

Board of Directors Meeting: Thursday 5 November 2009

BD2009.96

Subject	Report from the Finance and Performance Committee			
Purpose of paper	To provide the Board of Directors with an overview of the Board's Finance and Performance Committee meeting of Friday 28 August 2009 and Thursday 24 September 2009			
Board Lead	Chairman			
Background papers (if any)	-			
Action/decision required	To note the discussion, and any actions that the Committee approved.			
Key purpose	Strategy	<u>Assurance</u>	Policy	Performance
Strategic Goals	SG1: To be Hospitals of Choice SG3: To achieve financial sustainability and long-term growth SG4: To be an excellent employer			
Strategic Objectives	SO6: To provide demonstrably excellent clinical outcomes and indicators of patient safety SO7: To improve the overall patient experience by offering excellent customer care SO9: To maximise the Trust's contribution to the health and wellbeing of the local community SO10: To become a strategic, high performing and agile organisation supported by efficient and patient focused clinical processes, modern systems and business processes			
Links to: Board Assurance Framework/ Trust Key Risks/Annual Health Check element(s)	-			
Also considered by	-			
Resource and financial impact	As described in the text			
Consideration of legal/equality/diversity/engagement	As described in the text			

issues	
Acronyms and abbreviations used	-
Author	This report is based on minutes of the meetings drafted by the Board Secretary, and approved by the Committee at its subsequent meetings on Friday 24 September 2009 and Friday 30 October 2009.

## Report of the Finance and Performance Committee meeting of Friday 28 August 2009

### Introductions

Mr Salt chaired the meeting in the Chairman's absence.

### Declarations of Interest

There were none.

### Minutes of the Last Meeting

The minutes were approved, subject to amendments to minutes concerning financial performance, the meeting with the PCT, and 18-weeks waiting times.

### Matters Arising from Previous Minutes

The schedule of outstanding actions was approved, subject to noting further action concerning financial performance, the meeting with Oxfordshire PCT, and the Health Innovation and Education Cluster.

### Performance: Infection, Prevention and Control

The Trust was on target not to exceed its MRSA maximum, and was operating well below its prevailing incidence of MRSA of three or four years previously, while the incidence of *C. difficile* was well below a ceiling that had itself been lowered.

Incidences of infection described in the report as *avoidable* had been avoidable before the patient was admitted to hospital; and patients described in the report as *Pre-48 hours* were those who had presented septically. There had been three cases at the Churchill Hospital of a recent non-pathogenic bacterium that could affect severely compromised patients. Though not reportable, this was potentially disruptive. A full deep clean was taking place, but the Churchill's intensive care unit had not been closed to new admissions as it was a new and spacious facility.

The high patient throughput meant that each instance of MRSA in the MAU had been *pre-48 hours*; but both professional practice and cross-infection standards were high in the renal unit.

The Trust had an education programme to change the culture in the wider community regarding the proper application urinary catheters.

### Performance: Operational

The current level of breaches was due in large part to delays in patient discharges, which the Trust had drawn to the County Council's attention. The Trust was also considering the use of appropriate accommodation off-site for such patients, but in doing so would not commit itself to meeting such costs indefinitely for any patient. In summary, the Trust's *front door* systems functioned effectively, but engagement with social care was needed to

reform its *back door* systems. There might be value in reverting to the fining of Social Services for delayed discharges.

Weaknesses in the Trust's legacy patient administration system (PAS), and the other systems that it currently had to use to be able to measure and report on performance, had been discussed at a meeting with the SHA. The SHA had advised the Trust to make clear the limitations of its data collection systems to stakeholders, and proposed to advise the Department of Health on the Trust's behalf.

### **Performance: Financial**

The report was also to be considered at the quarterly contracting meeting with the PCT. A report on the joint management of demand by the Trust and the PCT had also been requested. The risks would be discussed and set out clearly in the recovery plan. The Trust would inform the SHA of all the positive action that had been taken. Directors should comment on the draft paper by the close of Tuesday 1 September 2009, so that a revised version could be issued by the end of Wednesday 2 September 2009.

The possibility of savings of £28m through the application of benchmarking were exaggerated, and it was unlikely that the Trust could achieve savings by moving back its waiting times to the maximum threshold of 18-weeks.

There had been improvements to pay costs. He suggested that the final plan should clearly describe what had to be done, by whom, and by when.

## **Report of the Finance and Performance Committee meeting of Thursday 24 September 2009**

### **Declarations of Interest**

There were none.

### **Minutes of the Last Meeting**

These were approved as an accurate record.

### **Matters Arising from Previous Minutes**

The schedule of outstanding actions was approved, subject to noting further action concerning financial performance.

### **Neonatal Unit**

The strategic outline case was presented for improvements to the neonatal unit facilities, that the Board of Directors was to formally consider at its meeting on Thursday 1 October 2009. Related capital costs of £450k were already included in the capital programme.

**Better Healthcare Programme for Banbury and Surrounding Areas** There were key issues to be addressed as the Programme moved towards developing recommendations. A business continuity plan had been prepared for each clinical service that was provided at the Horton General Hospital. Feasibility groups were taking all the evidence and

information that the Programme had generated, in order to develop proposals for clinically and financially sustainable service models that would be acceptable to the local population. The outcome to the 'invitation to innovate' issued by Oxfordshire Primary Care Trust (the PCT) had not yielded a definitive solution to the problems that were being faced in securing a clinically safe and sustainable model for those services under pressure. The Trust was discussing the wider issues with the PCT, and the Horton issue had been raised at the Cap Gemini event on Tuesday and Wednesday, 22 and 23 September 2009. The Chairman and the Director of Planning and Information were due to meet representatives of Cherwell District Council, the Community Partnership Forum and the PCT on Tuesday 29 September 2009, and representatives of the Board and of the PCT were due to meet on Monday 5 October 2009 to discuss the Cap Gemini event. At both meetings, the Trust would stress the priority attached to patient safety, and that any resolution of the Horton issues must be deliverable and sustainable.

The Feasibility Groups were due to present their conclusions at an event on Wednesday 30 September 2009, for consideration by the Better Healthcare Programme Board on Tuesday 13 October 2009. The Programme Board was due to consider recommendations at its meeting on Tuesday 17 November 2009. The PCT Board of Directors would consider these at its meeting on Thursday 26 November 2009, and the Trust's Board of Directors would do so at its meeting on Thursday 3 December 2009.

### **Academic Health Science Centre (AHSC) and Health Innovation and Education Centre (HIEC)**

The Director of Planning and Information presented a situation report.

#### **Performance: Infection Prevention and Control**

During September 2009, there had been two incidences of MRSA, one of which had been at pre-48 hours. It remained the case that some patients were admitted to hospital with pre-existing MRSA, although this had not necessarily been acquired in nursing homes. The incidence of *clostridium difficile* remained low, both in the Trust and across the South Central Strategic Health Authority (the SHA) area. The incidence of admitted cases of swine flu remained low, but was predicted to increase during October 2009.

#### **Performance: Operational**

Performance had fallen, in large part from insufficient clarity around systems for managing performance, and for measuring and recording compliance with targets. Resolution of these problems was dependent on the enhancement of clinically-led management and implementation of related management structures.

Since mid-June 2009, the Emergency Department has been working extremely hard to manage its workload. Nonetheless, during the past week, there had been breaches of the maximum four-hour wait in Accident and Emergency. It had been necessary to re-open beds that had been closed as part of the cost improvement programme. The Director of Oxfordshire County Council's Social Services was due to visit the Trust, and the critical nature of an 'out of hours' service would be emphasised.

Outpatient appointments were being monitored each day to minimise breaches of the maximum waiting times of 26 weeks and 13 weeks. The Trust would have difficulty meeting the maximum waiting time of eighteen weeks for admission from the inpatient waiting lists. Directors stressed the need to do everything possible to recover this position as a priority.

The Joint Accreditation Group would visit the Trust on Thursday 1 October 2009 to assess for accreditation as a centre for bowel cancer screening. Because of delays in endoscopic examinations, the Trust would have to seek accreditation for the Horton General Hospital (where these delays did not exist) before the John Radcliffe Hospital

### **Performance: Financial**

Executive Directors had met representatives of the SHA. They had explored the Trust's CIP and the PCT's demand management plans, and agreed that both parties should be kept fully informed of developments by either. The PCT had agreed to consider the Buckinghamshire demand-management plan, and to challenge GPs more rigorously. A compliant recovery plan was to be resubmitted by Friday 25 September 2009.

Month 5 had been particularly challenging. The in-month deficit was due in part to excess performance to a value that would not be recovered. The underlying deficit was slightly below average. Pay costs remained as planned, and non-pay costs had returned to planned levels. Cost improvement plans had delivered above planned levels in-month. The revised international financial reporting standards would not impact against the Trust in 2009/10.

Risks to the year-end forecast included inadequate flexibility; no reimbursement for excess activity; winter pressures on Divisions; an organisational change programme that distracted from in-year performance; the need for more strategic, longer-term developments; the need for effective means of controlling costs; and the need to achieve the right mix of cost improvements in order to reduce costs