

TRUST BOARD – 23 OCTOBER 2013

**FINANCE AND PERFORMANCE COMMITTEE – 16 OCTOBER 2013
EXECUTIVE SUMMARY REPORT**

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| PURPOSE | To present to the Trust Board the report from the Finance and Performance Committee (FPC) meeting of 16 October 2013 |
| 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: | 16 October 2013 |

FINANCE AND PERFORMANCE COMMITTEE – 16 OCTOBER 2013

EXECUTIVE SUMMARY REPORT TO BOARD – 23 OCTOBER 2013

Floodlight scorecard Month 6

The FPC reviewed the floodlight scorecard for Month 6 which provides performance information against key indicators for the Trust in a number of domains. The Committee was pleased to note that areas of risk with signposts to where these issues are addressed are highlighted on the cover sheet and that the Company Secretary had updated the floodlight reference document that will be included in the board papers, as had been requested at a previous meeting. However of concern were the inaccuracies contained within the scorecard. The FPC received assurance that a revised version will be provided for Board and a proposal to develop a system to improve collection and reporting of key performance indicators was being presented to RAQC which, when implemented, will deliver assurance on accuracy and enhanced data integrity and will minimise underlying risks of reporting incomplete or disputed management information.

The Committee was pleased to learn of the progress being made in relation to Statutory and Mandatory Training Performance, as a result of the positive outcome to the recently implemented data cleansing exercise. This project was completed on time and an increase in the overall compliance in all nine competencies had since been reported.

Finance Report Month 6

The FPC discussed the finance report for month 6 which sets out the financial position of the Trust at the end of September 2013. The Committee was concerned at the year to date adverse variance of £491k, mainly due to challenging CIP performances (although the FPC was pleased to note this has improved to 94% delivery in month) and non-pay overspends. The FPC noted that clinical income for September was £434k below plan, including a shortfall of £338k on activity from the Treatment Centre. The Committee considered the £408k adjustment sum for penalty liabilities and requested further information on planning assumptions based on operational activity for the second half of the year.

The FPC noted that the Trust had secured £5.1m Public Dividend Capital (PDC), to replace the ISTC transitional relief that had not been received in September, and brought forward a Phase 4 capital investment loan instalment of £5.4m that was originally scheduled for December. It was noted this short-term solution has allowed the Trust to catch up with supplier payments but is still short of the financing that was expected in September and so there will continue to be pressure on cash for at least the next three months.

Financial Analysis of Treatment Centre

The FPC was pleased to receive an update on the financial position of the Treatment Centre, In summary, the month 6 position shows an adverse variance of £493k in month due to lower than planned activity levels, the premium cost of staff required to cover vacancies and non-recurrent mobilisation/set-up costs. The current year end forecast is predicting a £2,289k deficit but this is dependent on activity returning to planned levels by 1 November 2013 and the Committee discussed a marketing plan to facilitate this. The Committee was informed that the year-end forecast and impact on next year's budget may be subject to change when the baseline assessment has been fully completed; this is to be discussed at October's Board, Part II. It was agreed the Treatment Centre should continue to be treated as a separate entity for accounting purposes.

Performance Report Month 6

The FPC was pleased to receive the Month 6 performance report which highlights that the Trust achieved the 18-week Referral to Treatment standard in both admitted (93.1%) and non-

admitted (96.5%) cases and achieved the emergency department 4-hour standard (95.9%). The Committee noted that the Trust is the best performing in South Midlands and Hertfordshire in A&E and received and approved a verbal update on current reasons and actions in place to address the failure of stroke indicators. In this regard, the FPC was pleased to note the appointment of a new stroke consultant. The Committee discussed theatre utilisation at the Treatment Centre which has risen steadily since September, delayed transfers of care, bed occupancy and length of stay and requested further financial analysis of these areas.

Further discussion focused on winter pressures and plans in place to deal with surge capacity and the Committee was assured a series of measures are being implemented to address both the financial and operational issues to ensure patient safety.

Presentation by the Medicine Division

The Committee was pleased to receive a presentation by the Division of Medicine on income and expenditure performance as had been requested at a previous meeting. The Committee noted the reasons for budgetary overspends by way of capacity pressures and staffing issues and the measures in place to address these, but requested more analysis of activity levels and suggested further discussion at Board on the measures in place to ensure delivery of CIPS.

Workforce Report Month 6

The FPC received the Month 6 workforce report based on data as at the end of September 2013. The Director of Workforce was pleased to inform the Committee of the improvements in recruitment time lines, the reduction in the number of employee relations cases and the launch of the OCH workforce gateway process with divisions towards ensuring delivery of the Our Changing Hospital programme. The Committee received assurance on the CRB processes in place in relation to Trust volunteers and noted the overall progress being made within workforce.

Our Changing Hospitals

(i) Progress Report

The FPC noted the key highlights of the Our Changing Hospitals progress report, specifically the refurbishment of the existing emergency department, the handing over of the Ultrasound Department, progress on the new ward block scheme, an update on the Gunnel Wood Road lease for the health records scheme, the Office of Fair Trading process for Transforming Pathology Partnerships, progress on the chemotherapy project and the current programme in relation to the QEII. The Director of Strategic Development informed the FPC of the latest OCH cash flow position and confirmed that consolidation remains at October 2014.

(ii) Treatment Centre

The Director of Strategic Development provided the Committee with a verbal update on the Treatment Centre and confirmed that a report on baseline assessments that have taken place since the successful transfer of the Surgicentre and clinical service to the Trust on 14 September will be presented at Board, Part II.

Data Quality Metrics

The Committee received an update on data quality performance in the Trust with particular focus on clinical coding and the CCG's data quality improvement plan. It was agreed coding accuracy and 'getting it right first time' is important and the physical state of notes requires urgent attention.

IM&T Strategy Review

The Committee considered an update on the IM&T 5-year strategy and requested a further update for the November FPC on the project management and governance structure, and the benefits realisation, priorities schemes and the measures of success.

Procurement Strategy Update

The FPC received an update from the Head of Procurement on the ENHT procurement strategy and discussion focused on critical suppliers and the need to have continuity plans in place. The Committee noted the progress made and actions in place for additional improvement but requested further scrutiny of tender waivers at a future meeting.

Strategic Projects Review

The FPC reviewed the monthly report which identifies the key strategic projects being managed by the Trust and noted that further discussion on refinement of the presentation of the report was to take place between the Director of Finance and Mrs Bexfield after the meeting.

Julian Nicholls
Chair

16 October 2013