

Sustainability Committee

Annual Report

2016/17

1 Introduction

- 1.1 The purpose of the Trust **Sustainability Committee** ("the Committee") is to provide the Board with an objective review of the financial position and performance of the Trust and oversee the delivery of performance, including taking any decisions delegated to it.

To be effective the Sustainability Committee is much more than a 'Finance' committee, which requires a greater focus on performance, safety and value for money.

To achieve this effectively it supports, but does not duplicate, the Board and the other Tier 2 Committees.

- 1.2 The purpose of this report is to review the work undertaken by the **Sustainability Committee** between April 2016 to March 2017, and to set out how the Committee performed against its responsibilities as defined in its Terms of Reference.

2 Committee Membership

- 2.1 The Committee is chaired by Clive Deadman, Non-Executive Director and comprises the following

Three Non-Executive Directors (wef January 2017)
Finance Director
Chief Operating Officer
Director of Nursing and Quality
Deputy Finance Director
Workforce Director
Associate Director of Service Transformation
Care Group Director – Support Services Care Group
Care Group Director – Women & Children's Care Group
Assistant Chief Operating Officer – Unscheduled Care Group
Assistant Chief Operating Officer – Scheduled Care Group
Attendance when required:
Other managers/staff may be required to attend meetings depending upon issues under discussion with the prior approval of the Committee Chairman. The Committee has the power to co-opt, or to require to attend, any member of Trust staff as necessary, and to commission input from external advisors as agreed by the Chairman.

- 2.2 All administration, relating to Committee business and minute taking is undertaken by Amanda Young, Executive Assistant to Finance Director and Deputy Chief Executive who monitors attendance at meetings and compliance to reporting arrangements.
- 2.3 Attendance at meetings is monitored by means of an attendance matrix (see section 4).

3 Terms of Reference

- 3.1 The Terms of Reference for the Committee were reviewed in October 2016.

3.2 In addition the committee has agreed to the following three metrics:

- i) Finance – By reviewing the quality of improvement plans and their ownership by SaTH, report to the board the likely end of year % level of CIP achievement within a care group (as compared with plan).
- ii) Operational Performance – By reviewing the quality of improvement plans and their ownership by SaTH, report to the board throughout the year the degree of compliance with RTT and A&E trajectories.
- iii) Operational Business Plan – By reviewing the quality of improvement plans and their ownership by SaTH, report to the board throughout the year % achievement of trajectories as described within care group operational plan.

4 Meetings

4.1 The Committee met 11 times during the period.

4.2 All meetings met the obligations regarding membership and quorum. For the meeting to be quorate one Non-Executive Director, one Executive Director together with three Deputies/Care Group Representatives, or their nominated deputy is required.

4.3 Attendance is set at a minimum of 75% for the year. The attendance of members is shown below

	Apr 26	May 24	Jun 28	July 26	Aug	Sept 15*	Sept 27	Oct 25	Nov 29	Dec	Jan 31	Feb 21	Mar 28	%
<i>Members</i>														
Non Executive Director (CD) (Chair)	√	√	√	√		√	√	√	√		√	√	X	91%
Non Executive Director (HD)	√	√	√	√		√	√	√	√		√	√	√	100%
Non Executive Director (DL)											X	X	√	33%
Director of Nursing and Quality	X	X	D	D		X	X	X	D		X	D	D	45%
Finance Director and Deputy Chief Executive	√	√	√	√		√	√	X	√		√	√	√	91%
Workforce Director/Deputy Workforce Director	√	√	√	√		√	D	√	√		D	D	√	100%
Assistant Chief Operating Officer, Unscheduled Care	√	√	√	√		X	√	√	√		X	X	X	64%
Support Services Care Group Director	X	√	D	√		√	√	√	√		√	√	√	91%
Chief Operating Officer/Deputy Chief Operating Officer	√	√	√	D		√	D	√	√		X	√	D	91%
Assistant Chief Operating Officer, Scheduled Care	√	√	D	√		√	D	D	√		√	√	√	100%
Deputy Finance Director	√	√	√	X		√	X	√	√		√	D	X	73%
Associate Director of Service Transformation	√	√	√	√		√	√	√	√		X	X	√	82%
Care Group Director – Women & Children's	X	X	X	X		√	X	X	D		D	√	D	45%

D – Deputy attended

*15th September 2016 meeting was an extra-ordinary meeting held to review of the detail of the Outline Business Case (OBC) ahead of the Trust Board meeting (private session) on Thursday 29th September 2016

5 Reporting from the Committee

An outcome summary of the Sustainability Committee is formally reported to the public session of the Trust Board. In addition, the Chair of the Sustainability Committee summarises the key issues following each meeting in an update to the following Trust Board. Examples of issues brought to the attention of the Board during the year are shown below.

- The committee received the Draft Charitable Funds Annual Report and Accounts 2015/16 and Management Representation letter noting that Ernst Young had given a clean audit report with no issues. The committee approved these ahead of the Trust Board meeting on 1st December 2016. As the charitable fund income was below the £1 million threshold, the auditors supported the decision agreed in the Sustainability Committee to move to an independent review of charitable funds from next year rather than a full audit.
- Operational Plan 2016/17 – each month the Committee received a RAG rated update on progress against the Operational Plan with presentations delivered by lead officers of key objectives.
- Financial position – a report outlining the position with regard to income, pay, non pay and CIP received and discussed each month with any particular issues impacting on the cash and/or the outturn position noted. A number of ‘deep dives’ into key CIP schemes also took place.
- Received a report highlighting the infrastructure estates risks and showing the numbers of actual breakdowns/failures of Estate equipment and near misses over a 3-5 year period.
- Regular updates on progress with the Sustainable Services Programme.
- Received and discussed the Draft Outline Business Case and the draft report following the independent review by Deloitte.
- Reviewed the Board Assurance Framework risks and agreed the RAG ratings each month.

6 Reporting to the Committee

There are a number of standing items on each committee agenda. These are:

- Financial position
- Operational Plan Performance
- Sustainable Services Programme Briefing
- Board Assurance Framework risks

The following reports were also presented to the Committee:

- Annual Review of Standing Financial Instructions, Standing Orders, Reservation of Powers to the Board (Sept 2016)
- Lord Carter Review of Operational Productivity in NHS Providers (May 2016 and Jan 2017)
- IT Strategy (June 2016)
- Estates Strategy (June 2016)

- Winter Plan (Oct 2016)
- Update on Contract Negotiations for 2017/18 Contracts (Jan 2017)
- Review of Trust's Conflict of Interest Register and Single Source Waivers (Jan 2017)
- Infrastructure Estates Risks (Feb 2017)
- Productivity improvement project across outpatients, theatres and radiology (Mar 2017)
- Hospital Pharmacy Transformation Plan (Mar2017)
- Financial Strategy 2017/18 (Mar 2017)
- Operational Plan 2017/18 (Mar 2017)

The committee undertook a deep dive of key schemes within the Trust's Cost Improvement Programme as follows:

- Nursing Unavailability (May 2016)
- Deep Dive: Nursing and Medical Agency Cap (June 2016)
- Delivery of Agency Cap (July 2016)
- Procurement Efficiencies (Nov 2016)
- Theatre Productivity (Feb 2017)

The following business cases were presented to the committee and recommended for approval by Trust Board:

- Reconfiguration of Cardiology to provide a Non Primary PCI Service (April 2016)
- Transformation of Pharmacy Services to Support Oncology and Haematology (May 2016)
- Procurement of Pathology Managed Service Contract (June 2016)
- Transformation of Pharmacy Services to Support Oncology and Haematology (July 2016)
- Managed Print Service Contract (Sept 2016)
- Business Case: The Modernisation of the MRI Scanners in Order to Support Service Transformation and Increase Productivity (Oct 2016)
- Contract Award Recommendation for the Supply of Renal Dialysis Consumables (Jan 2017)
- Fertility Business Case (Jan 2017)
- Clinical Waste Contract approval (Jan 2017)
- Business Case for a replacement Medicines Stock Control system and for Electronic Prescribing and Medicines Administration (Feb 2017)
- Ophthalmology Accommodation Reconfiguration (March 2017)
- Contract for non-medical E-Rostering (March 2017)
- VitalPAC (March 2017)

Charitable Funds is discussed by the committee on a quarterly basis. Items include:

- Investments and funds activity
- Charitable funds expenditure and donations received over £10,000
- Consolidation of Charitable Funds
- Investment Policy
- Reserves Policy
- Charitable Funds Draft Annual Report and Accounts 2016/16 and Management Representation Letter (Nov 2016)

The following policies were ratified by the committee:

- Major Incident Overview Policy (Oct 2016)
- Asbestos Policy and Management Plan (Oct 2016)
- Workplace transport policy (Oct 2016)

- Fire Safety (Nov 2016)
- Freedom of Information (Nov 2016)
- Business Continuity (Jan 2017)
- Security of Hospital Prescription Forms (Jan 2017)
- Loan of electronic medical devices to patients (Jan 2017)

7 Assurance Arrangements

The Committee is responsible for providing information and assurance to the Trust Board that the Trust is managing all issues relating to the financial position and performance of the Trust.

The Sustainability Committee also receives assurance from the following:

- Capital Planning Group
- Information Governance Group
- IT Review Group
- Confirm and Challenge
- Efficiency and Effectiveness Group

8 Conclusions & Subsequent Events

Core conclusions are:

- i) **Assurance:** The committee has received assurance that financial issues are well managed on a transactional basis and leadership from the finance function is strong and effective. Deviations are dealt with at Audit Committee.
- ii) **Business cases:** There is a need to get greater rigour over business cases. This will not only reduce the work load for people preparing these proposals but will also allow more efficient and effective approval and oversight.
- iii) **Performance & Delivery:** During the year the business managed to deliver, under the most difficult environment, the financial targets and core quality and safety objectives. This is a great achievement. However, in some areas we have seen a minor deterioration in some quality and safety issues. This is of severe concern to us. We need to find ways of financing and inspiring better performance. This will be achieved through the various business improvement proposals which the Executive team have developed.
- iv) **Ownership of Business improvement, business change and CIP programmes:** While the Virginia Mason work is exceptionally successful we must be better at delivering agreed change programmes if we are to deliver our commitments to our communities. The committee is also keen to find ways of supporting people at all levels of seniority with the courage and leadership who are owning and driving our business improvement projects. Typically we have only delivered half of the targeted quality, safety and financial benefits targeted. It may be plans are excessively 'heroic', and/or it may be we can be more effective at delivery of approved plans. To this end we are now looking for assurance that plans which have been approved are defined and owned. To do this we are using the following metric:
 - Have we defined the task?
 - Is there a plan?

- Is there ownership of plan delivery?
- Are we delivering?

With the support of the Executive we are Green/Red profiling all business change and CIP programmes.

- v) **Reconfiguration of our Services:** We need to reconfigure our services using the principles our clinicians and care staff recommend: We are content to deliver any solution which is practical and safe but we are dependent on political leaders finding some type of geographical compromise. Until that time the slow migration of specialist services out of the county will and should continue to organisations which are better able to run those services.

Clive Deadman, Non-Executive Director and Chair of Sustainability Committee
Neil Nisbet, Finance Director and Deputy Chief Executive

September 2017