

Meeting:	Brighton and Sussex University Hospitals NHS Trust Board of Directors
Date:	29th March 2016
Board Sponsor:	Chair, Finance People & Performance Committee
Paper Author:	Chair, Finance People & Performance Committee
Subject:	Finance People and Performance Committee – February 2016

Executive Summary

The report describes the discussions at the Committee which focused on progress with the People and Well-Being Strategy; statutory and mandatory training compliance; appraisal; and receipt of the annual Equality Workforce report.

The Committee also discussed progress with the financial plan for 2016/17, and CIPs programme; operational and financial performance for Month 10; and the Frontier Pathology Addendum to the Full Business Case, which is recommended to the Board.

Links to corporate objectives	The discussions concerned the objectives of <i>empowered, skilled staff and high productivity</i>
Identified risks and risk management actions	<ul style="list-style-type: none"> • Statutory and mandatory training compliance • Delivery of the 2016/17 CIPs programme • Performance in relation to Planned Care and 4 hour Accident and Emergency Standard
Resource implications	The M11 finance report and Annual Financial Plan will be considered at the Board meeting
Report history	The Chair of the Committee report to the Board following each meeting of the Committee
Appendices	None

Action required by the Board

The Board is asked to note the Finance People and Performance Committee report.

Report to the Board of Directors, 29th February 2016 Finance People & Performance Committee Report

Items on the Board agenda

1. People

The Committee noted that the people strategy and agenda would be the subject and focus of a separate committee from April. A new People Board, chaired by Amanda Fadero, had been established to which progress on the People and Wellbeing Strategy and its 10 priorities would be reported, though reporting arrangements had still to be finalised.

The Operational Director of HR confirmed that historical grievances were being addressed systematically and that the backlog had been reduced.

Appraisal Report

With reference to annual appraisals for non-medical staff, a figure of 68% was reported to the end of January against an overall target of 75%. This figure was a considerable improvement on the December 2014 figure of 42%. Progress with appraisal rates was proving more difficult on the Acute Floor where 50% of nursing staff had had no appraisal.

The Committee discussed the appraisal cycle – the period during which all staff could expect to be appraised. The appraisal cycle required to be linked to the annual business plan and to new performance management arrangements. Further work was required to support those people managers who were responsible for managing and appraising large staff teams, in some cases as many as 50-60 people which was considered onerous.

The Operational Director of HR agreed that for corporate directorates and administrative staff, appraisals could be completed within a six week window.

2. Statutory and Mandatory Training

A late paper was circulated to the Committee. This was presented by Carrie Weller, Interim Project Manager who had just taken up post and Julia Blaber, Learning and Development Manager. It was of concern that levels of statutory and mandatory training were only marginally better than in the previous year and remained very low indeed at 48%. The Committee recognised the Trust's continuing pressures which required staff to concentrate on service delivery and throughput. There were identified issues about how training data was recorded and about the IRIS system which the Committee learned was unable to fully record against staff training against their ESR/IT network profiles and that further work was required to reach 100% by the end of March.

In noting its concerns and the need for corrective and urgent remedial action to be taken by the Director of Education & Knowledge, the Committee requested that the matter be escalated to the Board of Directors.

3. Equality, Diversity and Human Rights

Barbara Harris, Head of Equality and Diversity and Human Rights, presented the Annual Report and summarised the activities of the team over the last twelve months.

It was noted that the expenditure on language translation services was high at c £39k-£45k per month.

The Committee heard that partnership working across the city had been positive and that the team was working in a cohesive and consistent way across the whole Trust.

The Committee congratulated Barbara and her team for winning the NHS Leader of Inclusivity of the Year award.

4. Operational & Financial Performance/Finance Report Month 10

The Month 10 Report was presented by the CFO who confirmed that the Trust was reporting an in month deficit of £2.99m, a year to date deficit of £31.76m and a forecast deficit of £37.633m against a full year planned deficit of £16.7m. At Month 10, the Trust had spent £30.98m more on operational costs than plan. The year to date deficit position reflected over performance of £14.6m on income offset by pay and non pay overspends of £14.4m and £16.4m respectively. Of the £14.4m year to date overspend on pay, c£5.5m related to medical pay and £4.3m to nursing pay. These two staff groups showed in month spend of £873k and £1.06m respectively.

Over performance was driven by overuse of PbR excluded drugs and devices (£10.1m) and were treated as 'pass through' costs which contributed little to Trust overheads. The Committee noted that the deficit of c£31.8m was significantly above the year end stretch target of £16.7m and that performance was adversely impacting on cash flow, requiring revisions to the capital plan and to debtor/creditor management. Expenditure continued to be the main driver of poor financial performance.

CIPs delivery stood at 53% and was a contributing factor (£10.02m) to poor financial performance.

The CFO reported that discussions were underway with Commissioners to seek to agree the value of activity to be delivered for the full year and that there was risk in agreeing a value which would be acceptable to both parties and further risk in the NHS standard contract.

The CFO confirmed that tight control was being exercised through No Purchase Order-No Pay, though creditor levels were perceived as uncomfortably high and debtors had increased to £1.7m. ,

The Committee discussed the Trust's cash position, the continuing cash risk and mitigations. The CFO confirmed that whilst the cash position was manageable at month end, it remained very challenging and discussions continued with the TDA and Department of Health to unlock the loan application submitted in January.

5. Operational Performance/ Performance Dashboard

The Interim Deputy COO, Lisa Kelly, advised that the Trust was reporting a non-compliant position against aggregate performance for 18 week Referral to Treatment (RTT) and the 6 week wait for diagnostic test standard, with as many as 81 patients waiting over 52 weeks for treatment.

Of the c9411 patients waiting over 18 weeks in mid-February, there was a continuing deterioration in Digestive Diseases accounting for 25% of this number and in Neurosciences who held 18%.

A review of the Booking Hub had been undertaken and a report with recommendations was expected in March.

The Committee noted that BSUHT would continue to report a 'non-compliant' position for the month.

With reference to Urgent Care Transformation, the 4 hour A&E wait standard was significantly challenged and performance had deteriorated in January (82.6%) on account of seasonal pressures. The Committee noted that the year to date position was 83.7% and that performance within the Emergency Department at RSCH remained challenged.

Performance against the 62 day target for Cancer Services was compliant for a second month – 80.2% for January.

Overall, the Trust remained at significant risk in relation to delivery.

6. Financial Planning 2016/17

The Committee discussed progress on the financial plan for the coming year and the importance of CIPs plans and delivery to this.

Total expenditure for 2016/17 is £527m (2015/26 £529m). The CIPs target for 2016/17 is £28.2m (5.5%) and £30.6m (6%) for 2017/18 in line with the Long Term Financial Model. A number of centrally led and driven CIPs were identified: medical staffing; nurse staffing; procurement; back office; and non PbR drugs. Further detailed work was required to finalise and risk rate the CIPs plans and to establish a robust governance system.

The Committee requested that project owners for each CIP be identified.

7. Frontier Pathology Addendum to Full Business Case

The Committee discussed the paper and noted the positive effects of the revisions to the assumptions in the full business case. The Management Team provided assurance that these would deliver a number of benefits in terms of sustainability and resilience; efficiency savings and income; management accountability; medical accountability. Following procurement, much of the implementation activity would be centralised at PRH.

8. Board Assurance Framework

The Committee reviewed the risks and ratings and noted that the risk 'inability to deliver the financial plan' was now graded at the highest level of 25.

9. Committee Terms of Reference

The Committee confirmed that its current remit was too broad, resulting in discussions pertaining to 'People' often being squeezed out to deal with financial and operational performance. The 'people agenda' would now be considered and addressed through separate committee.

**Antony Kildare
Chair
Finance People & Performance Committee
February 2016**