

Performance Committee

Key points from the meeting of the Performance Committee held on 26th February 2019 are:

Operational Performance Report

- RTT remains under severe stress with the backlog increasing. While delivery of Operational Plan would mitigate some of the issues the unpredictable level of demand would continue to cause problems. The committee asked for an update at the next meeting and a projection of RTT/backlog performance.
- The committee congratulated the team for maintaining their good performance in diagnostics despite the growth in activity, particularly the 2 week waits.
- Cancer target was achieved in December, however the Trust was not forecasting to achieve the 85% target in January.
- A&E performance against the 4 hour target for January was better than December but remained well below the target. The committee welcomed some improvement in performance after many successive months of decline. An analysis of ED performance highlighting days of week/time of day and a projection of A&E performance over the next 6 months to be presented to the next meeting.
- The committee discussed the unusual increase in ambulance arrivals. A group had been convened to look at the data and explore other options.
- SaTH remains in the top 5 Trusts in England for Stranded and Super Stranded Patient performance. This is an excellent achievement.

It was noted that much of the discussion of non-financial issues was reviewing historic and current performance. That was important but the Committee asked for more forward looking predictions (3-6 month horizon) of future performance.

Financial Performance Month 10

Year to date at the end of January 2019 the Trust reported a pre PSF deficit of £20.078 million, £3.538 million worse than the original control total of £16.5 million. The position was broadly in line with the revised outturn figure which was reported to NHSI in November 2018.

The Trust is on target to deliver the £23.982 million forecast end of year deficit which is £5.543 million worse than our control total of £18.439 million. These outturn figures were reported to NHSI in November 2018. However, there are some delivery risks as the recent decision to spend £700k on enhancing Bank pay has removed all contingency.

There had been a recent increase in agency expenditure. There were no issues to report with regard to income, cash or the Trust's Capital Programme.

Waste Reduction Programme 2019/20

The Waste Reduction Programme and draft budget proposals for 2019/20 were reviewed.

The committee was encouraged by the level of work underway and the rigorous processes in place and the honesty of the care groups in presenting their updates. However we do not currently have a viable plan with appropriate contingency and the levels of detail we need. **In particular the committee was therefore not assured that the:**

- **£5.2 million allowance for 2019/20 cost pressures would be sufficient or that the Trust would be able to respond to unexpected demands throughout the year.**
- **programme of CIP measures was sufficient to allow the indicative £11m initial plan to be delivered.**

Operational Plan

A summary of progress against the Operational Plan for 2018/19 was received and noted. Progress had been patchy, with success in some areas, eg SaTH2Home and Stranded Patients and less success in other areas. Some elements to be carried forward into 2019/20.

A presentation was delivered by the Care Groups on Operational Plan proposals for 2019/20. The committee welcomed the care group's perspective. It was noted that the operational plan was intrinsically part of our CIP proposals: accordingly we need to ensure proposals are realistic, had targets and milestones and were owned by care groups. This was not the case at present. Progress would be reviewed at the next meeting.

Board Assurance Framework

The committee reviewed the Board Assurance Framework and the rating of the following risks:

- We need to have system-wide effective processes in place to ensure we achieve national performance standards for key planned activity (RR 561) - LOW
- We need to live within our financial means so we can modernise our aging estate and equipment and invest in service development and innovation (RR 670) - HIGH

The committee asked for risk 1134 relating to "We need to deliver plans jointly agreed with the local health and care system so our admission and discharge processes ensure patients are receiving safe and effective care in the right place" to be monitored by Performance Committee in addition to Quality and Safety and Workforce Committees.

Other items discussed included:

- **Update on contract negotiations for 2019/20 contracts.** Initial model received by the Trust for consideration. Key risks relate to QIPP and securing the continued additional funding for the midwifery model of care.
- **Services under the Spotlight** – latest position noted with regard to ED and Neurology. Following some workforce success, it is recommended that Dermatology is no longer considered a fragile service.
- **High Value Diagnostic Equipment** - Due to the level of investment required by the Trust and in view of the anticipated introduction to the NHS of new Accounting Standard IFRS 16 – Leases in 2020/21, the Finance Department is seeking external advice regarding the financing options available. It is hoped that the business case will be presented to the Performance Committee meeting in March 2019.
- **Gas Supply Contract** - the committee approved a proposal to change its gas supplier.
- **Proposal to implement New Food Service at RSH** - the committee approved a proposal to provide the same food system at RSH which is currently in operation at PRH.
- **Update on Pride and Joy** - an update was provided on the findings of the Pride and Joy pilot project undertaken 12 months ago on the orthopaedic and rehab wards at RSH which resulted in a 16% increase in flow on the wards. The committee asked for a business case to be prepared.

Completed by: Clive Deadman, Chair of Performance Committee
Date: 18th March 2019

Performance Committee

Key points from the meeting of the Performance Committee held on 26th March 2019 are:

Operational Performance Report

At this meeting and as planned and required papers were presented and discussions focused on performance improvement actions and predictions of predicted performance improvements.

- Current RTT performance remains fragile, with the Trust continuing to fail the 92% target. The forward looking projection of the RTT performance was provided which showed that the position was unlikely to improve until June 2019 when additional capacity becomes available at PRH through the acquisition of a Vanguard Unit. During the meeting the business case for the Vanguard Unit was approved: The committee supported this approach but given the executive had been developing the proposals for some time and the equipment was on order the approval process was not effective: The Committee required earlier notification of such requests in future.
- The Diagnostics team were congratulated maintaining their good performance in achieving the diagnostic target.
- In January we delivered a 67.2% cancer performance (85% target) with a further minor deterioration expected in February. This represents a substantial deterioration in performance (from upper quartile to lower quartile). This is most unwelcome but had been predicted in previous reports. At the committee's request a forward-looking projection of the Cancer performance was provided which forecast that recovery actions should deliver the 2 week wait target in July 2019 and the 62 day target in October 2019. The major risk is Workforce capacity to deliver diagnostic turnaround times and Urology activity.
- Urgent Care performance remains well below the target due to capacity challenges, however the committee was encouraged that this was now moving in the right direction and welcomed further improvements in minor performance.
- Ambulance handovers are a concern – the Trust is currently unable to provide the level of service to the Ambulance Service required. We are taking measures to address this. However we also need the Ambulance Service to be more co-operative if we are to develop shared solution to this problem.
- Stranded patients – broadly maintained, although we expect the recent outbreak of Norovirus to impact on this in next month's reports.

Assurance: We are assured we understand current and predicted performance levels however these levels of performance and care are poor.

Financial Performance Month 11

Despite the additional pressure placed on the Trust as a result of the recent decision to pay RN and HCA bank at a 100% enhanced rate (cost to the Trust £1.3 million) the Trust is still expecting to deliver the £5.5 million deficit from its control total which was reported to NHSI in November 2018.

There were no issues to report regarding the Trust's cash position or Capital Programme.

The committee will discuss Service Line Reporting (SLR) data in conjunction with Model Hospital Data at the next meeting.

Assurance: Fair: We will deliver our predicted £5.5m deficit from our control total. However, the £1.3m cost shock in February 2019 shows we are not in control of events.

Waste Reduction Programme 2019/20

An update on the development of the Waste Reduction Programme for 2019/20 was received. Based on a national requirement of a 1.46%, the Trust needs to deliver a Waste Reduction Programme of £7.2 million. To date only £3.641 million has been identified as amber or green. More schemes were expected to be finalised in the coming week. The committee noted the challenge this would present particularly in the light of historical and 2018/19 performance with only 60% of the plan expected to be delivered. It was suggested that a programme to deliver £3.0 - £4.0 million would be more realistic. However the committee felt a £4.0 million waste reduction CIP on a business with £350 million cost base was disappointing and questioned if we are focusing on small transactional savings and missing large transformational and process change waste reduction ideas?

Although not on the agenda a proposal from Deloitte to assist the Trust identify Waste Reduction opportunities was received. The quality of the team was excellent, and it was focused on finding large scale change opportunities. However, it was unclear from the papers if it needed approval, parts of the proposal were not needed and in any event the value of the work was less than £100k. The Chair encouraged the executive to progress with the work if they felt it helpful provided it was in 2019/20 budget and/or funded in the 2019/20 'pressures list'.

Assurance: High (If we propose Waste Reduction Programme in 2019/20 of £4.0 million or less).

Low (If we propose a higher Waste Reduction Programme).

Operational Plan

A presentation on the Operational Strategic Business Planning 2019/20 was delivered. The committee acknowledged the amount of work involved in developing the plan and the engagement with care groups. We concluded the issues which will need to be addressed before Board review are:

- 1) There has been a good process, with care groups involved, and a genuine focus to aim for truth with many iterations of the plan. Continue with this approach. (High Assurance)
- 2) There is a plan which addresses 95% of the issues, but there are a **few months where we are in minor (10-20) bed deficit**. So little more work needed. (Medium Assurance)
- 3) The plan works on average assumptions, but a plan is broken by 1-2 bad days. This has happened in the last 2 years. (Low Assurance)
- 4) There are risks, dependencies and assumptions, which in our discussion were often mentioned but unquantified. We understand a lot of work done but had not been reported to the committee in the papers. A discussion highlighted the following key risks:
 - a. Plan sensitive/depends on significant length of stay reductions, particularly at PRH.
 - b. Will we be able to ringfence Scheduled Care beds: never done it yet?
 - c. Are growth predictions right?
 - d. We need several organisations in the local health economy to work with us. (E.g.: community beds must be new beds and not just replacing existing social care, how can we get Ambulance Service to help us more, and prompt decision making to agreed timescales (Future Fit/MLU review, NHSI/E capital approvals, etc.).
 - e. Average 95% bed occupancy: 92% is recommended: Bed occupancy is a very sensitive assumption and a 95% figure makes plan very vulnerable to day surges (See (3) above).
 - f. Workforce: If money is plentiful (which it is not) the issue is manageable: Accordingly, the workforce issue is a complex financial risk: one that has repeatedly broken our financial plan in the last 2 years.

The committee asked for these issues to be addressed in the Trust Board Papers.

Assurance: High (If these issues can be addressed).

Budget Options 2019/20

The Finance department now have a huge task, and little time, to turn our evolving plans and proposals into a financial plan. **It was the Committee's view that realistic waste removal proposals, the need to incur costs to recover performance and the NHSI control total expectations of us are un-reconcilable.**

The budget options for 2019/20 were presented to the committee for consideration, noting that there would be a significant growth in the Trust's recurrent deficit, which could potentially be increased by a further £20 million based upon pressures presented to the Senior Leadership Team. A potential budget (excluding residual pressures not yet categorised of £5.1 million) indicates a £15.0 million variance against the NHSI Control Total for 2019/20 of £24.2 million deficit. The committee noted the financial benefits the Trust would not receive as a result of failure to deliver its control total.

The Committee proposed that the Board should review an ambitious but sensible plan which delivered the performance and care improvements proposed with professional contingencies (time, beds, money, care). It should be ambitious but not in any way heroic.

Assurance: Uncertain

Board Assurance Framework

The committee reviewed the Board Assurance Framework and the rating of the following risks:

- We need to have system-wide effective processes in place to ensure we achieve national performance standards for key planned activity (RR 561) - LOW
- We need to live within our financial means so we can modernise our aging estate and equipment and invest in service development and innovation (RR 670) - HIGH

The committee suggested a review of the residual risk score relating to risk 561.

Assurance: Fair: One of the two risks did not seem to be updated.

Other items discussed included:

- **Services under the Spotlight** – latest position noted with regard to ED, Neurology, Dermatology, Urology and Breast Service.
- **Gas Supply Contract** - the committee approved a revised proposal to renew its gas supply contract commencing 1st April 2019. This would be for a period of 12 months and offered a greater saving than the previous proposal.
- **High Value Diagnostic Equipment** – due to the level of investment (circa £7 million), the Trust has sought external advice regarding the finance options available. The committee was informed that currently this was not causing a delay to the purchase of the CT scanner. The Business case expected to be presented to the Performance Committee meeting in April 2019.
- **Single Waivers over £100k** – The findings of a review of the Trust's Conflict of Interest Register and Single Source Waivers over £100k for the period 1.4.18 – 15.3.19 was shared with the committee.

Completed by: Clive Deadman, Chair of Performance Committee
Date: 30th March 2019