
- Lack of robust systemwide plans for demand management and quality improvement.

Updates on Existing Concerns

The Committee received updates from the relevant executive directors on key areas of ongoing concern:

a) NHSI Undertakings

The Committee received a report outlining the outstanding actions from the 2018/19 Integrated Improvement Programme and the priorities for 2019/20. It was agreed that a further update on the 2019/20 programme would be brought for consideration by the Board. In addition further discussions would take place with NHSI in order to bring back a report confirming the actions required to close out the agreed undertakings.

b) JR2 Theatres Refresh

It was confirmed that services had now moved back into the JR2 theatres and that phase 4, comprising an update of the teaching areas and back corridor, was underway.

The Committee heard that two critical incidents had occurred in the West Wing and Nuffield Orthopaedic Centre theatres and that root cause analyses were underway into these.

Financial and operational performance issues arising from routine monitoring

The Committee received the Integrated Performance Report and Financial Performance Report.

Integrated Performance Report (IPR M3)

- a) The Committee reviewed the M3 IPR, noting that this improved report helped to support effective discussion and would be further developed to include workforce and finance data.
- b) Four hour wait performance in June had been 85.8% against a figure of 89% in the annual plan trajectory, with the figure being 89% at the Horton and 83% at the John Radcliffe. Attendances continued to show an increase on both sites with breach numbers higher than for the same period in 2018.

- c) It was recognised that bed occupancy continued to be a key issue with a need to keep this at 92% or below to maintain the four hour standard. The Committee heard about plans to achieve the desired 92% bed occupancy during the period from July 2019 to March 2020. At the Horton a combination of flexible staffing, discharge to assess and length of stay reduction were expected to close the gap. The position at the John Radcliffe was more challenging. The solution would require the use of short term hub beds and the expansion of HART (Home Assessment Re-ablement Team) capacity, with workforce plans to ensure that sufficient staffing was in place to utilise the additional capacity. The Committee requested additional clarity regarding the approach to staffing which would support closure of the gap in bed capacity in the next Performance Report.
- d) The Committee noted that the Trust remained below its planned waiting list size trajectory in June although the size of the waiting list had increased. 52 week breaches had reduced back to 8 for June, a return to the year-end position after increases in April and May. The challenge of holding this position and further reducing to zero in the context of the theatres refresh work was recognised. It was noted that many of the remaining long waits were linked to patient choice. Work was now underway to bring forward harm reviews, undertaking these on patients waiting over 46 weeks rather 52 weeks as previously.
- e) Performance against the diagnostic wait standard had improved from 2.43% to 1.95% although this was above the trajectory figure of 1.3%.
- f) The Committee noted that the Trust had delivered six out of the eight cancer standards in May but that June's report was expected to show only four achieved, with the two week wait, 31 day decision to treatment and both 62 day referral to treatment standards not achieved. Breast cancer diagnostic capacity was noted to be a particular issue.

Financial Performance (M3)

- a) The Committee heard that prior to the inclusion of incentive funding and the application of the marginal rate for emergency activity, the year to date position was a deficit of -£6.4m which was £0.1m better than plan. However it was informed that adjusting out one off and non-specific prior year accrual releases, year to date performance would be a deficit of -£15.2m or £8.7m worse than plan due to a significant underlying income shortfall as well as a smaller issue with operating expenditure. The Committee expressed concerns regarding this position and challenged the actions being taken to address it.
- b) The Committee heard that it had still not yet been possible to finalise budgets with all clinical divisions and was updated on the measures that were being taken to manage the resulting risks and to provide appropriate support and challenge to the divisions concerned.
- c) A major cause of the adverse position was a significant income shortfall in Q1. The income shortfall was noted to be a combination of the impact of the JR2 theatres refresh along with a significantly adverse casemix in comparison with plan with a significantly higher proportion of lower tariff procedures. The Committee was assured that action was being taken in response to this issue which included undertaking a review of the post-theatre refresh use of capacity, using a scheduling tool to maximise the use of anaesthetic availability, and carrying out a detailed analysis of coding and casemix.

- d) Pay costs were also £3.4m worse than plan and the Committee was informed that key actions to address this were improving recruitment and retention, making the most effective deployment of staff and ensuring value for money in the use of premium staff.
- e) The capital position was noted to be slightly ahead of the year to date at £8.4m with national capital controls now in place. Delivery plans and prioritisation were being reviewed to ensure that there was sufficient budget headroom for any operational and compliance requirements.

Other Items

- a) The Committee received an update on the outcomes from the Quarter 1 divisional performance reviews. A revised approach to these reviews had been developed by Mr Jonathan Lloyd, Performance Project Lead, who joined the meeting to report to the Committee. The aim of the reviews had been to focus on five to six key performance areas to ensure that plans were in place for short, medium and long term delivery. The intention was to have a transparent discussion with divisions to ensure a shared understanding of key issues that triangulated divisional perception with the corporate assessment of data.
- b) The Committee received an update on the 2019/20 CQUIN (Commissioning for Quality and Innovation) programme and the year end position for the 2018/19 scheme. It heard that £10m (77%) of the total £13m value for 2018/19 had been secured. The total programme for 2019/20 was made up of the specialised commissioning programme, equating to £4.6m, and the national programme commissioned through the CCG with a value of £5.1m.
- c) The Committee was briefed on the interim report produced by Stephen Powis, National Medical Director of NHS England, as part of the Clinically-led Review of NHS Access Standards.
- d) An update was provided to the Committee on the status of the Trust's Winter Preparedness Plan. It heard that short term hub beds formed part of this plan and represented a joint project between the Trust, the CCG and the Council with procurement taking place through the Council.

Key Risk areas included:

- a. The risk that system plans are insufficient to deliver the target level of bed occupancy across the winter period with a significant impact on the ability to deliver the four hour A&E standard and to maintain the flow of urgent care activity;
- b. The risk of ongoing failure to deliver all eight cancer standards;
- c. The financial risk related to the deliverability of the Trust's plan based on Q1 figures and especially the income shortfall an update to be provided on actions being taken to understand and address this shortfall; and
- d. The risk of ongoing delay in agreeing an annual budget for all divisions.

Key Actions agreed included:

- a. The Committee asked for an update on the 2019/20 Integrated Improvement Programme to be provided with clarify around milestones and key indicators;
- b. The Committee is to see further detail regarding plans to improve bed occupancy with a particular focus on how to deliver staffing requirements;

- c. The Committee requested further detail on the capacity and projected delivery of the HART programme; and
- d. The Committee will receive an update on actions being taken to understand and address the current income shortfall.

Recommendation

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

Ms Paula Hay-Plumb

Finance and Performance Committee Chair

September 2019