

Date of meeting	17 July 2018
Paper number	D3

## Finance & Performance Committee Report to Trust Board – Month 2

For approval:	<input checked="" type="checkbox"/>	For assurance:	<input checked="" type="checkbox"/>	To note:	<input type="checkbox"/>
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<b>Accountable Director</b>	Phil Mayhew – Chairman		
<b>Presented by</b>	Steve Williams – Vice Chairman	<b>Author</b>	Katie Osmond – Assistant Director of Finance Thekla Goodman – FPC Committee Administrator

### Alignment to the Trust's strategic priorities

Deliver safe, high quality, compassionate patient care		Design healthcare around the needs of our patients, with our partners		Invest and realise the full potential of our staff to provide compassionate and personalised care	
Ensure the Trust is financially viable and makes the best use of resources for our patients	<input checked="" type="checkbox"/>	Develop and sustain our business			

### Alignment to the Single Oversight Framework

Leadership and Improvement Capability		Operational Performance		Quality of Care	
Finance and use of resources	<input checked="" type="checkbox"/>	Strategic Change		Stakeholders	

### Report previously reviewed by

Committee/Group	Date	Outcome

**Assurance:** Does this report provide assurance in respect of the Board Assurance Framework strategic risks?

Y	BAF number(s)	4.1
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**Assurance** in respect of: process/outcome/other (please detail) .....

<b>Significant assurance</b> <i>High level of confidence in delivery of existing mechanisms/objectives</i>	<input type="checkbox"/>	<b>Moderate assurance</b> <i>General confidence in delivery of existing mechanisms/objectives</i>	<input type="checkbox"/>	<b>Limited assurance</b> <i>Some confidence in delivery of existing mechanisms/objectives</i>	<input checked="" type="checkbox"/>	<b>No assurance</b> <i>No confidence in delivery</i>	<input type="checkbox"/>
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### Recommendations

The Board is asked to confirm it is assured that:

- The Trust is getting traction in addressing the issues around flow
- Every effort is being made to close the CIP gap and work continues with the Divisions and corporate functions to identify viable opportunities
- The FPC listens and is supportive of innovative thinking

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	<p>during in-depth reviews.</p> <ul style="list-style-type: none"> <li>- The FPC oversees the Reference Cost Submission and that the Chief Finance Officer has been given authority to sign off the returns.</li> </ul> <p>The Board is asked to give its approval for:</p> <ul style="list-style-type: none"> <li>- The consultancy expenditure to support delivery of the Financial Sustainability Programme and for ongoing governance of the spend to be monitored through Finance &amp; Performance Committee</li> </ul>
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## Executive Summary

The Finance & Performance Committee (FPC) focuses the agenda on three main priorities:

- Flow
- Cancer Performance
- Financial performance

## Background

The Finance & Performance Committee (FPC) meets on a monthly basis to gain assurance that plans are in place to achieve the Trust's agreed Operational Performance Targets, Financial Control Total, its Cost Improvement and Financial Recovery Plans.

The Committee met on 24 May 2018 (Month 1) and 25 June 2018 (Month 2).

## Highlights from the Meetings

### In-Depth Reviews

Cancer – to stem the decline in performance due to a rise in demand/referrals, mainly attributable to national campaigns and more public awareness, the Trust has developed a Cancer performance improvement plan. Good progress was noted.

Breast Radiology – The Committee received a presentation from the Breast Service who explained the causes for the underperformance on Breast Symptomatic. Issues include too few radiologists working across a wide geographical area and between several sites which does not allow for any extra activity to be undertaken. This is exacerbated by a shortage of radiologists and radiographers, which is also a national problem. The Committee was encouraged however, by the team's efforts into finding a more strategic solution as well as the actions that can be taken at an operational level to achieve more consistent performance.

Theatre/Outpatient Efficiency – Four Eyes Insight had been engaged to support delivery of greater efficiency in theatres focussing on reducing cost, reducing RTT and repatriation. The Trust is beginning to get traction in using the tools and discussions with the surgeons have taken place to improve engagement. The Plan is predicated on undertaking the same activity through fewer sessions. Each Division has been set a 'magic' number which is the number of patients to be treated each week to realise the opportunity.

Workforce Transformation Programme – the Workforce Transformation Programme led by the Director of People and Culture but worked up by Four Eyes Insight had been presented to, and agreed at, TLG in May in order to deliver workforce productivity benefits to the organisation. The Committee noted the potential savings and that realistic opportunities exist in the enabling work streams around rostering, grip & control and bank/agency. A detailed ward by ward review will take place to determine efficiencies and establish that the right resource is in the correct place.

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## Standard Agenda Items

### Financial Performance

As at Month 2 the Trust is reporting a deficit of £5.19m which is £300k adrift of plan and is mainly attributable to a shortfall in patient care income and an increase in the run rate. The Chief Finance Officer anticipates that with the actions being put in place, that overall, Q1 is achievable.

A fuller report on the Financial performance is elsewhere on the Agenda but the highlights of the discussion at FPC are as follows:

**Income Shortfall** – an urgent analysis (by specialty and by site) is being undertaken by the end of June to ensure demand is appropriately matched to available capacity against the backdrop of the theatre efficiency programme and matched to the cap and collar contract.

**Sustainability** – the Trust had not yet fully identified the £23m CIP target needed to achieve its £40m (pre-STF) control target but the Committee noted several ‘amber’ rated plans were on track to turn into ‘green’ rated schemes by the end of the month. The Divisions have engaged in meetings with the Corporate Projects team/Turnaround Director on an almost weekly basis to identify the savings opportunities to close the gap.

**Capital** – the Trust has very limited availability of capital and all funds not pre-committed have been held in contingency to support management of critical works in year; a new process has been implemented for bids against the contingency. The Director of Finance continues to converse with regional and national NHSI colleagues to emphasise the Trust’s precarious position and seek capital support sooner rather than later.

**Cash** – the Trust continues to require additional interim revenue support during 2018/19.

### Operational Performance

Integrated Performance is reported elsewhere on the agenda and provides fuller detail of the Trust’s operational performance. The Committee’s discussions centred around these main points:

**EAS/Flow** – the recent ambulance border changes has had an immediate and positive impact at the front door. The Trust together with health economy partners, will be undertaking the ‘Right Move Event’ which will entail two weeks of targeted and enhanced focus on maximising discharges and minimising delays of care to patients.

**Diagnostics** – national changes in guidance for obstetric ultrasound have been the cause of a significant decline in performance mainly in imaging due to the increase in demand. Options to improve performance in CT, MRI and Ultrasound are being actively explored.

**Winter Plan** – the Committee received the first draft of the winter plan and noted the actions being developed/or in train to minimise the impact of winter.

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## Other Agenda Items

### Reference Costs Assurance

The Reference Cost submission is a mandatory return that all NHS Trusts are required to submit having been through an internal governance process such as formal presentation to the Board or relevant Sub-Committee. The Committee noted the costing process overview and that the Trust is meeting the national principles.

The 2016/17 submission results showed that the Trust's overall Reference Cost Index as 106 which indicates the Trust's costs are 6% above the national average. Working closely with the Divisions, the Costing team has helped to identify opportunities which link in with the CIP programme. The Committee gave authority for the Director of Finance to sign off the returns by 16.7.18.

### Board Assurance Framework

The Committee reviewed Risk 4.1 (Systematically improve efficiency and sustain financial performance ensuring that the Trust delivers its financial control total) noting that a review has maintained the risk score of 20, the original 5 x 4 has been altered to 4 x 5 (likelihood v severity).

### Support for Financial Recovery

The Committee received a report outlining the consultancy requirements needed to support delivery of the Financial Sustainability Programme and the further development of the Medium Term Financial Strategy.

The Committee recommend approval to the Board for the consultancy expenditure to support delivery of the Financial Sustainability Programme and for ongoing governance of the spend to be monitored through Finance & Performance Committee

### Recommendations

The Board is asked to confirm it is assured that:

- The Trust is getting traction in addressing the issues around flow
- Every effort is being made to close the CIP gap and work continues with the Divisions and corporate functions to identify viable opportunities
- The FPC listens and is supportive of innovative thinking during in-depth reviews.
- The FPC oversees the Reference Cost Submission and that the Chief Finance Officer has been given authority to sign off the returns.

The Board is asked to give its approval for:

- The consultancy expenditure to support delivery of the Financial Sustainability Programme and for ongoing governance of the spend to be monitored through Finance & Performance Committee.

### Appendices