

Performance Committee

Key points from the meeting of the Performance Committee held on 30th July 2019 are:

Operational Performance Report

- RTT performance remains below plan due to gaps in staffing within theatre and anaesthetics and the impact of the pensions/tax.
- Diagnostic performance continues to be achieved. SaTH is one of the few Trusts to achieve this.
- Cancer performance and A&E performance are below trajectory.

Assurance: Low

Financial Performance Month 03

At the end of Month 3 the Trust delivered the required Quarter 1 Control Total (underlying position adverse deficit of £2.8 million) and is therefore eligible to receive PSF / MRET of £3.079 million. In meeting the Quarter 1 Control Total, the position included writing back balance sheet accruals.

An update on income and expenditure was provided and it was noted that significant work has been undertaken with the CCGs to align income positions. Plan assumes over-performance through non-delivery of QIPP. An analysis of the specialty performance within the contract showed some areas of over performance and under performance which requires further investigation.

The committee discussed the pay and non-pay overspend at the end of June which amounted to circa £4 million and it was noted that the majority of this was due to an overspend on agency and non delivery of CIP.

It had previously been reported that there was a potential cash shortfall in September 2019; following a review of the cash forecast the potential funding requirement is expected in November 2019.

The committee recognised the engagement of Deloitte to provide Financial CIP Advisory Support and whilst the outcome of their work would provide greater clarity regarding the forecast outturn position, delivery of the waste reduction programme and feed into the Financial Recovery Plan, the committee asked for a high level indication of the end of year forecast position to be provided in advance of the Trust Board meeting.

Assurance: Low

Waste Reduction Programme 2019/20 Update

Obi Hasan, Financial Improvement Director presented an update on delivery and progress of the Waste Reduction Programme for 2019/20 against a savings target of £18.9 million and it was noted that at month 3 £0.45 million had been delivered against a plan of £2.5 million.

Following the commencement of Deloitte on 24th July 2019 to work with the Trust to develop the CIP pipeline and PMO function, it was noted that the main focus is on the key areas that drive the highest overspends and have greater opportunities for increasing efficiencies.

The committee discussed the need for greater 'grip and control' and the mechanisms to be put in place to achieve this.

Considerable work was taking place with regard to the 2019/20 Waste Reduction Programme and it was acknowledged that this was future focused and should inform the development of the 2020/21 programme. The Board could take assurance that there was a much greater understanding of the position, more clarity, and a recognition that this was an organisational issue.

Assurance: Low

Review of Standing Financial Instructions, Standing Orders, Reservation of Powers to the Board

An interim review of the Standing Financial Instructions, Standing Orders and Reservation of Powers to the Board had taken place. In addition to a number of minor amendments to reflect the name of new organisations, policies, committee structure, etc the only significant changes related to an update of the Authorisation levels for charitable funds expenditure and clarification of the tendering and contract procedures, particularly around the use of waivers. A full review of Section 3 Budgetary Control is currently being undertaken linked to the development of a performance framework and a review of business case approvals process incorporating recommendations from the Deloitte internal audit review.

Subject to these changes, the committee recommended approval of these documents to Trust Board.

Confirmation of Two Contract Variations to the Trust's Radiology Picture Archiving and Communication System (PACS)

The committee was asked to approve the additions of hardware and related support into the long term contract with Agfa for the provision of the Picture Archiving & Communication System (PACS). After consideration of the benefits the additional diagnostic and mammography workstations would provide and noting the financial impact on the remaining term of the contract, the committee recommended approval by Trust Board. ***The board is asked to note this and approve this decision.***

Clinical Waste Contract Extension

The committee was asked to ratify a decision made by the Executive Directors relating to the extension of the Trust's clinical waste contract for a further 12 months (to December 2020). Acknowledging the background to this decision, the committee recommended approval by Trust Board. ***The board is asked to note this and approve this decision.***

Board Assurance Framework

The committee reviewed the Board Assurance Framework and the rating of the following risks and confirmed no changes were required:

- We need to have system-wide effective processes in place to ensure we achieve national performance standards for key planned activity (RR 561) – MEDIUM.
- 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

Assurance: Medium

Other items discussed included:

- **Operational Plan Update 2019/20** – latest position noted. Recognised that further improvements still to be made to ensure that Board is fully sighted on progress against all areas.
- **Engagement of Four Eyes Insight** – The committee granted retrospective approval of a business case to achieve improved theatre utilisation/productivity. It was noted that the project was now complete subject to receipt of a close down report. ***The board is asked to note this and approve this decision.***
- **Post Project Evaluations:**
 - An update on the progress of the Dermatology Procurement that was undertaken in 2018 to secure additional dermatology and skin cancer provision was provided to the meeting. Overall the service is running well with the operational queries being managed swiftly and efficiently and some recent success in recruitment being reported.
 - Following the approval of a Business Case for the replacement of Power Tools in July 2017, the committee received an update on the success of this which has seen 93% of the savings identified being delivered following implementation.

Completed by: **Tony Allen, Acting Chair of Performance Committee**
Date: **31st July 2019**