

TRUST BOARD – 28 MAY 2014

**FINANCE AND PERFORMANCE COMMITTEE – 21 MAY 2014
EXECUTIVE SUMMARY REPORT**

PURPOSE	To present to the Trust Board the report from the Finance and Performance Committee (FPC) meeting of 21 May 2014
PREVIOUSLY CONSIDERED BY	N/A
Objective(s) to which issue relates *	<input checked="" type="checkbox"/> 1. To continuously improve the quality of our services in order to provide the best care and optimise health outcomes for each and every individual accessing the Trust's services <input checked="" type="checkbox"/> 2. To excel at customer service, achieving outstanding levels of communication and patient, carer and GP satisfaction <input checked="" type="checkbox"/> 3. To provide and support the best standards of integrated care for the elderly and those with long term conditions by developing key partnerships and services <input checked="" type="checkbox"/> 4. To consolidate services and enhance local access to specialist services in order to deliver high quality, safe, seamless, innovative and integrated services which are sustainable <input checked="" type="checkbox"/> 5. To support the continued development of the Mount Vernon Cancer Centre and provision of leading local and tertiary cancer services <input checked="" type="checkbox"/> 6. To improve our staff engagement and organisational culture to be amongst the best nationally
Risk Issues (Quality, safety, financial, HR, legal issues, equality issues)	Key assurance committee reporting to the Board Financial risks as outlined in paper
Healthcare/National Policy (includes CQC/Monitor)	Potential risk to CQC outcomes Key statutory requirement under SFIs, SOs. Healthcare regulation, DH Operating Framework and other national performance standards
CRR/Board Assurance Framework *	<input type="checkbox"/> Corporate Risk Register <input checked="" type="checkbox"/> BAF
ACTION REQUIRED *	
For approval	<input type="checkbox"/>
For discussion	<input checked="" type="checkbox"/>
For decision	<input type="checkbox"/>
For information	<input type="checkbox"/>
DIRECTOR:	CHAIR OF FPC
PRESENTED BY:	CHAIR OF FPC
AUTHOR:	BOARD COMMITTEE SECRETARY/COMPANY SECRETARY
DATE:	21 MAY 2014

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Statutory Training Exception Report and Dashboard

The FPC noted the latest information in relation to statutory training performance to the end of April 2014. Staff compliance with all 9 competencies rose from 38.3% to 41.8% in April and currently stands at 48%; 68% of all Trust staff are compliant with 8 or more competencies. The FPC considered and approved the revised trajectory which will deliver 90% compliance by March 2015. The Committee welcomed the significant progress that has been made over the last 18 months and noted the Trust is performing better in this regard compared with most other organisations. The FPC requested further information in relation to medical compliance which the Director of Nursing confirmed she would provide in July when an end-of-year report would be available.

Finance Report Month 1

The Committee received the Month 1 report on the Trust's financial position for the period ending 30 April 2014 noting that the Trust delivered a £1,921k deficit against a planned deficit of £1,669k, due to high agency usage and some slippage to the Cost Improvement Plan (CIP) which achieved 91% of its target. In view of this adverse variance at the beginning of the year, the FPC suggested a revisit of the budget assumptions to ensure improvements to financial performance going forward.

In relation to clinical income, the Committee was pleased to note the positive start to the year at just over 0.1% below plan. The Committee had a discussion on attendance rates in A&E which were very high compared to historical averages and contributed to activity and income over-performance versus plan in month, and requested further assurance on the measures in place to address the financial implications of increased activity linked to operational costs. The committee also requested a matrix on expenditure by staff group and division to ascertain where the financial pressures exist and are increasing.

The Committee agreed that CIP programmes should be rolling programmes from one year to the next and requested assurance that previous programmes are being carried forward.

The FPC noted the latest information in relation to pay expenditure, £345k worse than plan, and discussed agency nursing expenditure which is at a higher level than it has been in the previous twelve months. The committee requested a review of agency expenditure over the previous 2 years.

The FPC noted the cash balance of £4.3m at the end of April, £2.5m higher than planned, and that capital expenditure was £482k against plan, mainly due to an underspend within the Our Changing Hospital (OCH) programme. The committee requested further analysis of the dynamics of the cash flow model.

The Committee considered the Continuity of Service Risk Rating which Monitor has recently introduced to replace the previous five financial metrics reported during 2013/14 and requested future reports contain the absolute metrics as well as the risk rating. The FPC noted the Trust achieved a Continuity of Service risk rating of 1 for the month, as expected, and this rating is anticipated at year-end since liquidity is expected to remain tight throughout 2014/15 due to the requirement to pay back working capital and capital investment loans; this new risk rating is consistent with the Long Term Financial Plan.

The FPC reviewed the key financial risks all of which will be evaluated in more detail as the financial year progresses, and requested further detail to mitigate these risks.

Year-end Review of 2013/14 Divisional Financial Performance

The Committee was pleased to receive a year-end review of financial performance by division as requested at FPC in April. The review was a summary of key areas of financial performance for the 2013/14 financial year, including year-end variances, activity, service line reporting (incorporating income), and key financial issues in 2013/14 with mitigating actions for 2014/15.

Performance Report Month 1

The Committee received the Month 1 performance report highlighting the Trust did not achieve the Emergency Department (ED) standard for April (92.13%) and reported three C.difficile cases against a trajectory of 1. The FPC was pleased to note the Trust achieved all other governance risk rating standards in April.

The Committee had a discussion on delayed transfers of care (DToCs), one of the main challenges to the Trust, where patients who no longer require acute care are not discharged into the community in a timely manner and, since the closure of Stanborough ward as part of the Our Changing Hospital plans, bed capacity pressures have increased. This had a huge impact on the ED and the FPC noted that, in agreement with the Trust's Clinical Commissioning Group, Stanborough ward was re-opened as a 'holding' ward for DToCs; this will be funded by the CCG. The Committee noted since Stanborough ward's re-mobilisation, the Trust has achieved the ED trajectory, however since demand is far higher than anticipated and the reimbursement tariff is set at 30%, the Executive team are preparing a discussion paper for the CCG. This will be discussed in further detail at Board, Part II.

The FPC welcomed that the Trust achieved all cancer standards for Q4 and noted the two current challenging cancer pathways that pose a risk to achievement of the standards, namely Urology where cancer referrals have increased by 23%, and breast, where referrals have increased by 9% over the last twelve months.

The Committee considered the latest information in relation to stroke performance and was pleased to note the most recent national stroke audit (Q3 2013-14) results show that the Trust is performing well nationally against a range of indicators covering all aspects of the stroke pathway.

The Committee reviewed an analysis of call centre performance including steps to improve performance and supported the proposal to develop a business case to address the findings of the report.

Workforce Report Month 1

The Committee received the Month 1 Workforce Report based on data as at the end of April 2014, covering Trust-wide issues relating to management of the workforce. The Committee noted the significant progress that has been made with regard the launch of the Our Changing Hospitals (OCH) staff consultations; 37 consultations have been launched to date throughout the Trust involving 3100 members of staff. Whilst demand for temporary nursing and medical staffing continues to increase, the FPC was pleased to note the progress made to reduce sickness rates and the decrease seen in employee relations cases.

The Committee noted that the Transforming Pathology Partnership (TPP) service had commenced on 1 May 2014 resulting in the transfer of 223 pathology staff to either Cambridge University Hospitals (CUH) or Public Health England (PHE).

The FPC noted the Electronic Staff Record (ESR) Establishment Control Project is continuing to progress well and requested a further update at its meeting in July.

In relation to the appraisal rate and staff increments, the Committee noted there are some exceptions where staff group training competencies are not currently correctly mapped, and acute areas where there are operational pressures as well as long-term sickness and

maternity leave issues; the Director of Workforce and Organisation Development will report on this in more depth at the next FPC meeting.

Our Changing Hospitals Progress Report

The Committee received the latest progress report in relation to the OCH programme which was largely consistent with the previous month's report. Key highlights to the programme included the occupation of the New Ward Block which is planned for early July 2014, the coronary care unit will commence its move on 8 July 2014 and the acute admissions unit move will commence on 10 July 2014. The Chemotherapy project is planned for handover on 27 May with service being operational from 16 June 2014. With regard the New QEII, the FPC noted that the CCG continue to report that the project is progressing according to programme and the latest iterations of the detailed designs for the New QEII continue to be shared with the respective divisions to enable the detailed planning of services.

OCH Metrics Report

The FPC received an OCH metrics report on progress to achieving the bed reductions required to enable consolidation onto the Lister site by 1 October 2014 and achieve the planned CIP efficiencies. The report concludes that elective plans are broadly in line with trajectories and the Committee acknowledged the good work that is being done.

Julian Nicholls
Chairman

23 May 2014