

Report to:	Trust Board
Title of Report:	Finance, Investment & Performance Committee Assurance Report to Board
Date of meeting:	22 November 2016
Recommendation:	For discussion
Chairperson:	John Brougham, Non-Executive Director
Purpose	This report summarises the assurances received, approvals and decisions made by the Finance, Investment and Performance Committee (FIPC).
Background	The FIPC meets monthly and takes scheduled reports from all Trust operational committees with a finance, information technology and performance brief according to an established work programme
Business undertaken	<p><u>Integrated performance report</u></p> <p>The Committee's focus is on the Responsive section of the IPR which includes performance target times for Referral To Treatment (RTT), Diagnostics, A&E, Cancer, treatment of patients following cancellation of operations and outpatients' appointments, and the number of Delayed Transfers of Care (DToC).</p> <p>Of the 21 key performance indicators 9 met target in October, 1 less than reported last month as performance fell in 62 day cancer screening.</p> <p>The Committee received a detailed presentation on the improvement plans in two key challenged areas, A&E 4 hour waits and RTT 18 week waits. In October A&E 4 hour waits achieved 82.4% and RTT 87.4%, compared with the respective targets of 95% and 92%.</p> <p>The Committee reviewed progress on the recovery plans, agreed at the October Board, to recover performance up to standard by December for RTT and by March for A&E.</p> <p>The 87.4% RTT performance was the best since June, but</p>

short of the recovery plan of 90.4%. All 4 elective care divisions improved in October, and key to achieving the improvement plan is delivering a significant improvement in Surgery, which is responsible for the majority of admitted pathways, which achieved 82.6% in October. Plans in place include selective outsourcing in Surgery.

The Committee were assured that the overall plan was making progress but there was not sufficient evidence to give assurance of achieving the 92% target as early as December, in line with the recovery plan. There is however, a high degree of confidence that the target will be achieved by February.

The 82.4% A&E performance was down from September's 85.2%, as demand exceeded predictions and a surge of arrivals on October 25 led to the Trust requesting ambulance diverts.

Sustained performance improvement, in both elective and emergency care, demands setting and delivering plans to improve patient flow within the Trust, whilst also working with our healthcare system partners to manage better the demand for acute treatment, and the rate of discharges.

The Committee reviewed the range of improvement plans underway within the Trust to improve further upon patient flow. There is a high degree of confidence that these plans will deliver an improvement in performance, but it was recognised that the 95% target will not be achieved by March, as planned, without a material reduction in DToCs and other stranded patients.

More than three quarters of ED 4 hour waiting breaches are caused by shortage of available beds, which in turn is created by the system wide constraint of social care capacity in the community. There are consistently around 100 DToCs and other stranded patients, who no longer require acute care treatment, occupying almost 20% of the total beds in the Trust.

Ongoing escalation to our system partners continues, aimed at generating additional capacity in the community and improving discharge processes.

The Committee requested that the Executive take a further look at high performing trusts to see if there are practices or processes in place that we could adopt to improve further our own performance.

Review of A&E and RTT performance is a standing item on the

Committee's agenda until sustained target performance is attained, and it is recommended that an update on the recovery plans is presented to part 2 of the December Board.

ICT infrastructure programme update

The Committee reviewed the progress of the plan which is targeted to be complete by April 2017 and were assured that the plan remains on track both operationally and financially.

Corporate Risk Register review

The Committee reviewed proposed changes to the CRR for risks under the remit of the FIPC.

Two changes were agreed; the transfer of risk 3249, relating to Cardiology, to the remit of the Safety and Quality Committee, and the creation of a new risk relating to the achievement of the RTT recovery plan. The Committee recommends these changes to the Board for inclusion in the Trust CRR.

The Committee requested that the risk to the Trust's service and financial performance from the growing financial pressures on our system partners, be assessed and potentially added to the CRR.

Month 7 report and Efficiency programme update

The Committee reviewed the I&E performance for the month and year to date October and the forecast for the year, together with associated risks, of achieving the budgeted deficit of no more than £22.6m, which requires an average monthly deficit of less than £1.3m, compared to £2.3m to date.

The deficit in October was £2.0m, £0.1m better than budget, bringing the year to date deficit to £16.1m, which is £0.3m better, with lower revenues of £0.9m, and higher non pay costs of £1.1m more than offset by lower pay costs of £2.3m.

The budgeted deficit includes £12.0m S&T funding, which is dependent upon the Trust achieving the deficit target and three operational waiting time targets, A&E, RTT and 62 day cancer. The Committee reviewed a number of full year outcome scenarios and concluded that the pre S&T funding deficit of £34.6m is not yet embedded and therefore at risk.

The reviews covered revenues, pay/agency costs, non-pay costs and CIPs. The most likely scenario, at this point, falls short of the pre S&T deficit target by approximately £4m, and the Committee recommends that an update on the scenarios is presented to the December Board to determine the prospects for closing this gap. The impact, if any, of both deficit and operational performance on S&T funding should also be reviewed.

Capital Programme and Funding

Until further notice, funding of the Trust's revenue cash requirements will be based on a new loan application to the DoH every month for the remainder of 2016/17.

DoH have also signalled that all Trusts' capital spend plans for the year are liable to be reduced and the Trust is therefore carefully prioritising capital spend commitments this year until the position is clarified. Capital spend to date is £4.1m, compared to the full year budgeted spend of £21.3m.

Two monthly loans have been received from the DoH, £2.6m for October and £2.0m for November, and have been authorised by the Chairman and CEO. The DoH have requested the Board now authorise the loan agreements, payable in 36 months' time, and delegate the approval of future monthly drawn downs to the Chairman and CEO. The loans have a number of conditions which the Committee reviewed and recommend that the December Board approve both the loan agreement and the delegation to the Chairman and CEO to approve monthly loans.

Financial Plan 2017/8 and 2018/9

The Committee reviewed the proposed submission of the preliminary plan to NHSI on November 24. There were no material changes from the plan reviewed and agreed at the November Board and the Committee therefore agreed the submission be sent as presented.

A final submission is scheduled for December, following discussions at the December Board and FIPC.

Divisional presentation: Unscheduled Care

The Divisional management team presented on its operational and financial performance and plans. This gave the opportunity to discuss in further depth the challenges and actions discussed earlier on the ED recovery plan. The Committee was assured by the plans and commitment to drive patient flows within the Trust towards best in class standards, recognising the restrictions resulting from the system wide issues, in particular the lack of social care capacity and its impact on restricting bed availability within the Trust.

The Division was restructured in July, with a new Divisional Director, and with responsibility for patient flow in all wards in the Trust, and is undergoing a year of transitional financial challenge as it addresses operational issues. The full year contribution is forecast to be £1.8m lower than plan due to a mix of lower revenues and higher costs.

Risks to refer to risk register

The impact of growing financial pressures on our system partners on the Trust's service and financial performance.

Issues to escalate to Board

The Committee recommends the following papers be submitted to part 2 of the November Board:

1. the status of plans to deliver A&E and RTT standards this year in line with the recovery plan.
2. a review of actions, opportunities and risks to deliver the target deficit for the year
3. Board approval of the DoH loan agreement and conditions and delegation of future drawdowns to the Chairman and CEO.
4. a review of the financial plan for the next two fiscal years

Attendance record

Attended

John Brougham, Non-Executive Director (Chair)

Don Richards, Chief Financial Officer

Sally Tucker, Chief Operating Officer

Lisa Emery, Chief Information Officer

Mike van der Watt, Medical Director

Stephen Dunham, Assistant Director of Finance & Commercial Development

Prof. Steve Barnett, WHHT Chairman

Tom Drabble, Patient's representative

Jim Forsyth, Head of Procurement (for item 16)

Tammy Angel, Divisional Director, Unscheduled Care (for item 18)
Debbie Foster, Divisional Manager, Unscheduled Care (for item 18)
Paul Chung, Divisional Head of Finance, Unscheduled Care (for item 18)

Apologies

Katie Fisher, Chief Executive
Phil Townsend, Non-Executive Director
Helen Brown, Director of Strategy & Corporate Affairs
Lesley Headland, Chair of Staffside

Clerk

Clare Ransom, Executive Assistant