

Performance Committee

Annual Report

2017/18

1 Introduction

1.1 The purpose of the Trust **Performance 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 Performance 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 **Performance Committee** between April 2017 to March 2018, and to set out how the Committee performed against its responsibilities as defined in its Terms of Reference.

1.3 Full assurance on issues in 2017/18 was not secured. Throughout 2018 there have been several encouraging signs however a further step change of improvement is necessary. Our **key conclusions are summarised in Section 8.**

2 Committee Membership

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

Three Non-Executive Directors
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 2017.

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 10 times during the period.

4.2 All meetings, with the exception of the meeting on 26th September 2018, met the obligations regarding membership and quorum. For the meeting to be quorate one Non-Executive Director, one Executive Director together with three 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 25	May 23	Jun 27	July 25	Aug	Sept 26th	Oct 24th	Nov 28th	Dec	Jan 30th	Feb 27th	Mar 27th	%
Members													
Clive Deadman, NED (Chair)	√	X	√	√		√	√	√		√	X	√	80%
Harmesh Darbhanga, NED	√	√	√	√		√	X	√		X	X	X	60%
David Lee, NED	X	X	√	X		√	√	√		X	√	√	60%
Director of Nursing and Quality	D	X	D	D		X	X	X		D	X	X	40%
Finance Director and Deputy Chief Executive	√	√	√	√		√	D	D		D	√	√	100%
Workforce Director/Deputy Workforce Director	√	X	√	√		√	√	D		D	√	√	90%
Assistant Chief Operating Officer, Unscheduled Care	D	√	X	D		D	√	√		X	√	√	80%
Support Services Care Group Director	√	D	√	√		√(pt)	√	√		√	√	D	95%
Chief Operating Officer/Assistant Chief Operating Officer	D	√	√	X		√	X	√		X	√	√	70%
Assistant Chief Operating Officer, Scheduled Care	D	√	√	D		D	√	√		√	D	D	100%
Deputy Finance Director	X	√	X	√		D	√D	D√		√D	X	√	70%
Associate Director of Service Transformation	√	X	√	√		√	D	√		X	√	X	70%
Medical Care Group Director – Women & Children's	D	D	D	√		X	√	X		D	X	X	60%

D – Deputy attended

5 Reporting from the Committee

An outcome summary of the Performance Committee is formally reported to the public session of the Trust Board. In addition, the Chair of the Performance 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 2016/17 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 30th November 2017.
- Operational Plan 2017/18 – 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.
- Regular updates on progress with the Sustainable Services Programme.
- 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:

- IT System Solution (April 2017)
- Infrastructure Estates Risks/Medical Equipment Backlog (April 2017)
- Annual Review of Standing Financial Instructions, Standing Orders, Reservation of Powers to the Board (May 2017 and Mar 2018)
- Productivity Improvement across outpatients, theatres and radiology project (June 2017, Sept, Oct 2017, Nov 2017)
- Services Under the Spotlight (June 2017)
- Carter Review Updates (Sept 2017)
- Compliance with the new General Data Protection Regulations (Nov 2017)
- Revised NHSI Control Total (Nov 2017)
- Review of Trust's Conflict of Interest Register and Single Source Waivers (Jan 2018)
- Update on Contract Negotiations for 2017/18 Contracts (Feb 2018)
- Internal Audit Report – Budgetary Control and Financial Report (Feb 2018)
- Financial Strategy 2018/19 (Mar 2018)
- Operational Plan 2018/19 (Mar 2018)

Presentations on key objectives within the Operational Plan were delivered by lead officers as follows:-

- Dischargology (Objective 19) (May 2017)
- Red to Green and SAFER (Objective 7) (May 2017, Nov 2017)
- Arrangements to transfer 70 patients to community provision (Objective 15) (July 2017, Nov 2017)
- Realign Scheduled and Unscheduled beds (Objective 8) (July 2017)
- Streamline patients effectively, finalise Urgent Care Centre at PRH and address the Urgent Care Centre deficiencies at RSH (Objective 4) (Oct 2017)
- Complete workforce review of RSH/PRH A&E Department and address 6 pm – 12 am capacity shortfall (Objective 5) (Oct 2017)
- Plan to address capacity deficiencies occurring at the weekend addressing insufficient discharges by June/Criteria Led Discharge (Objective 6) (Oct 2017, Jan 2018)

- Develop a trajectory for agency usage improvement by April (Objective 21) (Oct 2017)

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

- Future endoscopy demand (May 2017 & June 2017)
- Orthopaedic Power Tools (July 2017)
- Patient Administration System Contract Extension (July 2017)
- Electronic Patient Record External Consultancy Option Appraisal (Oct 2017)

Post project evaluations were received on:

- Productivity Improvement across outpatients, theatres and radiology project (Jan 2018, Mar 2018)

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
- Annual Review of the Policy and Procedure on the Receipt and Use of Charitable Funds (July 2017)
- Charitable Funds Draft Annual Report and Accounts 2016/17 and Management Representation Letter noting that Ernst Young had given a clean audit report with no issues (Nov 2017). Due to the value of the charitable fund income, an independent review had taken place rather than a full audit.
- SaTH Charity Development

The following policies were ratified by the committee:

- Managed Print Service Policy (July 2017)
- Lock Down Policy (Oct 2017)
- Waste Reduction Policy (Oct 2017)
- Electrical Safety Policy (Oct 2017)
- Information and Information Security Policy (Oct 2017)
- Operational Policy for Clinical Validation (Oct 2017)
- Laser Radiation Protection (Oct 2017)
- Space Utilisation (Feb 2018)
- IT Change Management (Feb 2018)
- Standing Financial Instructions, Standing Orders, Reservation of Powers (Mar 2018)
- Budgetary Control Policy (Mar 2018)

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 Performance 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:

Assurance: The committee has sought assurance that financial issues are well managed and leadership is strong and effective. Despite the hard work of the finance teams it has not been possible to secure full assurance. It should be noted that during 2017/18 significant unbudgeted expenditure (notably on agency costs) was incurred in the year and our planned CIP programme of improvements and modernisation activities were not fully delivered. The solution to these issues principally depends on securing a broader ownership of budget constraints and CIP/modernisation plan delivery: See section 'Ownership of Business Improvement, business change and CIP' below.

Ownership of Business improvement, business change and CIP: The work of the Performance Ctte has focused on supporting and requiring the executive to find ways of preparing realistic budgets and improvement plans and delivering them. More recently improvements have been noted in 2018/19 which are greatly welcomed. However, a further step change is needed. The executive leadership team and the Board need to find ways of inviting key clinical leaders to take leading roles in defining and promoting and owning modernisation plans. We also need to inspire more 'hope' in our local leaders and front-line staff.

Clarity of Papers and Business cases: Committee papers are often extremely complex, with un-necessary detail and duplication. This may be because papers are often produced for other internal meetings/NHSI and reproduced for the Performance Committee. We need to make reports simpler and focused on the important issues (spend against control total). There is also 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.

Committee NED Membership: late in 2018 the Performance Committee has been strengthened by the appointment of a forth NED: this is welcomed.

Clive Deadman, Non-Executive Director and Chair of Performance Committee

21st November 2018