

Sustainability Committee

Key summary points for the Board from the meeting of the Sustainability Committee held on 24th May 2016:

Finance Report Month 1

Too early in the year to draw any conclusions as to the potential outturn position.

The importance of delivering the Cost Improvement Programme to achieve the financial plan was discussed. At present this was not being delivered at the rate expected. Pay savings being the largest area of underachievement at month 1.

Operational Plan – Progress Report Month 1

The committee reviewed the operational performance as at month 1. The committee was pleased with the presentation of information and future ability to be able to drill down into each activity. A request was made to include performance against the four national access targets to provide clear visibility for care groups and the inter-relationships of all activities.

CIP Deep Dive

Nursing Unavailability and **Nursing and Medical Agency Cap** had been selected as the focus for the CIP Deep Dive this month. Nursing and Medical Agency Cap was briefly discussed but deferred for more detailed discussion at the next meeting in June.

The committee acknowledged that a plan to deliver the £1.3 million nursing unavailability savings target was required which shows a movement from an unavailability rate of 29% which is what wards were working to in 2015/16 to the current agreed rate for 2016/17 of 24%. In order to fund this additional level of uplift it was agreed that the nurse fill rate should be set at 95% and the operational teams have signed up to deliver this. However, nursing staff are trying to work to a fill rate of 100% using bank and agency staff as necessary, resulting in an overspend against the budget. It was suggested that a revised nursing template approved by Trust Board is required. A number of actions have been suggested to achieve this, although good people management was recognised as the root to the success here. Care Group plans to manage availability across all care groups to be presented to the next meeting.

Conclusion of Finance Reviews: Although the position at month 1 seems to be better than that experienced in previous years, and business leaders were very engaged in delivering the levels of quality, safety and financial efficiency needed there remain significant challenges for the year ahead. Quality and safety reviews will continue and at the Q1 review a comprehensive review of the financial end of year outcome would be undertaken.

Lord Carter Review of Operational Productivity in NHS Providers

A review undertaken by Lord Carter of Coles in June 2015 examined operational performance and concluded that £5 billion of efficiency savings could be delivered by 2020. Fifteen recommendations had been made with specific actions for Acute Trusts and NHS Improvement. It was noted that £3 billion of the savings were workforce related.

The committee discussed whether the findings would present potential additional CIP savings opportunities for Trust. It was noted that they potentially could, however these would need to be explored further. A working group is being convened to progress the recommendations/actions and performance of this will be monitored by the Sustainability Committee and in addition will be tracked and presented to the Trust Board as part of the ongoing review of the Annual Operating Plan.

Business Case: Transformation of Pharmacy Services to Support Oncology and Haematology

The committee considered a proposal to recruit additional pharmacy staff to ensure the continuation of a safe service for patients and for capital funding for additional cold storage which will allow for an increase in the purchase of dose banding chemotherapy. The committee recognised the increase in demand in chemotherapy over the last 5 years and the pressure this extra activity placed on staff and wished to find a solution to improve the situation, however in the absence of a financial appraisal of all the five options, it was unable to make a decision at the present time. The committee was keen to support the business case and accordingly rather than wait until the next meeting it was agreed it would review a revised set of information at an informal meeting on 2nd June 2016 in order that this can be progressed as soon as possible.

Notes of the informal meeting of the Sustainability Committee meeting on 2nd June 2016:

The business case for the Transformation of Pharmacy Services to Support Oncology and Haematology services was reviewed again on the basis of new information and found to be extremely hard to understand and no decision could be made.

It was agreed that finance would reach out to the medical staff and provide support in preparing a rigorous business case which compares all options and which:

- 1) Includes income and costs received or incurred by the trust for all options. We cannot assume some costs are 'pass through' for some options.
- 2) The 'do nothing' business case would record the costs and income receivable by all staff working on the scope of the Pharmacology/Oncology services relevant to the business case.
- 3) Further options would show deviations in opex and capex costs from this 'do nothing option' and numbers/costs of staff needed/released.
- 4) It was important that all new costs/release of staff were based on evidence/fact.

The object of this process was to provide support to business leaders who needed funding for measures which could improve the efficiency and effectiveness of the business.

We may need to consider what further support we can provide to business leaders in preparation of rigorous business cases. It is not effective to have key medical/nursing staff spending considerable time preparing and re-working business cases.

Name of Chair: Clive Deadman

Date report prepared: 8th June 2016

Sustainability Committee

Key summary points for the board from the meeting of the Sustainability Committee held on 28th June 2016:

CIP Deep Dive: Nursing and Medical Agency Cap

A deep dive into the CIP scheme relating to nursing and medical agency cap took place led by Victoria Maher as the Executive Sponsor and Edwin Borman. The level of savings expected to be achieved in 2016/17 amounts to £3.25 million. If the connected issue of 'unavailability' was included total CIP savings of £4.5m are anticipated. Although some progress has been made in certain areas the planned savings were not being delivered and a serious situation was developing. An early prediction was developed that only £1.5m of the £4.5m of planned CIP savings may be realised, leading to a £3m shortfall.

Furthermore we should be aware if key stakeholders took a view that we had lacked resolve in seeking to manage these issues, and in particular the Agency Cap objective, receipt of a proportion of the our Sustainability and Transformation funding in 2016/7 could be withdrawn.

It was noted there were some issues under our control (Sickness/Unconnected Rota's, poor leave/sickness reporting/approval) but other issues (Welsh and West Midland seamless support for agency Cap) may need a strategic high level solution.

The committee acknowledged that further urgent and imaginative action was required if we were to ensure all steps possible were taken to best address these issues. Victoria Maher agreed to very urgently bring together a multifunctional group of Care Group/Nursing/Business Leaders to develop an agreed action plan ahead of its presentation to the next meeting of the Sustainability Committee on 26th July 2016.

Finance Report Month 2

Pay - discussed as part of the CIP Deep Dive.

Income – Activity is currently over performing by 1.8% and is expected to increase further in month 3. The committee was advised of potential risk to income following receipt of a significant number of contract queries (value £800k) from the CCG, unresolved issues relating to CQUIN and uncertainty regarding winter funding.

CIP – forecast to generate savings in the year amounting to £6.882 million against a programme of £13.031 million. Risk to delivery, predominantly in relation to Nursing and Medical Agency Cap and Unavailability schemes. Non delivery will impact on forecast outturn position.

The committee discussed the implications of the above on the cash position noting that payments to suppliers could be affected and restrictions on the capital programme.

Operational Plan – Progress Report Month 2

The committee reviewed the operational performance as at month 2. The committee invited the Executive team to highlight areas of underperformance which warranted a more robust discussion to improve performance.

Procurement of Pathology Managed Service Contract

Approval was sought from the Sustainability Committee to replace the Pathology Managed Service Contract for Blood Sciences.

Capital and managed service contract options had been explored for the new equipment and a robust tendering exercise had taken place.

After consideration, the Sustainability Committee **RECOMMENDED APPROVAL** to Trust Board to progress with the replacement of the equipment via a managed service contract.

Name of Chair: Clive Deadman

Date report prepared: 29th June 2016