

# Performance Committee

# Annual Report

2018/19

## 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 taking any decisions delegated to it.
- 1.2 The purpose of this report is to review the work undertaken by the **Performance Committee** between April 2018 to March 2019, and to set out how the Committee performed against its responsibilities as defined in its Terms of Reference.
- 1.3 Throughout 2018 there have been several encouraging signs. However in several areas we have failed to deliver our planned levels of care and financial outcomes. Accordingly a further step change of improvement is necessary and full assurance on issues in 2018/19 was not secured. Our key conclusions are summarised in Section 8. **Noting that our conclusions are similar to those reported in 2017/18 we need to ensure, support and require that the Board and the executive leadership team set more realistic targets and ensure greater ownership and commitment to deliver our care improvements and financial targets.**

## 2 Committee Membership

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

Three Non-Executive Directors (four wef 25.9.18)
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
<b>Attendance when required:</b>
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 July 2018.
- 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 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

Performance Committee Attendance Matrix 2018/19												
Members	1st May	25th May	26th June	24th July	25th Sept	23rd Oct	27th Nov	Dec	29th Jan	26th Feb	26th Mar	% attendance
Clive Deadman (NED & Chair)	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	100%
Harmesh Darbhanga (NED)	x	x	x	x	✓	✓	✓		x	✓	✓	50%
David Lee (NED)	✓	x	x	✓	✓	✓	✓		x	✓	x	60%
Tony Allen (NED)					✓	✓	✓		✓	✓	x	83%
Deirdre Fowler (Director of Nursing & Quality)	x	x	✓	x	x	x	x		D	✓	x	30%
Neil Nisbet (Finance Director & Deputy Chief Executive)	D	D	✓	✓	✓	✓	✓		D	D	D	100%
Victoria Rankin (Workforce Director)	✓	D	✓	✓	✓	x	✓		✓	✓	x	80%
Carol McInness (Assistant Chief Operating Office, Unscheduled Care)	✓	✓	✓	x	✓	✓	D		✓	✓	D	90%
Sheila Fryer (Support Services Care Group Director)	✓	✓	D	D	x	✓	✓		✓	✓	D	90%
Nigel Lee (Chief Operating Officer)	✓	D	✓	✓	✓	✓	✓		✓	✓	✓	100%
Neil Rogers (Assistant Chief Operating Officer, Scheduled Care)	D	D	D	✓	✓	✓	✓		✓	✓	✓	100%
Jill Price (Deputy Finance Director)	D	D	D	D	✓	✓	✓		D	D	D	100%
Elaine Andrews (Associate Director of Service Transformation)		x	✓	D	✓	✓	x					70%
Jo Banks (Care Group Director, Women and Children's)	✓	x	x	✓	✓	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.

From June 2018, updates relating to the Sustainable Services Programme were presented to the newly convened Sustainability Committee.

Examples of issues brought to the attention of the Board during the year are shown below.

- Operational Plan 2018/19 – 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/Waste Reduction Programme was received and discussed each month with any particular issues impacting on the cash and/or the outturn position noted.
- 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:

- Operational Performance
- Financial position, including CIP/Waste Reduction Programme
- Operational Plan Performance
- Board Assurance Framework risks
- Policies for ratification

The following reports were also presented to the Committee:

- Criteria Led Discharge (May 2018)
- EPR/IT System Solution (May 2018)
- Cost Process 2017/18 (May 2018)
- Services Under the Spotlight (regular updates)
- Carter Review Updates (regular updates)
- Ophthalmology Service Update (Jun 2018)
- Bed Amendment Paper (Jul 2018)
- Additional 30 bedded ward (Sept 2018)
- Costs associated with reconfiguration of A&E (Sept 2018)
- Performance Committee Annual Report (Nov 2018)
- Theatre Productivity Programme (Nov 2018)
- Update on Contract Negotiations for 2019/20 Contracts (Feb 2019)
- High Value Diagnostic Equipment (Feb 2019)
- Pride and Joy (Feb 2019)
- Review of Trust's Conflict of Interest Register and Single Source Waivers (Mar 2019)
- Budget Options 2019/20 (Mar 2019)
- Operational Plan 2019/20 (Mar 2019)

Deep Dive presentations on key topics were delivered by lead officers as follows:-

- Nurse Agency Premium and Unavailability Waste Reduction Schemes (May 2018)
- Trust's Capital Programme (June 2018)
- Waste Reduction Scheme: Drug Spend (June 2018)
- Bed Reduction Plan and Waste Reduction Schemes (July 2018)
- A&E Performance (Sept 2018)

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

- Provision of Postal Services (Nov 2018)
- Replacement of Antimicrobial Susceptibility Testing System (Nov 2018)
- Radiotherapy Varian Linac Contract Review (Nov 2018)
- Implementation of new food service at RSH (Feb 2019)
- Gas Supply Contract (Mar 2019)

Post project evaluations were received on:

- Productivity improvement across Outpatients, Theatre and Radiology (Meridian) (May 2018)
- Pathlab Managed Service Contract (July 2018)
- Fertility Services Relocation (Sept 2018)
- Managed Print Service Contract (Sept 2018)

Up until November 2018, when a new Charitable Funds Committee was established, the following items were discussed by the committee on a quarterly basis.

- Investments and funds activity (July 2018)
- Charitable funds expenditure and donations received over £10,000 (July 2018)
- Annual Review of the Policy and Procedure on the Receipt and Use of Charitable Funds (July 2018)

The following policies were ratified by the committee:

- Charity Fundraising Policy (May 2018)
- Secure Data Handling Policy (Sept 2018)
- Data Protection, GDPR and Confidentiality Policy (Jan 2019)
- Access to Health Records Policy (Jan 2019)

The following Internal Audit Reports were received by the committee:

- Budgetary Control and Financial Report, Outpatient Appointment Process, General IT Controls Review and Business Continuity and IT Disaster Recovery Planning (Jun 2018)
- Cash and Treasury Management, Income & Debtors, Creditors & Payments, Payroll, Waste Reduction Programme, Complex Discharge Process (Mar 2019)

## 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:

- Information Governance Group
- Confirm and Challenge
- Waste Reduction Group
- Carter Review Group

## 8 Conclusions & Subsequent Events

Core conclusions are:

### Assurance

The committee has sought assurance that financial and care delivery issues are well managed, and leadership is strong and effective.

We have seen some great examples of modernisation, improved care delivery and 'waste removal'. Key examples are:

- Consistent and prompt delivery of high-quality diagnostic services (DMO1).
- Significant success in addressing 'stranded patients'. In addition to improving care we estimate patient flow has been enhanced by releasing 30 beds for most of 2018/19. This is equivalent to creating circa 10,000 bed days.
- CIP/Waste removal has been assisted by £2.7m extra income (good contract management and increased volumes) and £2.5m extra windfall savings (indexation gains and estate re-valuation)
- Very welcome improvement in Q4 in A&E performance. The excellent improvement in 'Minors' performance is particularly valuable. While our A&E performance remains one of the worst in England the improvements noted in Q4 indicate the significant investment committed

is starting to prove successful.

Despite the hard work of many people it has not been possible to secure full assurance that we are in control of quality of care and expenditure. Key issues/deviations were as follows:

- £3.0m (40%) shortfall in CIP delivery
- £8.5m unbudgeted new costs
- After maintaining good performance during Q1-3, a significant deterioration in Cancer and RTT in Q4.
- A&E performance remains below 80%.
- Our decline from upper quartile to lower quartile productivity as reported in the 'Carter' report.

This resulted in our failure to deliver required levels of care and our budgeted control target. The solution to these issues principally depends on ensuring plans and budgets include contingency for risks/slippage and 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 Committee has focused on supporting and requiring the executive to find ways of preparing realistic budgets and improvement plans and delivering them. During the 2019/20 budget process a good process has been used to list investment needed to recover performance and quality of care ('Pressures list'). A rigorous process has also been established to list and define 'waste removal' of CIP proposals. However we are not assured that we have in place plans and proposals which will allow delivery of our control total and also allow the investment needed to recover quality of care. **It is our conclusion that 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 workload 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 was strengthened by the appointment of a fourth NED: this is welcomed.

Noting that our conclusions are similar to those reported in 2017/18 we need to ensure support and require that the Board and the executive leadership team set more realistic targets and ensure greater ownership and commitment to deliver our care improvements and financial targets.

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

**June 2019**