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Sustainability Committee

Key summary points for the board from the meeting of the Sustainability Committee held on 25th July 2017.

Charitable Funds

Investments and charitable funds activity for the period 1st April – 30th June 2017 reviewed and noted. We currently hold £2m of funds which is equivalent to several years of donations. It was decided a reminder to be sent to fund managers to encourage staff to identify patient related areas that could be improved with the availability of charitable funds.

Annual review of the Policy and Procedure on the Receipt and Use of Charitable Funds took place and was approved by the committee.

Month 3 Finance Position

At the end of month 3 the Trust had planned to deliver an in year deficit of £3.885 million and actually recorded a deficit of £4.797 million, £0.912 million worse than plan. This was mainly due to Tier 5 agency and escalation. 41.3% of the total Agency Ceiling of £10.559 million had been spent at quarter 1.

The Trust had met its finance target at month 3 of £2.712 million deficit by incorporating an accrual for STF, so as to enable STF funds to be received on a monthly basis. With the exception of the A&E target, the performance targets were also met.

There had been a significant rise in the number of contract queries from the CCG. Despite SaTH allowing for an element of these within the budget, they now way exceeded this, estimated to equate to £3 million in quarter 1. This was likely to impact on cash position.

The committee discussed the progress of the key objectives within the Operational Plan and noted the linkages between underperformance of these with the underachievement of the CIP, in particular objectives 8, 15 and 21 (bed realignment, 70 beds and agency usage). Further work to identify the linkages between the Operational Plan and the CIP to be undertaken and presented to the next meeting.

Whilst concern still exists within the committee regarding Tier 5 agency spend and the need to identify the key drivers for the increased usage, the committee agreed to await the outcome of the discussion to be held at Trust Board Private Session on Thursday.

The Trust will begin to experience cash flow problems from August/September onwards, similar to those experienced last year. The Trust is already challenged in meeting agreed

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payment terms and unless expenditure is tightly controlled, the level of creditor suppression will have to increase to cover the cash shortfall.

The expected position at the end of 2017/18 is a £13.5 million deficit, £7.5 million above the agreed control total with NHSI.

Operational Plan 2017/18

The presentations this month were on Objective 8: Realign Scheduled and Unscheduled beds and Objective 15: Arrangements to transfer 70 patients to community provision. It was noted that successful delivery of Objective 15 could significantly enhance quality & safety and lead to a reduction of many million pounds of Agency Tier 5 expenditure. The deep dive confirmed the plan is incomplete and there at present marginal ownership and limited confidence of successful delivery, partly due to known difficulties and the ambition of the plan. **We need to find ways of giving the executive teams more support and focus on the really important and difficult issues such as this initiative.**

Other issues discussed:

- **Productivity Improvement** - update received on progress of the Productivity improvement project across outpatients, theatres and radiology project. The project was now moving from a diagnostic phase to implementation phase which will need to be managed sensitively.
- **Orthopaedic Power Tools Replacement Programme** – A business case seeking a solution to the lack of surgical power tools was considered by the committee. The committee approved an option to replace the obsolete power tools through a Supplier Equipment Agreement. This option would require an increase to the consumable costs over the 5 years, but generate a revenue saving of £81k over the five year period.
- **Patient Administration System** – the committee retrospectively approved the extension of the contract for the Patient Administration System (PAS) for three years until end March 2020 at a cost of £300k pa. The extension provides time for the Trust to consider the future of its Electronic Patient Record system of which PAS forms a central part.
- **Sustainable Services Programme Update** – received and noted. RAG rated red/amber to reflect the risks associated with primary and community service solution.

Name of Chair: Clive Deadman

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