

Board of Directors
Public Board

26 October 2016

**MEETING OF THE BOARD OF DIRECTORS ON WEDNESDAY 26th OCTOBER 2016
COMMENCING AT 9.00AM IN THE
BOARD ROOM
EDUCATION CENTRE, ARROWE PARK HOSPITAL**

AGENDA

- | | | |
|----|---|---|
| 1. | Apologies for Absence
Chairman | v |
| 2. | Declarations of Interest
Chairman | v |
| 3. | Patient's Story
Director of Nursing and Midwifery | v |
| 4. | Chairman's Business
Chairman | v |
| 5. | Chief Executive's Report
Chief Executive | d |

6. Performance and Improvement

- | | | |
|-----|---|---|
| 6.1 | Integrated Performance Report | |
| | 6.1.1 Integrated Dashboard and Exception Reports
Chief Operating Officer | d |
| | 6.1.2 Month 6 Finance and Cost Improvement Programme Report
Director of Finance | d |
| 6.2 | Operational Plan | |
| | 6.2.1 2017-18 Objectives
Director of Strategy | d |
| | 6.2.2 2016/17 Mid-year Review
Director of Strategy | d |

7. Governance

- | | | |
|-----|--|---|
| 7.1 | External Assurance
• NHSI Quarterly monitoring return
Director of Finance | d |
| 7.2 | Report of the Finance Business Performance & Assurance Committee
Chair of Finance Business Performance & Assurance Committee | d |
| 7.3 | Board of Directors | |
| | 7.3.1 Minutes of the Previous Meeting
• 28 September 2016 | d |

7.3.2 Board Action Log

Director of Corporate Affairs

d

8. Standing Items

8.1 Items for BAF/Risk Register

Chairman

v

8.2 Items to be considered by Assurance Committees

Chairman

v

8.3 Any Other Business

Chairman

v

8.4 Date and Time of Next Meeting

Wednesday 30TH November 2016 at 9am

v

Board of Directors	
Agenda Item	5
Title of Report	Chief Executive's Report
Date of Meeting	26 October 2016
Author	David Allison, Chief Executive
Accountable Executive	David Allison, Chief Executive
BAF References <ul style="list-style-type: none"> • Strategic Objective • Key Measure • Principal Risk 	ALL
Level of Assurance <ul style="list-style-type: none"> • Positive • Gap(s) 	Positive
Purpose of the Paper <ul style="list-style-type: none"> • Discussion • Approval • To Note 	To Note
Data Quality Rating	N/A
FOI status	Document may be disclosed in full
Equality Impact Assessment Undertaken <ul style="list-style-type: none"> • Yes • No 	N/A

This report provides an overview of work undertaken and important announcements over the reporting period.

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Internal

- **Director of Informatics and Infrastructure**

The Trust has successfully recruited into the position of Director of Informatics and Infrastructure and is currently progressing with the formalities. Further details will be provided at the Board Meeting.

- **Cerner Phase 3 “Go Live” Update**

On the 24th of November, the Trust is planning to implement the final major stage of its Electronic Patient Record System, Wirral Millennium. This will include, Adult Critical Care, Anaesthetics, Chemotherapy Prescribing and Administration, Inpatient Clinical Noting (doctors noting), Fluid Balance and IV Infusion. Training is underway and detailed plans are being produced to ensure all staff are aware of the changes.

There are a small number of issues to be resolved and the associated actions are being tracked on a day to day basis by the project team.

As is the Trust’s usual process, there will be a final clinical safety check prior to go-live.

Regulatory

- **NHS Improvement**

The Trust has agreed the date of its next Progress Review Meeting with NHS Improvement, this being 1st November 2016. Further details of the meeting and its outcome will be provided to the Board as soon as this is available.

- **Care Quality Commission**

The Trust has agreed the date of its next engagement meeting with CQC, this being 10th November 2016. The Director of Nursing and Midwifery led a further “deep dive” event on the 14th October 2016 whereby good progress and improvement was demonstrated. Areas for further action are being progressed at pace or will form part of further scrutiny and challenge at Clinical Governance Group. As part of this work the Senior Management Team agreed that the Board level lead for Childrens should be Gaynor Westray and the Board is asked to note this.

The Trust is currently finalising its self-assessment against all the fundamental standards in preparation for a discussion with CQC as to dates for a re-inspection.

- **Health Education England**

Following the visit of HEE/Post Graduate Dean in July 2016, the Trust has now received the full report. On the day the Trust received verbal feedback which was positive in the knowledge that a full and more comprehensive report would follow. The written Report was received on the Friday the 30 September 2016 and whilst the written details are positive it has flagged up issues to be addressed. HEE have requested that the requirements / issues set out in the report require a response by 2nd January, 2017. The full HEE Report will be discussed at the next Quality & Safety Committee.

External

• A&E Delivery Board

Good progress has been made in establishing the form and function of this board. Feedback from NHS England has been positive.

WUTH winter plan & associated documents appear to be good.
 ED Streaming: Baseline assessment = in place/plans to deliver.
 Ambulance and Patient flow: Wirral has service & plan.
 Patient Flow: ECIP has been working WUTH to implement SAFER & plans appear robust to embed this way of working.
 Discharge: WUTH is funding community beds, which are, in effect, D2A.
 Governance & Leadership: The board is established with sub-boards in Wirral & West Cheshire.

• Sustainable Development Management Plans

Over the last few years, the Trust has made significant improvements in its energy efficiency and carbon reduction plans, including the implementation of a Combined Heat and Power Plant at both our sites and the replacement of the vast majority of its lighting with energy efficient alternatives. This year, the estates team also have a range of improvements, including the installation of innovative new lift motors that work on the same principles as the KERS systems used in Formula 1 cars.

The Northern England Sustainability and Health Network have recently written to all Trusts across the north of the country to recommend that they should put in place a more formal Sustainable Development Management Plan (SDMP) or Carbon Reduction Strategy. Work is underway based on the good work to date to develop a plan for the Trust by the summer of next year.

Strategy

• Sustainability and Transformation Plan STP

The STP membership group met on 19th October 2016 to review the plans ahead of submission on the 21st October 2016.

As part of this process Mr Jon Develing, the Senior Responsible Officer for the LDSP for Wirral and Cheshire presented the proposals under the key 4 priority areas of:

- Demand management and prevention at scale
- Reducing variation and improving quality through hospital and system reconfiguration
- Reducing cost through back and middle office collaborative productivity
- Changing how we work together to deliver the transformation

The final changes as agreed at the meeting would be made and submitted per the timeline. The Trust would await feedback on the submission which was expected in the next few weeks.

- **GP Federation**

The Board will be aware that local GPs are in the process of forming two federations. These will facilitate improved joint work between the Trust and primary care. A workshop for WUTH clinicians and members of Primary Care Wirral has been arranged for November 3. We hope to attract between 40 and 50 participants. The purpose of the workshop is to agree areas for joint work and how to work together in the future. Drs Lowe and Fraser have been closely involved in designing the event. Consideration is also being given to a second workshop which could involve GP's from a wider footprint.

Celebrating Success

- **Flu Vaccination Rates**

The Board will know that vaccinating against flu is a key element of the Trust's Health & Wellbeing plan and has been a contributing factor to our low sickness absence rate. We do have a local and national target of 75% for all front line staff to be vaccinated and I am pleased to say that in just seven working days we have already vaccinated over 1,300 staff which equates to 24%.

- **Global Digital Exemplar (GDE)**

I am delighted that we have been announced as a Global Digital Exemplar (GDE). The announcement was made by the Health Secretary Jeremy Hunt at NHS England's Health and Care Innovation Expo 2016.

This news is great for us and our status will put us on the map globally as a digital centre of excellence, pioneering best practice and dedication to training colleagues in digital skills. It will also strengthen our work with the Wirral Cerner Millennium system and support our work around Population Health Management and the Wirral Care Record.

Having been chosen as a "global exemplar" Trust we expect to receive funding of up to £10 million, to deliver pioneering approaches and help others in the NHS learn from our experience. We were one of only 12 trusts to achieve the status and are among just two in the Merseyside and Cheshire region.

- **NHS Staff Survey**

The National Staff Survey 2016 is open until 2nd December 2016. Last year we were the most improved Trust in the National Staff Survey and we have strived to sustain this improvement through our staff engagement work programme on a Trust wide and Divisional basis. The staff survey is recognised as one of the key measurements of ensuring the views of our colleagues inform any improvements we make.

The response rate for the NHS Staff Survey currently sits at 30% which is well above the national average for the Secondary Care provider organisations. The findings of the NHS Staff Survey will be received in February, 2017 and these findings will then be discussed at a Board meeting.

David Allison
Chief Executive

October 2016

Board of Directors	
Agenda Item	6.1.1
Title of Report	Integrated Performance Dashboard
Date of Meeting	26th October 2016
Author	John Halliday, Assistant Director of Information Chris Oliver, Director of Operations
Accountable Executive	Janelle Holmes Chief Operating Officer
FOI status	Document may be disclosed in full
BAF References	<ul style="list-style-type: none"> • Strategic Objective All Strategic Objectives (1 through 7) • Key Measure All Key Measures (1A through 7D) • Principal Risk All Principal Risks
Level of Assurance	<ul style="list-style-type: none"> • Positive Partial with gaps • Gap(s)
Purpose of the Paper	<ul style="list-style-type: none"> • Discussion Discussion • Approval • To Note
Data Quality Rating	Silver – quantitative data that has not been externally validated
FOI status	Document may be disclosed in full
Equality Impact Assessment Undertaken	<ul style="list-style-type: none"> • Yes No • No

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1. Executive Summary

This report provides a summary of the Trust's performance against agreed key quality and performance indicators. The Board of Directors is asked to note the performance to the end of September 2016.

2. Summary of Performance Issues

Whilst there has been some improvement in a number of areas, operationally the Trust continues to face challenges with the achievement of its operational objectives (Operational Excellence and External Validation domains).

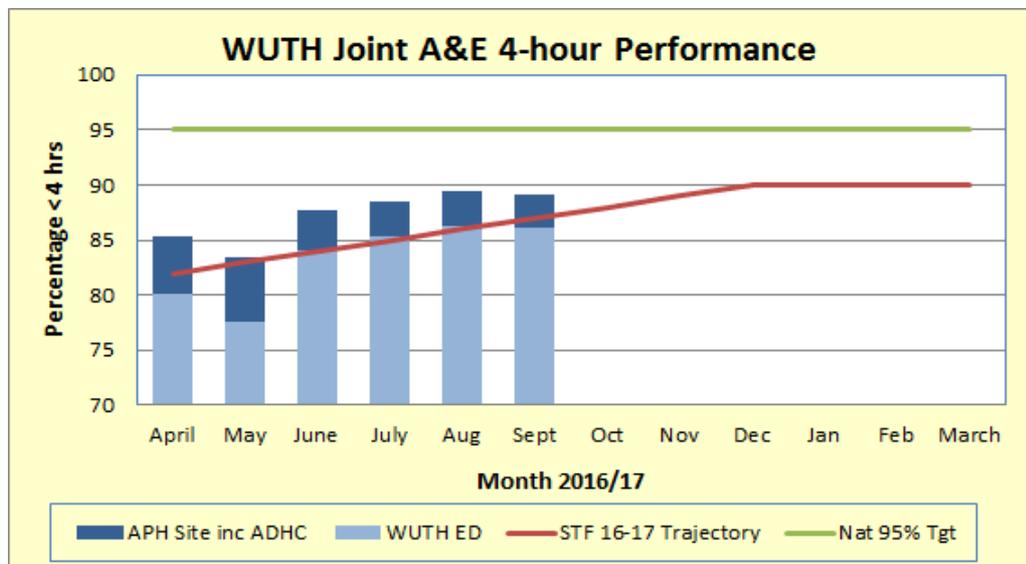
The key issues relating to external validation is achievement of the A&E and RTT targets, with detailed comments against each area below.

3. Detailed Explanation of Performance and Actions

a. Achievement of the A&E Target / Non Elective Performance

Against the A&E standard of a minimum 95% of patients to be admitted, transferred or discharged within four hours, the month of August was 89.08% as measured across a combined ED and All Day Health Centre performance at the Arrowe Park site. ED alone was 86.05%.

The performance in June for the emergency access standard although not achieving the regulatory compliance level of 95% was above the Sustainability and Transformation Fund (STF) trajectory of 87%, and is illustrated below.



A review of September's position evidenced poor performance for the first half of the month, which was linked to lost capacity within the domiciliary care market on Wirral impacting on discharge rates especially from the elderly care

wards. As community capacity came back to the market performance against the 4 hour standard increased as can be illustrated by the table below.

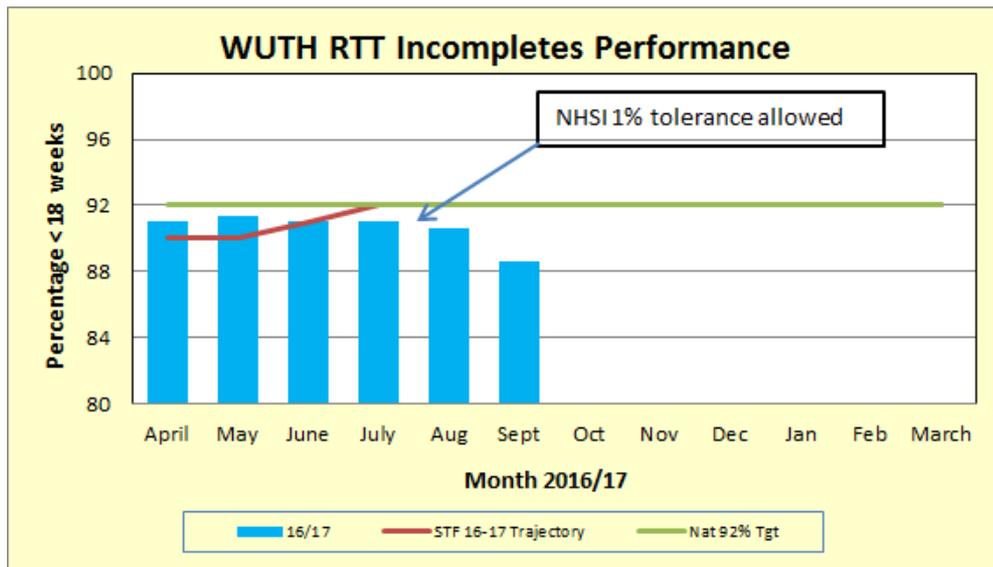
Week Ending	Performance (%)
11th Sept	86.98
18th Sept	84.40
25th Sept	94.17
2nd Oct	92.45

The Task and Finish groups continue to meet and challenge on delivery and sustainability of improvements being made both within the Trust and with economy leads. Progress is monitored by the ED Delivery Board

b. 18 Weeks RTT

The focus of RTT is now solely on the incomplete standard, with the threshold set at a minimum 92% of patients waiting to be at 18 weeks or less.

As expected the Trust did not achieve the national standard and STF trajectory at the end of September, with the final position being reported at 88.61%.



The national specialties that are not achieving and contribute to the Trust's overall failure are Dermatology, ENT, General Surgery (with the failing areas in colorectal, upper gastrointestinal surgery, and vascular), Ophthalmology, Oral Surgery, Trauma & Orthopaedics, Urology and "Other" which includes numerous specialties but notably Anaesthetics (pain) and Community Paediatrics.

To strengthen RTT management & deliver compliance a full RTT pathway mapping exercise has been undertaken from which an improvement plan has

been formulated. This includes the requirement for additional information management reports to assist in forecasting a recovery trajectory. In addition the Trust has engaged with the elective team within NHSI's Intensive Support Team (IST). All progress is being monitored via the RTT Task & Finish Group reporting to Operational Performance Team (OPT) the formal operational system within the Trust.

Good progress has been made by Divisional teams in cleansing the outpatient patient tracking lists enabling the Access and Performance meeting to focus on actual patient management ensuring corrective action is taken in advance of any non-compliance. Capacity and demand models continue to be produced at speciality level utilising the Intensive Management Support tools. It is intended this will be linked to job planning & contract agreements for 17/18 commencing in Q3 16/17.

c. Infection Control

For C Difficile, there have been eight cases in the month of September, however only four were considered avoidable. The year-to-date position is therefore 8 cases, and below the maximum plan trajectory of 12 cases for this period.

d. Cancer

Cancer 62 day performance is finalised 25 days after month end with an expected achievement of 85%. At the time of the report the actual performance was tracking at 84.41% with a predicted position of 86.67%. The current performance is actually 91.25% which will be recognised in next months reporting.

e. Advancing Quality indicators

The latest month reported is July's data, with improved performance in Sepsis and AKI. The sustained delivery of the AQ measures will be a key theme within the 'reducing clinical variation' piece of work.

The three areas not achieving are Community Acquired Pneumonia , Heart Failure and Acute Kidney Injury.

Sepsis is achieving its target at 62% with month on month improvement for the past 3 months. The year to date position is 54%. There are up to 8 measures to achieve for perfect care: 2 measures are over 90%; 5 measures are over 50%; 1 measure is below 50%.

Community Acquired Pneumonia failed its target at 71%, though there had been previous month on month improvement for the previous 4 months. The year to date position is 57%. There are up to 5 measures to achieve for perfect care: 4 measures are over 80%; 1 measure at 75%. This is initial antibiotic within 4 hours of arrival, and when there is a delay in triage and flow in ED this measure suffers. Action has been taken to reintroduce the red card system that is a visual alert when treatment is required, this was previously stopped when the department started electronic noting.

Heart Failure failed its target at 70%. There had been month on month improvement for the past 5 months, but a decrease in July. Year to date 55%. There are up to 6 measures to achieve for perfect care: 3 measures are over 80%; 2 measures above 70%; 1 measure 69%.

Acute Kidney Injury failed its target at 33% following improvement for 4 of the previous 5 months, and a significant improvement in July. The year to date position is 16%. There are up to 6 measures to achieve for perfect care: 2 measures are over 80%; 2 measures above 60%; 2 measures below 50%. The first of these relates to US Scan within 24 hours of a Stage 1 alert. The second underperforming measure relates to requiring specialist review within 12 hours of a Stage 3 alert. This is undertaken by the Specialist Nurse during the week and it has been identified that the issue is at weekends ; an Mpage has been made available through Millennium so the renal team can identify these patients across the organisation. The renal SHO has been made the "champion" and is leading on delivering this through his peer group. This should be visible when the Sept/Oct data becomes available.

Following the discussion at Board last month a detailed presentation of AQ performance to date, any risk to delivery & mitigation has been presented to the October Clinical Governance Group. This will be reported through to the November Clinical Quality & Safety assurance committee and through to Board of Directors

4. Recommendation

The Board of Directors are asked to:

Note the Trust's current performance to the end of September 2016.

WUTH Integrated Performance Dashboard - Report on August for October 2016 BoD

Area	Indicator / BAF	July	August	Sept	Trend / Future Concern	Target (for 'Green')	Latest Period	Exec Lead	
Meeting Our Vision	Satisfaction Rates								
	Patient - F&F "Recommend" Rate	96%	98%	97%		>=95%	September 2016	GW	
	Patient - F&F "Not Recommend" Rate	2%	1%	1%		<=2%	September 2016	GW	
	Staff Satisfaction (engagement)	3.82	3.82	3.82		>=3.69	Q1 2016/17	JM	
	First Choice Locally & Regionally								
	Market Share Wirral	81.9%	81.4%	82.3%		>= 85%	April to June 2016	MC	
	Demand Referral Rates	-6.5%	-5.8%	-6.1%		>= 3% YoY variance	Fin Yr-on-Yr to Sept 2016	MC	
	Market Share Non-Wirral	9.0%	9.0%	8.8%		>=8%	April to June 2016	MC	
	Strategic Objectives								
	Harm Free Care	97%	96%	94%		>= 95%	September 2016	GW	
HIMMs Level	5	5	5		5	September 2016	MB		
Operational Excellence	Key Performance Indicators								
	A&E 4 Hour Standard *	88.55%	89.43%	89.08%		>=95%	September 2016	CO	
	RTT 18 Weeks Incomplete Position *	91.02%	90.58%	88.61%		>=92%	September 2016	CO	
	Cancer Waiting Time Standards *	On track	On track	On track		All met at Trust level	Q2 to Sept 2016	CO	
	Infection Control *	0 MRSA; 4 C diff	0 MRSA; 4 C diff	0 MRSA; 8 C diff		0 MRSA Bacteremia in month, and cdiff less than cumulative trajectory	September 2016	GW	
	Productivity								
	Delayed Transfers of Care	42	32	59		Metric definition redefined	September 2016	CO	
	Delayed Complex Care Packages	58	60	56		<= 45	September 2016	CO	
	Bed Occupancy	88.2%	88.4%	89.6%		<=85%	September 2016	CO	
	Bed Occupancy Medicine	92.2%	89.1%	90.2%		<=85%	September 2016	CO	
	Theatre Utilisation	Under review	Under review	Under review		>=85%	September 2016	CO	
	Outpatient DNA Rate	8.0%	8.4%	8.5%		<=6.5%	September 2016	CO	
	Outpatient Utilisation	87.1%	86.2%	81.8%		>90%	September 2016	CO	
	Length of Stay - Non Elective Medicine	5.0	4.9	4.7		<= 5.0	September 2016	CO	
	Length of Stay - Non-elective Trust	4.5	4.6	4.4		<=4.2	September 2016	CO	
	Contract Performance (activity)	-2.6%	-3.1%	-3.7%		0% or greater	September 2016	CO	
	Finance								
	Contract Performance (finance)	0.3%	0.5%	0.0%		On Plan or Above YTD	September 2016	DJ	
	Expenditure Performance	-1.5%	-1.8%	-1.3%		On Plan or Below YTD	September 2016	DJ	
	CIP Performance	-16.7%	-15.1%	6.2%		On Plan or Above	September 2016	DJ	
Capital Programme	40.8%	58.4%	57.8%		On Plan	September 2016	DJ		
Non-Core Spend	10.3%	10.2%	10.0%		<5%	September 2016	DJ		
Cash Position	41%	38%	6%		On plan or above YTD	September 2016	DJ		
Cash - liquidity days	-26.2	-25.7	-26.2		> 0 days	September 2016	DJ		
A Healthy Organisation	Clinical Outcomes								
	Never Events	0	1	0		0 per month	September 2016	ML	
	Complaints	35.6	33.1	31.1		<30 per month	12-mth ave to Sept 2016	GW	
	Workforce								
	Attendance	95.7%	95.7%	95.7%		>= 96%	September 2016	JM	
	Qualified Nurse Vacancies	2.1%	2.9%	2.3%		<=6.5%	September 2016	GW	
	Mandatory Training	90.1%	92.1%	92.5%		>= 95%	September 2016	JM	
	Appraisal	87.09%	87.76%	86.97%		>= 85%	September 2016	JM	
	Turnover	9.99%	9.98%	10.21%		<10%	September 2016	JM	
	Agency Spend	0.5%	1.1%	2.1%		On plan	September 2016	GW	
Agency Cap	193	183	171		0	September 2016	JM		
External Validation	National Comparators								
	Advancing Quality (not achieving)	3	2	3		All areas above target	September 2016	ML	
	Mortality: HSMR	90.75	79.96	83.06		Lower CI < 0.90	April to June 2016	ML	
	Mortality: SHMI	0.983	0.983	0.983		Lower CI < 90	Jan to Dec 2015	ML	
	Regulatory Bodies								
	Monitor Risk Rating - Finance CoS	2	2	2		4	September 2016	DJ	
	Monitor Risk Rating - Governance	Red	Red	Red		Green	September 2016	CO	
	CQC	Amber	Amber	Amber		Overall CQC rating Requires Improvement	September 2016	ML	
	Local View								
	Commissioning - Contract KPIs	4	5	5		<=2	September 2016	CO	

Note: * Indicators of governance concern under NHS Improvement (Monitor) Risk Assessment Framework

Quarter	2
Period	01/07/2016 - 30/09/2016

Target	62 Day Wait
Indicator	GP Urgent Referral to First Definitive Treatment
Threshold	85.00%
Risk	£1000 for each excess breach above the threshold in the quarter

Division	Tumour Group
Medicine	Haematology
	Lung
	Other
Med & Surg	Upper GI
Surgery	Breast
	Colorectal
	Head & Neck
	Skin
	Urology
Women's	Gynaecology
Total	

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Medicine	Haematology
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Med & Surg	Upper GI
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	Colorectal
	Head & Neck
	Skin
	Urology
Women's	Gynaecology
Total	

Quarter 2 - Total								
Breaches			Treatments			Compliance		
Actual	Predicted	Total	Actual	Predicted	Total	Actual	Predicted	
1	0	1	9.5	0	9.5	89.47%	89.47%	
8	0	8	20	1	21	60.00%	61.90%	
0	0	0	0.5	1	1.5	100.00%	100.00%	
5	0	5	11.5	1	12.5	56.52%	60.00%	
2	0	2	47.5	2	49.5	95.79%	95.96%	
3	0	3	26.5	0	26.5	88.68%	88.68%	
5	0	5	9.5	0	9.5	47.37%	47.37%	
2	0	2	57.5	4	61.5	96.52%	96.75%	
8	0	8	50.5	2	52.5	84.16%	84.76%	
2	0	2	13	0	13	84.62%	84.62%	
36	0	36	246	11	257	85.37%	85.99%	

Quarter 2 - July								
Breaches			Treatments			Compliance		
Actual	Predicted	Total	Actual	Predicted	Total	Actual	Predicted	
1	0	1	3.5	0	3.5	71.43%	71.43%	
0	0	0	5.5	0	5.5	100.00%	100.00%	
0	0	0	0.5	0	0.5	100.00%	100.00%	
2	0	2	4.5	0	4.5	55.56%	55.56%	
1	0	1	15.5	0	15.5	93.55%	93.55%	
1	0	1	5	0	5	80.00%	80.00%	
1	0	1	2.5	0	2.5	60.00%	60.00%	
1	0	1	20	0	20	95.00%	95.00%	
4	0	4	22.5	0	22.5	82.22%	82.22%	
1	0	1	5	0	5	80.00%	80.00%	
12	0	12	84.5	0	84.5	85.80%	85.80%	

Quarter 2 - August								
Breaches			Treatments			Compliance		
Actual	Predicted	Total	Actual	Predicted	Total	Actual	Predicted	
0	0	0	2	0	2	100.00%	100.00%	
5	0	5	8	0	8	37.50%	37.50%	
0	0	0	0	0	0	N/A	N/A	
1	0	1	4	0	4	75.00%	75.00%	
0	0	0	18.5	0	18.5	100.00%	100.00%	
2	0	2	10	0	10	80.00%	80.00%	
1	0	1	3	0	3	66.67%	66.67%	
0	0	0	20.5	0	20.5	100.00%	100.00%	
2	0	2	12	0	12	83.33%	83.33%	
1	0	1	4.5	0	4.5	77.78%	77.78%	
12	0	12	82.5	0	82.5	85.45%	85.45%	

Quarter 2 - September								
Breaches			Treatments			Compliance		
Actual	Predicted	Total	Actual	Predicted	Total	Actual	Predicted	
0	0	0	4	0	4	100.00%	100.00%	
3	0	3	6.5	1	7.5	53.85%	60.00%	
0	0	0	0	1	1	N/A	100.00%	
2	0	2	3	1	4	33.33%	50.00%	
1	0	1	13.5	2	15.5	92.59%	93.55%	
0	0	0	11.5	0	11.5	100.00%	100.00%	
3	0	3	4	0	4	25.00%	25.00%	
1	0	1	17	4	21	94.12%	95.24%	
2	0	2	16	2	18	87.50%	88.89%	
0	0	0	3.5	0	3.5	100.00%	100.00%	
12	0	12	79	11	90	84.81%	86.67%	

Board of Directors	
Agenda Item	6.1.2
Title of Report	Month 6 Finance and Cost Improvement Programme Report
Date of Meeting	26 th October 2016
Author	Gareth Lawrence, Deputy Director of Finance
Accountable Executive	David Jago, Executive Director of Finance
BAF References <ul style="list-style-type: none"> • Strategic Objective • Key Measure • Principal Risk 	8 8c,8d
Level of Assurance <ul style="list-style-type: none"> • Positive • Gap(s) 	Positive
Purpose of the Paper <ul style="list-style-type: none"> • Discussion • Approval • To Note 	To note
Data Quality Rating	Silver – quantitative data that has not been externally validated
FOI status	Document may be disclosed in full
Equality Impact Assessment Undertaken <ul style="list-style-type: none"> • Yes • No 	No

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Overview

This paper provides an update to the Board of Directors on the financial performance of the Trust at Month 6 (30th September 2016) of the 2016/17 financial year.

At the end of September (month 6) the Trust has reported a YTD deficit of £(4.8)m inclusive of £1.4m impairments, therefore the normalised deficit is £(3.4)m which is £(0.2)m adverse to plan. The adverse variance is a result of the Trust failing to deliver the agreed RTT trajectory associated with the Sustainability and Transformation fund (STF) so does not affect the Trust accessing the remaining elements of the fund.

Despite the positive performance the financial position has been supported by non-recurrent and technical adjustments which do not support the underlying financial position of the Trust.

The Trust has delivered £5.1m of efficiencies as at the end of September against the target of £4.7m. The YTD performance includes £1m of non recurrent savings that will impact on planning for 2017/18.

Cash balances at the end of September stood at £3.3m which is some £0.2m above plan. The YTD cash position has been supported by lower than planned capital expenditure. This has been offset by EBITDA performance and movements on working capital.

The overall Month 6 financial position delivers a financial sustainability risk rating (FSRR) of 2 which is in line with plan albeit with variance to individual metrics. From the 1st October the Trust will no longer be measured on the FSRR but will be measured on Use of Resources Metrics (UOR).

Income and Expenditure Performance

In March 2016 the Board of Directors agreed to the control total set by NHSI that enabled access to the STF. Table 1 below details the current performance against the submitted plan.

Table 1: Summary Financial Statement

	PLAN	MONTH 6			YTD		
	Full Year Plan £m	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
NHS Clinical Income	294.936	24.650	24.069	(0.581)	146.814	146.816	0.002
Other Income	29.987	2.505	2.673	0.168	14.765	15.737	0.972
Employee Expenses	(213.306)	(18.224)	(18.597)	(0.373)	(109.246)	(111.890)	(2.644)
All Other Operational Expenses	(97.763)	(8.193)	(7.538)	0.655	(48.802)	(48.222)	0.581
EBITDA	13.854	0.738	0.608	(0.130)	3.532	2.442	(1.089)
Post EBITDA Items	(13.673)	(1.138)	(1.640)	(0.502)	(6.709)	(7.285)	(0.576)
Net Surplus/(Deficit)	0.181	(0.401)	(1.032)	(0.632)	(3.177)	(4.844)	(1.665)
Normalised Net Surplus/(Deficit)		(0.401)	0.429	0.829	(3.177)	(3.383)	(0.205)
EBITDA %	4.3%	2.7%	2.3%	(0.4%)	2.2%	1.5%	(0.7%)

As previously reported to the Board of Directors agreement has been reached with Wirral CCG for an envelope contract value for 2016/17 which covers c80% of the Trusts clinical income. In the absence of the 'envelope' agreement the income position would have deteriorated by £2.6m. This can be analysed into two elements: non achievement of activity plan £2.0m and the re-profile of clinical income into 12ths £0.6m.

During the period overall PbR activity under performed from an activity perspective. Cumulatively all PODs are underperforming in terms of actual activity delivered against the initial plan, with the exception of A&E attendances, that predominantly reflects the increase in emergency demand. Penalties increased by £177k, in relation to readmissions, NEL marginal rate and outpatients FUP caps. However as a result of the financial envelope the penalties do not affect the financial position.

The underperformance in PbR areas is partially offset by over performance in non PbR as a result of increased Neonatal and Pathology Direct Access increases.

The Trust has delivered all conditions of the STF with the exception of RTT performance for August and September. This has resulted in £0.2m of the STF being withheld by NHS Improvement that has resulted in the Trust's YTD adverse variance reported above.

The financial "envelope" agreed with the CCG is inclusive of all CQUINs payments. Confirmation has been received from Commissioners that quarter 1 targets have been achieved. The information for quarter 2 is currently being collated. Despite the financial security offered by the envelope it is vital that the Trust continues to implement the agreed CQUIN's to improve patient experience therefore the Trust will continue to shadow monitor all schemes as per previous years.

Performance against other associate contracts such as West Cheshire (£0.2m) and Liverpool CCG (£0.2m) continue to perform above plan cumulatively, this, however, is offset by the Specialised Services contracts (NHSE £(0.3)m and Dental £(0.2)m) which continue to report below plan performance.

Operational expenditure is currently below plan for the month of September by £0.3m but is cumulatively above plan by £(2.1)m. The in month improvement has been driven by one off savings that have been delivered in month on non pay.

Pay costs have exceeded plan by (£0.4m) in September, and are showing a cumulative overspend of (£2.6m). The issues driving the current adverse performance in pay are:-

- A reduction in the provision of intermediate care beds within the health economy has resulted in an increased unplanned demand for non-elective beds within the Trust. As a result of this pressure escalation beds have remained open causing a £(0.6)m pay pressure YTD. The Trust continues to work with the Health economy to address this position but there is a substantial risk that this position will deteriorate as a result of further bed reductions within the community over the coming months.

- Other operational pressures in medical staffing costs have continued during the month. Within the Emergency Department, the medical staffing position has improved in month but there remains a c£(0.4)m ytd pressure; there are further critical medical staffing gaps in other specialties, resulting in premium agency or locum staff being utilised to cover the gaps. WLIs have reduced significantly in September as the focus is on using core capacity to deliver RTT targets and spend is now marginal in a couple of specialties for RTT and some cancer target areas however ytd WLIs are still a £(0.6)m pressure. Non-delivery of CIP on pay work-streams is a £(1.0)m further pressure that has been mitigated by non-recurrent vacancy support of £0.6m. The pay position is further supported cumulatively by c£0.5m of non-recurrent support.

Focus within the Trust continues to remain on the use of non-core pay spend across all staff categories and continuing development of recruitment and retention strategies to address staffing gaps together with mitigating the slippage on the delivery of CIP schemes.

Agency expenditure during September was marginally underspent against the agency ceiling, and remains c£0.1m cumulatively below the NHSI ceiling rate. The cumulative spend on non core staffing is £11.2m representing c£10% of the total pay spend. This reflects the work the Trust is undertaking on managing premium agency costs across the organisation.

Non pay costs are £0.7m below plan in September and cumulatively £0.6m lower than plan. In September there is £0.8m non-recurrent improvement on other operating costs (premises) which relates to a renegotiated contract variation for the Cerner system. The non pay position is further supported cumulatively by c£1m of non-recurrent support.

Cost Improvement Programme (CIP)

The CIP target for 2016/17 is £11.2m. The target is split both divisionally and by the respective work streams. As at the end of the Month 6 the Trust is £0.4m above the target of £4.7m. This position has been supported through a review of depreciation and the Cerner contract and includes £1m of non-recurrent mitigation savings.

Table 2 below details the month 6 position for CIP by Division and by work-stream.

Theme	YTD			In Year			Recurrent		
	NHSI Plan £m	Actual £m	Variance £m	NHSI Plan £m	Forecast £m	Variance £m	NHSI Plan £m	Forecast £m	Variance £m
Productivity & Efficiency	1.471	0.792	(0.679)	3.573	1.901	(1.672)	3.573	2.727	(0.846)
Workforce	1.089	0.630	(0.459)	2.518	1.908	(0.610)	2.518	2.605	0.087
Cost Control & Management	0.866	0.874	0.009	2.449	1.854	(0.595)	2.449	1.511	(0.938)
Estate Management	0.416	0.261	(0.155)	0.999	0.636	(0.363)	0.999	0.779	(0.220)
Income	0.569	0.557	(0.012)	1.300	1.202	(0.098)	1.300	1.303	0.003
Other Schemes	0.255	1.967	1.712	0.361	4.392	4.031	0.498	2.213	1.715
	4.666	5.082	0.416	11.200	11.893	0.693	11.337	11.137	(0.200)
Division	£m	£m	£m	£m	£m	£m	£m	£m	£m
Medicine & Acute	1.405	0.625	(0.780)	3.060	1.536	(1.524)	3.060	1.643	(1.417)
Surgery, Women & Children	1.551	0.984	(0.567)	3.630	2.770	(0.860)	3.630	3.645	0.015
Clinical Support Services	0.775	0.507	(0.268)	1.700	0.944	(0.756)	1.700	1.049	(0.651)
Corporate	0.798	1.164	0.366	1.810	2.302	0.492	1.810	2.069	0.259
Central	0.137	1.801	1.664	1.000	4.340	3.340	1.137	2.731	1.594
	4.666	5.082	0.416	11.200	11.893	0.693	11.337	11.137	(0.200)

The latest in year forecast has increased to £11.9m an improvement of £2.4m on last month, again underpinned by the depreciation review and Cerner contract savings. Of the in year forecast, £10.3m is now secured as either mitigation or fully developed green risk rated schemes. Of the remaining £1.6m red and amber rated schemes and plans in progress, a further £0.9m will be required to deliver the in year target without the need to utilise the CIP mitigation reserve. The risk to the delivery of the in year position has therefore been significantly reduced.

A new governance structure has now been implemented which will provide additional focus on both the in year delivery of the approved schemes to ensure that the risks identified are mitigated and the benefits realisation maximized and the recurrent impact. Appendix 1 displays the status of the schemes within the current programme and their expected delivery. The challenge remains to convert more ideas, plans and opportunities into expenditure releasing schemes as we progress throughout the latter part of the financial year and to ensure delivery of the planned benefits.

As the 2016/17 position becomes more positive, attention now needs to be brought to bear through this structure on the delivery of the recurrent position. This remains a significant risk; with only £8.3m of fully developed green risk rated schemes, £2.5m of red and amber rated schemes and £0.4m of plans in progress and opportunities. Work continues within the respective work streams and divisions to bridge the gap with some of the ideas identified as part of the recovery plan to be brought into CIP. However it is likely that there will be a significant gap in the recurrent position which will need to be built into 2017/18 planning assumptions.

It is of note that the above figures are exclusive of the health economy challenge of £5m that has been included within the submitted plans approved by the Board of Directors. This as previously reported to the Board of Directors has been discussed as part of the meeting with NHS Improvement and NHS England during September.

Cash position and Financial Sustainability Risk Rating (FSRR)

The September cash balance position was £3.3m, which is £0.2m, above plan. While the cash position is above plan this has been supported by slippage on the capital programme. The Board of Directors attention is brought to the non-cash nature of some of the savings delivered thus and the potential loss of elements of the STF as a result of RTT performance will put strain on the cash position going forward. As a result of this forecasted pressure discussions have begun with NHS Improvement about increasing the working capital facility available to the Trust with the updated 13 week cashflow shared with them in mid-October.

Capital expenditure is £2.2m under plan as at the end of September as a result of delayed start to some capital spends as detailed in the table below; there are no major concerns on this timing difference.

Year ending 31 March 2017 Position as at 30 September 2016	2016-17	2016-17	YTD		
	Capital budget ? £m	Forecast £m	Budget £m	Actual £m	Variance £m
Funding					
Depreciation ¹	6.809	6.809	3.707	1.565	2.142
Additional external (donations / grant) funding	0.021	0.021	0.021	0.021	0.000
Total funding	6.830	6.830	3.728	1.565	2.142
Expenditure - schemes					
Medical equipment - <i>Medicine and Acute Care</i>	0.450	0.450	0.450	0.126	0.324
Medical equipment - <i>Surgery, Women's and Children's</i>	0.477	0.477	0.417	0.135	0.282
Medical equipment - <i>Clinical Support and Diagnostics</i>	0.613	0.613	0.063	0.000	0.063
General IT	0.500	0.500	0.250	0.071	0.179
Cerner	1.002	1.002	0.726	0.217	0.509
Ward refurbishments - Ward 15 (AMU)	0.400	0.400	0.267	0.400	(0.133)
Ward refurbishments - <i>to be confirmed</i>	0.400	0.400	0.000	0.003	(0.003)
Relocation of Wirral Neuro - M2	0.801	0.801	0.801	0.018	0.783
Backlog maintenance - APH and CGH	1.300	1.300	0.300	0.315	(0.015)
All other expenditures	0.000	0.000	0.000	0.205	(0.205)
Unallocated resource - contingency	0.866	0.866	0.433	0.054	0.379
Donated assets	0.021	0.021	0.021	0.021	0.000
Total expenditure (accruals basis)	6.830	6.830	3.728	1.565	2.163

The overall position returns a FSRR of level 2, which is in line with plan. Without the current advantages that the Trust is obtaining via the envelope and the non recurrent savings delivered the FSRR would have been a level 1 which is the highest level of risk associated to Foundation Trusts.

	Metric	Descriptor	Weighting %	Year to Date Plan		Year to Date Actual		Full Year Plan	
				Metric	Rating	Metric	Rating	Metric	Rating
Continuity of Services	Liquidity (days)	Shows ratio of liquid assets to total costs	25%	-28.3	1	-26.2	1	-24.1	1
	Capital service cover (times)	Shows revenue available for capital service	25%	1.2	1	0.9	1	2.4	3
Financial Efficiency	I&E margin (%)	Shows underlying performance	25%	-2.0%	1	-2.0%	1	0.1%	3
	I&E margin variance from plan (%)	Shows quality of planning and financial control	25%	-0.5%	3	-0.1%	3	-0.5%	3
Overall NHS IFSRR				2		2		2	

Conclusion

The Trust has delivered the Q2 financial position in line with the recovery plans discussed during August and September. Focus remains on delivering the Q3 position with the Board of Directors sighted on levels of residual risk in delivering Q3 while discussions continue with regulators around the health economy gap that will impact the Trusts performance during Q4. The Board are asked to note the non-recurrent support within the position and the additional pressure this will put on the underlying financial position of the Trust entering into Q3/4 and 2017/18 planning.

While the cash position continues to be above plan the non cash savings within the YTD position will affect cash flows in future months which are being addressed with NHS Improvement.

While the current financial plan delivers a FSRR of 2 which is line with plan this has only been achieved as a result of the actions described above.

Recommendations

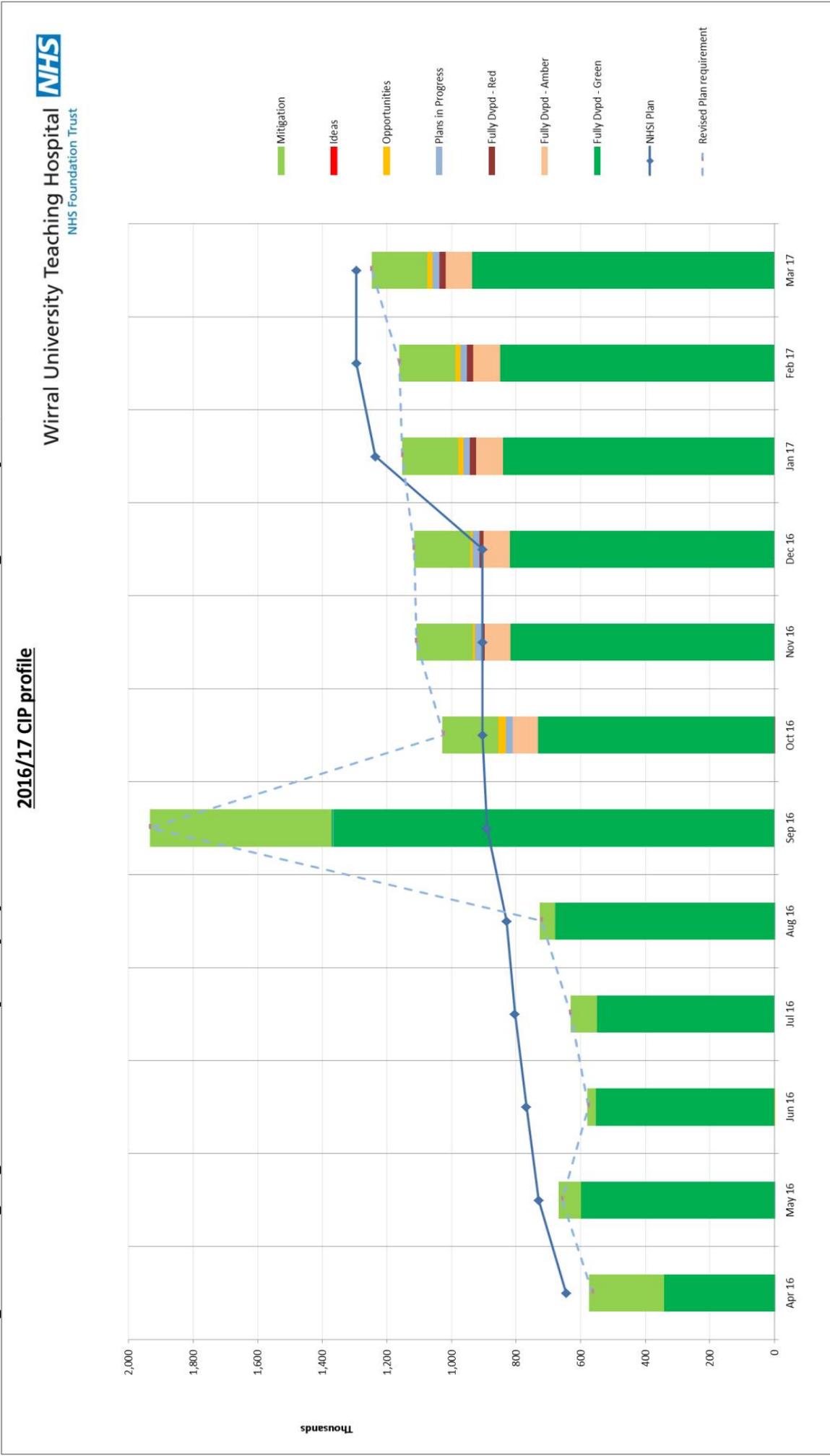
The Board of Directors are asked to note the contents of this report.

David Jago

Director of Finance
October 2016

Appendix 1: CIP Monthly Profile

The following chart highlights the CIP trajectory by Monitor Status and Risk Rating for the year, as at M6.



BOARD OF DIRECTORS	
Agenda Item	6.2.1
Title of Report	Operational Plan 2017/18-18/19: - Aims, metrics and objectives - Timetable - National guidance
Date of Meeting	26 October 2016
Author	Mike Coupe Director of Strategy
Accountable Executive	David Allison Chief Executive
BAF References • Strategic Objective • Key Measure • Principal Risk	Strategic objectives: all Key measure: as specified in metrics cited Principal risk: ALL
Level of Assurance • Positive • Gap(s)	Positive
Purpose of the Paper • Discussion • Approval • To Note	To approve the aims, metrics and objectives proposed To note the timetable and national guidance
Data Quality Rating	Bronze – qualitative data
FOI status	Document may be disclosed in full
Equality Impact Assessment Undertaken • Yes • No	No

1. Executive Summary

This report sets out

- Strategic aims together with draft metrics and objectives underpinning the Operational Plan for 2017/18-18/19
- A detailed timetable for production of the Plan
- A summary of national guidance on the 2017/18-18/19 planning round.

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2. Strategic aims, metrics and objectives

These are set out in Appendix 1. Work on the metrics continues. An oral update will be provided to the Board.

3. Timetable

Set out below is a timetable for delivering the Operation Plan:

Key deadlines for planning and contracting processes and information publication dates	Date
SMT scene setting to extended SMT	15 September
Planning Guidance published + Technical Guidance issued	22 September
Initial STF 2017/2018 guidance issued to providers	30 September
FSPG 1 st discussion on Plan on a Page	19 October
Commissioner allocations, provider control totals and STF allocations published	21 October
Submission of STPs	21 October
Finance Committee	21 October
Board Update	26 th October
IMAS Capacity and Demand complete by divisions	31 st October
Commissioners (CCGs and direct commissioners) to issue initial contract offers that form a reasonable basis for negotiations to providers	4 November
SWAC planning and contracting session	10 th November
Medicine planning and contracting session	TBC
Providers to respond to initial offers from commissioners (CCGs and direct commissioners)	11 November
FSPG draft on Plan on a Page	23 rd November
Submission of full draft 2017/18 to 2018/19 operational plans	24 November
Finance Committee	16 December
FSPG Final on Plan on a Page	21 st December
National deadline for signing of contracts, submission of final approved 2017/18 to 2018/19 operational plans, aligned with contracts (Final contract signature date for avoiding arbitration)	23 December

4. National guidance

A summary of NHSE/I guidance is at Appendix 2.

5. Recommendation

The Board is asked to

- **Approve the strategic aims, metrics and objectives**
- **Note the timeline for delivery of the Plan and the national guidance.**

WIRRAL UNIVERSITY TEACHING HOSPITAL NHS FOUNDATION TRUST

A FRAMEWORK FOR THE 2017/18-18/19 OPERATIONAL PLAN

- Strategic aims: Delivery of/ progress towards strategic aims is assessed through a set of KPIs/ metrics

NB:

Text in yellow: to be confirmed

Text in red: to be reviewed/agreed by SMT

STRATEGIC AIM		KPI/METRIC
To be:	the top NHS Trust in the north west for patient and staff satisfaction	<ul style="list-style-type: none"> • A Friends & Family Test recommendation score above 95% • A non-recommendation score of below 2%
To deliver:	consistently high quality secondary care services enhanced through the provision of regional specialist services within available resources	<ul style="list-style-type: none"> • A "Good" CQC rating • A Harm Free Care score no lower than 95% • Improvement towards the high priority clinical standards for 7 day working i.e. Standard 2: Time to Consultant Review Standard 5: Access to Diagnostics Standard 6: Access to Consultant-directed Interventions Standard 8: On-going Review • Improvement in antimicrobial prescribing and resistance rates Value TBC dependant on 16/17 Outturn • Meet agreed targets for CPE, C-Diff and VRE rates Value to be confirmed dependant on 16/17 Outturn • A Hospital Mortality Rate below the national mean
To prioritise:	the development of new models of care in cooperation with our acute/secondary, primary, community and social care partners	<ul style="list-style-type: none"> • A year on year reduction in the level of emergency admissions for acute conditions not usually requiring hospital admission bringing Wirral nearer to the NHS England average • A year on year reduction in ED attendances moving towards best quartile nationally. • A year on year reduction in non-elective admissions moving toward best quartile nationally. • A year on year reduction in avoidable readmissions (as a percentage of all admissions) • A reduction in average length of stay (ALOS) bringing WUTH in line with best quartile performance.
To build on:	joint working with partner organisations to deliver the maximum operational and financial benefits	<ul style="list-style-type: none"> • Delivery of System Control Total • Improved outcomes Wirral Wide via Right Care Data • Agreed milestones on Population Health development with NHS England (tbc dec 16)

To ensure:	our people are aligned with our vision	<ul style="list-style-type: none"> • <i>Progress towards an accountable care organization/system</i> • An attendance rate above 96% • An appraisal rate of 88% • A Mandatory Training rate of 95% • Progress towards being in the top 20% of NHS employers for staff satisfaction as measured by the NHS Annual Staff Survey by 2018 • Year on year improvement in Leadership and Management metrics as measured by the Annual Staff Survey, patient surveys and the Friends and Family Tests
To guarantee:	the sustainability of the Hospital through the transformation of service provision and system performance	<p>Delivery against all agreed milestones for the Sustainability & Transformation Plan and the Local Delivery System Plan relating to</p> <ul style="list-style-type: none"> • Demand management and prevention at scale • Clinical variation and service configuration • Back and middle office integration • New ways of working
To maximise:	the benefits of innovation in clinical and organisational practice, enabling technologies and the role of the Trust as a teaching institution	<ul style="list-style-type: none"> • To achieve the agreed outcomes of the centre of global digital excellence with NHS England (TBC dec 16)
Enabled by:	financial, commercial and operational excellence	<ul style="list-style-type: none"> • Compliance with NHSI agreed 4hr Trajectory towards 95% • Compliance with NHSI 18 week Trajectory towards 92% • Compliance with all national Cancer targets • ATC score • Use of Resources score • Quarterly allocation of Sustainability & Transformation Fund monies • NHSI governance rating

- Objectives cover 2 years and are defined as actions or outputs grouped under the following headings

- Quality
- Clinical and organisational practice
- HR/OD
- IT
- Estates/ facilities
- Finance.

<p>Clinical and Organizational practice</p>	<p>NHS Constitution access standards</p> <p>Waiting time in ED:</p> <ul style="list-style-type: none"> • Reporting to the A&E Delivery Board we will work with partner agencies to implement the findings of the CCG's review of urgent care • We will act on the recommendations of the <i>A&E Rapid Implementation Guidance</i> with a particular focus on <ul style="list-style-type: none"> - Avoiding admissions by streaming to primary care - Reducing bed occupancy and length of stay by improving flow within the hospital through the roll out of SAFER' and the use of other improvement methodologies - Improving discharge by applying <i>discharge to assess and trusted assessor</i> principles - Avoiding transfers to A&E by working with the 111 service and North West Ambulance Service to develop alternative services (in & out of hours) <p>Referral to treatment/national cancer standards:</p> <ul style="list-style-type: none"> • We will implement the findings of the whole patient pathway, ensure that demand & capacity balance and improve the way we manage the use of agreed patient pathways • We will improve our performance management arrangements (including the use of 'high visibility' metrics) <p>7 day working</p> <ul style="list-style-type: none"> • We will work to improve the priority clinical standards for 7 day working <ul style="list-style-type: none"> - Standard 2: Time to Consultant Review - Standard 5: Access to Diagnostics - Standard 6: Access to Consultant-directed Interventions - Standard 8: On-going Review <p>Cheshire & Merseyside Sustainability & Transformation Plan</p> <ul style="list-style-type: none"> • We will work with partner organisations across Cheshire and Merseyside to progress STP plans (when published) for <ul style="list-style-type: none"> - Managing demand and preventing ill-health - Reducing clinical variation and reconfiguring hospital services
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	<ul style="list-style-type: none"> - Consolidating clinical and non-clinical support services - Introducing new organisational and management arrangements <p>The Acute Care Alliance with the Countess of Chester NHS Foundation Trust to implement:</p> <ul style="list-style-type: none"> • We will work with our colleagues in CoCH on <ul style="list-style-type: none"> - Implementing an agreed model for the future development of women's and children's services in South Mersey - Plans for the development of Clatterbridge Hospital as a combined centre for elective care - Future service delivery and management arrangements for urology and vascular services <p>Healthy Wirral</p> <ul style="list-style-type: none"> • We will work with our partners in the local health and social care system on <ul style="list-style-type: none"> - The rollout of population health management - The integration of health and social care - Creating a closer relationship between secondary and primary care - Improving the performance of the local system to match the best 10% in England
<p>Quality</p>	<p>Friends & Family Test</p> <ul style="list-style-type: none"> • We will <ul style="list-style-type: none"> - Introduce new mechanisms for obtaining feedback in areas with high volumes of patient contacts (eg A&E and Outpatients) - Implement formal performance management arrangements for inpatient areas identified as requiring improvement <p>CQC rating</p> <ul style="list-style-type: none"> • We will obtain a 'Good' rating when re-inspected in 2017 and a rating of 'Outstanding' in 2019 by <ul style="list-style-type: none"> - Implementing our Quality Strategy and complying with the recommendations of our 2015 inspection - Continuing our Care Quality Inspections and the ward accreditation programme - Developing a programme for the minimisation of clinical variation in collaboration with other hospitals in Cheshire - Creating a Quality Governance Team supporting Divisional clinical governance arrangements

Harm Free Care

- Our priorities are
 - Pressure Ulcers
 - Falls
 - VTE
 - Catheter associated UTIs
- We will also develop a Harm Free Care collaborative with partners to drive improvements across the whole health care system

Mortality

- We will continue to deliver a Hospital Mortality Rate below the national mean by
 - Implementing our Quality Strategy
 - Meeting the Acute Care Scores for Advancing Quality

IPC

We will prioritise

- Maintenance of our proactive HIPV programme
- Early detection
- Prompt isolation of patients
- Improved use of isolation facilities

Complaints

We will deliver a year on year reduction in the number of complaints and a year on year improvement in response times by

- Applying Value Stream Mapping to the complaints process
- Introducing Matron Clinics to drive local ownership of the resolution of complaints
- Opening a new communications hub providing patients, members of the general public and staff with support in the management of concerns and complaints

Estates	<p>We will continue to support our estate and its infrastructure by</p> <ul style="list-style-type: none"> ▪ An estates partnership with CoCH as part of an acute care alliance following tender process advert in October 2016 via the Official Journal of the European Union for public sector contracts ▪ Working as part of an LDSP in order to maximise our estate and that of our partners in community and primary care ▪ The continuation of our ward refurbishment programme ▪ Agreement of and implementation of divisional priority for capital schemes
HR and OD	<p>Through 2017-19 we will continue to deliver our Workforce and OD Strategy</p> <ul style="list-style-type: none"> • To deliver a <i>healthy organisational culture</i> we will <ul style="list-style-type: none"> - Establish clear values & behaviours - Embed LIA further and deeper in the organization - Implement our Health & Wellbeing Plan • To develop a <i>sustainable workforce</i> we will <ul style="list-style-type: none"> - Workforce plan at Trust & Divisional level - Have a greater focus on medical job planning - Address recruitment & retention issues across key service areas - Develop new ways of working (ANP, ENP, Associate Physician) • To develop a <i>capable workforce</i> we will <ul style="list-style-type: none"> - Implement a local educational strategy and improve E-Learning usage - Drive up Education KPI's - Align contribution, recognition and reward - Ensure NMC Revalidation • To develop <i>effective leaders and managers</i> we will <ul style="list-style-type: none"> - Implement our clinical engagement plan - Provide local support in developing leaders and managers

	<p>- Roll out coaching, mentoring and supervision</p> <p>Informatics</p> <p>We will progress a series of developments within the hospital to accelerate and the work that we have been doing to digitise the patient record including:</p> <ul style="list-style-type: none"> • Paperless clinical processes for our doctors • Completing our work on medicines management, to include advanced functionality with regard to our most complex medicines management issues • Investment in further medical devices to replace our legacy equipment • Digitised image management • E-Communication capability • Bringing the Microbiology service onto Wirral Millennium. <p>We will continue the development of a population health management approach across the health economy, including;</p> <ul style="list-style-type: none"> • A series of further disease and wellness registries • Investment in a transformation capability to drive the health economy and organisational benefits • The development of a health economy wide command centre and advanced population health analytics capability. • World class cyber security <p>To achieve this we will work with a series of strategic partners, including;</p> <ul style="list-style-type: none"> • The local Health Economy • Cerner • The Wider NHS • The Academic Health Science Network • Advancing Quality Alliance • A series of global leaders, particularly with regard to clinical pathways and population health.
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Finance

We will deliver the Trust's control total by

- Implementing the relevant recommendations of Lord Carter's review of hospital performance and productivity to allow us to deliver an ATC figure that keeps us below the national average
- We will prioritise
 - Establishing the Carter Review agenda as a specific workstream of the Service Transformation Team
 - Using the Carter Review work done to date to inform implementation of the Sustainability & Transformation Plan
 - Creating a dashboard enabling the monitoring of progress
- Working with partner agencies in Cheshire and Merseyside to deliver identified corporate and middle office efficiencies
- Promoting use of the Value Equation in organizational business decisions

SUMMARY

SECTION 1: INTRODUCTION AND CONTEXT – IMPLEMENTING SUSTAINABILITY & TRANSFORMATION PLANS (STPs)

- Key task is to drive improvements in health and care; restore/maintain financial balance/ deliver core access and quality standards
- This via STPs – with partnership working as the norm
- Need for system-wide set of changes to ensure right care, right place and optimal value
- Annual planning and contracting round to be streamlined
- 2 year contracts and plans
 - Based on STPs
 - 2 year activity/ workforce/ performance trajectories
 - 2 year tariff and CQUINs [Commissioning for Quality & Innovation payment]
 - Expectation of alignment between provider and commissioner plans
 - Deadline 23/12/16
- STP level control total – but potential for sub STP control totals
- All organisations accountable for individual organisation specific control total *and* STP control total

SECTION 2: PRIORITIES AND PERFORMANCE ASSESSMENT

- 9 'MUST Dos' [but not all relevant to WUTH]
- Must Do 1: STPs
 - Deliver milestones
 - Deliver on agreed trajectories against agreed core metrics
- Must Do 2: Finance
 - Deliver organisational control total
 - Deliver STP/ local demand growth mitigation and provider efficiency targets
 - Progress demand reduction measures inc. implementing RightCare; elective care redesign; urgent/emergency care redesign; supporting self care and prevention; progressing population health models of care; medicines optimisation; improving continuing care
 - Progress provider efficiency schemes inc. pathology/ back office rationalisation; procurement, pharmacy and estates transformation; improved rostering and job planning; implementation of GIRFT [Getting It Right First Time]; implementation of new models of acute collaboration and integrated primary and community services
- Must Do 4: Urgent and emergency care
 - Deliver 4 hour A&E standard (to include implementation of 5 elements of A&E Improvement Plan)
 - By November 17 meet the 4 priority standards for 7 day hospital services for all urgent network specialist services

- Implement the Urgent and Emergency Care Review
- Deliver a reduction in the proportion of ambulance 999 calls that result in avoidable transportation to A&E
- Must Do 5: Referral to treatment times and elective care
 - Deliver NHS Constitution standard re RTT [referral to treatment]
 - Deliver patient choice of first outpatient appointment and achieve 100% use of e-referrals by April 18
 - Streamline elective care pathways inc. outpatient redesign
 - Implement *Better Births*
- Must Do 9: Improving quality
 - Roll out of organisational quality improvement plans
 - Measure and improve efficient use of staffing using National Quality Board resources
 - Publish findings from review of (avoidable) deaths and actions taken
- Progress in key areas will be monitored against agreed trajectories/metrics - to be defined but will include
 - Finance: performance against organisation specific and STP control totals
 - Quality: A&E performance; RTT performance
 - Health outcomes/ care redesign: progress against cancer taskforce implementation plan, hospital total bed days per 1000 population, emergency hospital admissions per 1000 population

SECTION 3: DEVELOPING OPERATIONAL PLANS AND AGREEING CONTRACTS

- NHSI [NHS Improvement] requirements of provider plans to be published
- Plans will need to demonstrate
 - Delivery of 9 MUST DOs
 - Delivery of STP (milestones/deliverables)
 - How income, workload and staffing are reconciled to ensure delivery of organisational and STP control totals
 - Activity plans reflecting STP and commissioner plans
 - Use of private sector
 - CIPs [cost improvement plans]
 - Risks and mitigation
 - Impact of new models of care
- Continued use of Standard Contract - contracts to be signed by 23/12
- Arbitration as a last resort: seen as evidence of failure to collaborate/ poor governance

SECTION 4: FINANCE AND BUSINESS RULES

STP System and Control totals:-

- STP areas to submit plans demonstrating aggregate balanced position across both years. Operational plans covering 17/18-18/19 will be the detailed plans for the first two years of the STP.

- STP financial and activity planning (including growth moderation) should be aligned to organisational plans.
- STP aggregate level finance/workforce plans with STP financial control totals, organisational plans need to be aligned to aggregate plans.
- System control totals no greater than sum of individual organisation control totals but responsibility lies with each statutory organisation. STP footprint has no statutory legitimacy.
- STP leaders will have to embed strong governance process and structure to hold the ring on system workforce/finances/activity etc.
- Application process for organisation flexibility on control totals so long as system control total is not breached.
- Larger STPS e.g Cheshire & Merseyside may propose to NHSI/NHSE [NHS England; NHS Improvement] a subdivision of geography for control total purposes.

Approach to Efficiency:-

- Guiding principles set out in July document “Strengthening Financial Performance & Accountability”. Individual bodies to be held to account to live within resources available.
- Provider aggregate financial balance needs to be delivered (after taking account of Sustainability & Transformation Fund [STF] deployment). Deterioration will not be tolerated with it to be risk mitigated by efficiency above and beyond national 2% recognising organisational failure to deliver on opportunities available in previous years.
- Efficiency challenge to be supported by national programmes e.g. RightCare, GIRFT, Carter, New Models of Care and Urgent & Emergency care.
- Increased pace of change in delivering efficiency required driving out unwarranted variation in quality and costs. Focus and accountability for delivery on;
 - I. STP footprint for Pathology and Back office functions
 - II. Procurement in line with mandated goods list
 - III. Implement Carter recommendations
 - IV. E-rostering and job planning improvements, to deliver reduced agency/premium costs and increase clinical productivity. KPIs to be used such as Care Hour per Patient per Day.

National Tariff:-

- Two year tariff using Phase 3 HRG4+, subject to agreement cost uplift 2.1% and efficiency set at 2%.
- Local payment reform is encouraged to support redesign of first outpatient appointments, introduction of advice and guidance services.
- Percentage of follow up costs bundled into first appointments to be increased, 30% adult surgical specialties and 20% medical specialties.
- Education and Training tariffs largely unchanged. Transition to national tariff to continue in line with transition plan with gains/losses to be capped.

Sustainability & Transformation Funding:-

- STF must deliver pound for pound improvement in aggregate position.
- WUTH 17/18 STF at £8.87m, agency ceiling at £8.11m.
- 2017/18 baseline performance trajectories will be 2016/17 agreed trajectories. WUTH delivery of improvement plan for A&E.

Financial Risk Reserve:-

- System to look at both commissioner and provider to create financial risk reserve by;
 - I. CCG 1% non-recurrent with 0.5% uncommitted £360m
 - II. NHS England to hold £200m
 - III. 0.5% local CQUIN scheme to be held in risk reserve. Providers who do not hit 16/17 control total this will be held back by CCG prior to potential release. For WUTH this means circa £1.25m.

CQUIN & Quality Premium:-

- Nationally identified indicators will have 1.5% linked to delivery, separate consultation on national indicators currently running.
- Local schemes earmarked 1% with 0.5% held as risk reserve.

SECTION 5: COMMISSIONING IN THE EVOLVING SYSTEM

- CCGs [Clinical Commissioning Groups] to take larger role in commissioning primary medical care
- CCGs to take larger role in specialised commissioning
- Expectation that 'boundaries' of CCGs will change – loss of some functions to Accountable Care Organisations (ACOs); implementation of new care models; merger

BOARD OF DIRECTORS	
Agenda Item	6.2.2
Title of Report	Annual Plan 2016/17:Mid-Year Review of Performance Against Operational Objectives
Date of Meeting	26 October 2016
Author	Mike Coupe Director of Strategy
Accountable Executive	Chief Executive
BAF References <ul style="list-style-type: none"> • Strategic Objective • Key Measure • Principal Risk 	Strategic objectives: all Key measure: as specified in objective metrics Principal risk: all
Level of Assurance <ul style="list-style-type: none"> • Positive • Gap(s) 	Positive
Purpose of the Paper <ul style="list-style-type: none"> • Discussion • Approval • To Note 	To note
Data Quality Rating	Bronze – qualitative data
FOI status	Document may be disclosed in full
Equality Impact Assessment Undertaken <ul style="list-style-type: none"> • Yes • No 	No

1. Executive Summary

This report provides a mid-year review of performance against operational objectives for 2016/17.

2. Background

Set out below is a table illustrating the Trust's current strategic aims and the operational objectives for 2016/17.

Strategic aim	2016/17 objective
<p>To be: the top NHS Trust in the north west for patient and staff satisfaction</p>	<ul style="list-style-type: none"> • We will deliver a Friends and Family test recommendation score of above 95% and a non-recommendation score of below 2% • We will deliver a year on year reduction in the number of complaints and a year on year improvement in response times • We will deliver a year on year improvement in our staff satisfaction survey score and achieve 3.74 in the 2016 NHS Staff Survey
<p>To deliver: consistently high quality secondary care services enhanced through the provision of regional specialist services within available resources</p>	<ul style="list-style-type: none"> • We will continue to deliver our quality strategy and build on the recommendations of our September 2015 CQC inspection • We will deliver the Harm Free Care programme and ensure that our harm free care score is no lower than 95% • We will deliver a Hospital Standard Mortality rate that is better than expected
<p>To prioritise: the development of new models of care in cooperation with our acute/secondary, primary, community and social care partners</p>	<p>The Trust will continue to support the roll out of the Healthy Wirral programme in order to deliver:</p> <ul style="list-style-type: none"> • A reduction in the level of unplanned hospitalisation for chronic ambulatory care sensitive conditions bringing Wirral nearer to the NHS England average • A reduction in the level of emergency admissions for acute conditions not usually requiring hospital admission bringing Wirral nearer to the NHS England average • A year on year reduction in ED attendances • A year on year reduction in non-elective admissions • A year on year reduction in avoidable readmissions (as a percentage of all admissions) • A year on year reduction in admissions from nursing homes • A reduction in ALOS bringing WUTH in line with best quartile performance • A Year on year reduction in outpatient referrals and overall activity. <p>The Trust will work with its acute/secondary, primary, community and social care partners on the 'end to end' redesign of the unscheduled care system and services for older people.</p> <p>The Trust will work with the Countess of Chester NHS Foundation Trust to deliver</p> <ul style="list-style-type: none"> • An agreed model for the future development of women's

	<p>and children's services in south Mersey</p> <ul style="list-style-type: none"> • An agreed model for the future development of ENT, maxillo-facial and ophthalmology services
<p>To build on: joint working with partner agencies to deliver the maximum operational and financial benefits</p>	<p>The Trust will progress:</p> <ul style="list-style-type: none"> • The development of a VAT efficient Special Purpose Vehicle for service delivery • A Strategic Estates Partnership with a third party • The integration of back office and clinical support functions with the Countess of Chester <p>We will develop and implement a strategy to support a closer working relationship with primary care services</p>
<p>To ensure: our people are aligned with our vision</p>	<p>We will continue the on-going delivery of the Workforce and OD strategy in order to deliver</p> <ul style="list-style-type: none"> • A healthy organizational culture • A sustainable and capable workforce • Effective leaders and managers <p>We will work to deliver absence rates below 4%, Appraisal rates of 88% and a Staff FFT continued improvement to achieve trajectory target of 3.74 for 2016 NHS Staff Survey</p> <p>We will increase the number of staff attending Listening into Action events by 20%</p>
<p>To guarantee: the sustainability of the Trust through the transformation of service provision and system performance</p>	<p>The Trust will contribute to the development of the Sustainability & Transformation Plan for the period to 2021 across the Wirral, South Mersey and Cheshire & Mersey footprints and achieve all 2016/17 milestones</p>
<p>To maximise: the benefits of innovation in clinical and organisational practice, enabling technologies and the role of the Trust as a teaching institution</p>	<ul style="list-style-type: none"> • We will work towards full digitization of the Electronic Patient Record • We will work towards the achievement of HIMMS level 6 • We will look to improve our digital maturity index score
<p>Enabled by: financial, commercial and operational excellence</p>	<ul style="list-style-type: none"> • We will ensure the delivery of NHS Constitution access standards: The 18 week referral to treatment target, an improvement on the 4 hour emergency target in year and delivery of and national cancer standards. • We will deliver national infection prevention control targets for Clostridium Difficile • We will implement the relevant recommendations of Lord Carter's review of hospital performance and productivity in order to deliver an Adjusted Treatment Cost figure putting WUTH in top 10% of NHS Trusts in England • We will deliver a Financial Sustainability Risk Rating score of 2 • We will continue to work to improve our NHSI governance rating

3. Performance Against Operational Objectives

Set out below is a table illustrating performance against objectives:

2016/17	Mid-Year Performance
To be: the top NHS Trust in the north west for patient and staff satisfaction	
We will deliver a Friends and Family test recommendation score of above 95% and a non-recommendation score of below 2%	As of August 2016 Inpatients and Maternity services are delivering this objective with both areas above 95% for recommendation. ED is reporting 88% for August (best in region) after electronic recording was introduced in May 2016. Outpatients for August 2016 were on 94%. All areas are achieving the non-recommend score or better
We will deliver a year on year reduction in the number of complaints and a year on year improvement in response times	There has been a reduction April to September 2016 from the same period 2015 of 277 to 178 complaints. Internal target has been set for 80% complaints to be resolved within period agreed with complainant: Achievement at month 6 is 79% cumulative.
We will deliver a year on year improvement in our staff satisfaction survey score and achieve 3.74 in the 2016 NHS Staff Survey	Staff survey undertaken September 2016
To deliver: consistently high quality secondary care services enhanced through the provision of regional specialist services within available resources	
We will continue to deliver our quality strategy and build on the recommendations of our September 2015 CQC inspection	<i>Palliative Care and EOL:</i> The palliative and EOL strategy has been updated. Initiatives delivered include, awareness week, recruitment of medical and nursing staff, leadership review, plans for colocation of team & introduction of record of care. <i>Maternity:</i> Cultural review completed including leadership review with new matron structure. <i>ED:</i> Development of the ambulatory care unit and assessment areas to improve patient flow. Specialist Nurses for Older People introduced <i>Critical Care:</i> Increased visibility of IP&C team and risk management. New matron appointed <i>Safeguarding:</i> Training needs analysis complete and training strategy commenced
We will deliver the Harm Free Care programme and ensure that our harm free care score is no lower than 95%	Above target at end Q2 and on target to achieve in year
We will deliver a Hospital Standard Mortality rate that is better than expected	The Trust is above trajectory to achieve this.
To prioritise: the development of new models of care in cooperation with our acute/secondary, primary, community and social care partners	
The Trust will continue to support the roll out of	Healthy Wirral funding was removed from 16/17

the Healthy Wirral programme	and the programme reconsidered. Healthy Wirral is now being developed to form part of the LDSP. £500k was offered Wirral wide from Local Authority for Diabetes and Respiratory multi partner pilots to continue and these have done with proposed new models of care in draft with the CCG for 17/18. Population Health work has continued and has contributed to the positioning of the Trust as a global digital exemplar.
The Trust will work with its acute/secondary, primary, community and social care partners on the 'end to end' redesign of the unscheduled care system and services for older people.	The A&E delivery board has been established on a Wirral and Western Cheshire footprint, The Trust is working with the whole health and social care economy as part of the Unscheduled Care and Care of Older Peoples VSA, both of which concludes December At month 6 the Trust is achieving its agreed 4 hr trajectory
The Trust will work with the Countess of Chester NHS Foundation Trust to deliver An agreed model for the future development of women's and children's services in south Mersey An agreed model for the future development of ENT, maxillo-facial and ophthalmology services	A model for South Mersey Women and Children's Services based on the Acute Care Alliance with CoCH has been submitted to the Cheshire and Mersey Women and Children's Vanguard board in support of the STP There has been no progress on ENT, Maxillio-Facial and Ophthalmology. Work on Vascular and Urology has been initiated
To build on: joint working with partner agencies to deliver the maximum operational and financial benefits	
The development of a VAT efficient Special Purpose Vehicle for service delivery and a Strategic Estates Partnership with a third party	The Trusts Strategic Estates Partnership with CoCH tender is due to go to advert in October 2016 via the Official Journal of the European Union for public sector contracts
The integration of back office and clinical support functions with the Countess of Chester	Initial scoping completed. Further bilateral work suspended pending outcome of work at STP and LDSP levels
We will develop and implement a strategy to support a closer working relationship with primary care services	Primary Care engagement been increased through engagement with. <ul style="list-style-type: none"> • GP Federations • LMC • CCG via <ol style="list-style-type: none"> 1. Healthy Wirral 2. CCG developing Primary Care Strategy
To ensure: our people are aligned with our vision	
We will continue the on-going delivery of the Workforce and OD strategy to deliver: Absence rates below 4%, Appraisal rates of 88% and a Staff FFT continued improvement to achieve trajectory target of 3.74 for 2016 NHS Staff Survey	September 2016 sickness is 3.76% September 2016 appraisal rate is 86.87% NHS staff survey due for completion September 2016
We will increase the number of staff attending Listening into Action events by 20%	The Trust is on track to achieve this target. Total attendance for 15/16 was 1682. As of month 6 16/17 attendance is 1491
To guarantee: the sustainability of the Trust through the transformation of service provision and system performance	

The Trust will contribute to the development of the Sustainability & Transformation Plan for the period to 2021 across the Wirral, South Mersey and Cheshire & Mersey footprints and achieve all 2016/17 milestones	All milestones have been achieved to date and the Trust is on plan to support the final Cheshire and Mersey STP submission
To maximise: the benefits of innovation in clinical and organisational practice, enabling technologies and the role of the Trust as a teaching institution	
We will work towards full digitization of the Electronic Patient Record	In November 2016 the Trust will “go live” with phase 3 of Cerner Millennium implementation which will significantly digitise the inpatient record.
We will look to improve our digital maturity index score	We have been awarded status as a Centre of Global Digital Excellence.
We will work towards the achievement of HIMMS level 6	The Trust will move towards level 6 and 7 in November 2016 with Millennium phase 3. The digital global excellence award will enable further work on medicines management processes to finalise HIMMS 6 and 7.
Enabled by: financial, commercial and operational excellence	
We will ensure the delivery of NHS Constitution access standards: The 18 week referral to treatment target, an improvement on the 4 hour emergency target in year and delivery of and national cancer standards.	The Trust is above the agreed STF trajectory at month 6 for the 4 Hr target The Trust is on plan to meet cancer targets at month 6 and is not expecting any delivery issues during 2016/17 The Trust is not meeting 18 week RTT trajectory targets at month 6. The Trust has developed an action plan focused on training of staff, establishment of a patient tracking team and monitoring of performance across a range of domains via a comprehensive suite of management information reports. The Trust is also exploring the benefits the Intensive Support Team could bring to the required improvement
We will deliver national infection prevention control targets for Clostridium Difficile	At end Q2 the Trust is on target to achieve this. The annual target is 29 and the Trust has reported 8 avoidable cases to this period.
We will implement the relevant recommendations of Lord Carter’s review of hospital performance and productivity in order to deliver an Adjusted Treatment Cost figure putting WUTH in top 10% of NHS Trusts in England	Good progress is being made on various aspects of the recommendations made in the Lord Carter report “Removing Unwarranted variation”. FBPAC has received briefing note on procurement element with further update paper to come at future meeting. Elements of the Carter report are contained within Model hospital portal with strong performance on Pharmacy but need for review in other areas.
We will deliver a Financial Sustainability Risk Rating score of 2	The Board has received detailed financial analyses on key issues qtr by qtr on delivering the control total, the £5.0m stretch challenge in qtr 4, consequent risk and loss of STF in qtr4 of £2.5m and adverse consequences in respect of delivering an FSRR at level 2. The Board is asked to note a change in metric, that from 1 st October re “use of resources “which WUTH at the end of September is currently at level 3
We will continue to work to improve our NHSI governance rating	The Trust has agreed Sustainability and Transformation Fund (STF) Trajectories for

	NHSI which have been achieved for A & E from April 16 to date. The Trust is balancing the achievement of STF trajectories for RTT with the need to meet the financial challenges. This has involved a risk based methodology to minimise the risk to quality of care. Cancer targets are all on track. C difficile rates are well below the annual target of 29 and on track.
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4. Recommendation

The Board is asked to note the contents of this report.

DRAFT

Board of Directors	
Agenda Item	7.1
Title of Report	NHS Improvement - Mth 6 Compliance Report
Date of Meeting	26 th October 2016
Author	Shahida Mohammed - Assistant Director of Finance
Accountable Executive	David Jago - Director of Finance
BAF References	8
<ul style="list-style-type: none"> • Strategic Objective • Key Measure • Principal Risk 	8d
Level of Assurance	
<ul style="list-style-type: none"> • Positive • Gap(s) 	Positive
Purpose of the Paper	To Note
<ul style="list-style-type: none"> • Discussion • Approval • To Note 	
Data Quality Rating	Silver – quantitative data that has not been externally validated
FOI status	Document maybe disclosed in full
Equality Impact Assessment Undertaken	No
<ul style="list-style-type: none"> • Yes • No 	

Executive Summary

The following commentary details the Trust's financial position as at the end of September (Month 6) and cumulatively against the 2016/17 plan.

NHSI have confirmed a governance return is not required for quarter 2, on the basis they are currently transitioning to the Single Oversight Framework which was introduced for NHS trusts and NHS foundation trusts to manage/stabilise the growing pressures in 16/17. The document sets out a series of actions designed to support the NHS to achieve financial sustainability and improve operational performance. It includes a significant finance/use of resources component designed to promote financial control, increase the focus on efficiency and enable early identification of those providers that require the most intensive support. NHS Improvement is also working with CQC to develop a combined assessment of quality and finance use of resources, so that providers deemed to be successful must deliver fully on both dimensions.

Month 6 2016/17 Financial Commentary for NHS Improvement

The Trust recorded an actual normalised surplus in month 6 of £0.4m which was some £0.8m better than the planned deficit of (£0.4m). The improved performance in month delivered a Q2 deficit of (£3.4m), which is (£0.2m) above plan. The adverse performance relates to the non delivery of RTT trajectories during August and September. The YTD position has been delivered utilising non recurrent and technical savings; the underlying pressures within the Trust's financial position are reviewed below.

A key driver of the adverse performance has been pay costs, reflecting operational pressures in achieving RTT, A&E 4 hr. targets and increased escalation areas as a result of increased demand for non elective patients. The increased demand is due to a reduction in step down beds within the health economy as a result of savings within the Better Care Fund (BCF), currently 20 step down beds have been reduced within the health economy which has resulted in the requirement for escalation beds to be opened within the Trust. A further 9 step down beds are due to be reduced within the economy in October in addition to the all-day health centre, which currently deflects patients from A&E. The Trust continues to work with the health economy to mitigate as best as possible the impact of these changes

The Trusts cash position at the end of month 6 is £3.3m which is £0.2m ahead of plan. While the YTD cash position is positive the non cash backed savings in the YTD position and the deterioration in financial performance over the latter half of the year will put cash balances under strain. The effects of the pressure will be reflected in the next 13 week cash flow which will be submitted to NHSI during October which will identify the Trust requiring further cash support.

The table below highlights the overall position in month and year to date after impairments.

	MONTH 6			YTD		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
NHS Clinical Income	24.650	24.068	(0.582)	146.814	146.815	0.001
Non NHS Clinical Income	0.152	0.118	(0.034)	0.912	0.865	(0.047)
Non Clinical Income	2.353	2.555	0.202	13.854	14.850	0.996
TOTAL INCOME	27.155	26.741	(0.414)	161.580	162.530	0.950
Employee Expenses	(18.219)	(18.597)	(0.378)	(109.240)	(111.891)	(2.651)
Other Operational Exp.	(8.198)	(7.538)	0.660	(48.807)	(48.220)	0.587
TOTAL EXPENSES	(26.417)	(26.135)	0.282	(158.047)	(160.111)	(2.064)
EBITDA	0.738	0.606	(0.132)	3.533	2.419	(1.114)
Post EBITDA Items	(1.139)	(1.639)	(0.500)	(6.709)	(7.263)	(0.554)
Net Surplus/(Deficit)	(0.401)	(1.033)	(0.632)	(3.176)	(4.844)	(1.668)

Normalised Surplus/(Deficit)	(0.401)	0.429	0.829	(3,176)	(3,383)	(0.207)
EBITDA Margin %	2.72%	2.27%	(0.45%)	2.19%	1.48%	(0.70%)

NHS Clinical Revenue

Cumulatively all points of delivery (PODs) are underperforming in terms of actual activity delivered against the initial plan, with the exception of A&E and elective excess bed days. This predominantly reflects the increase in emergency demand and patient complexity. The position also reflects a richer case mix which has impacted the financial position in non-elective activity. The year to date over recovery in Non PbR areas mainly reflects over performances in, neonatal and direct access pathology activity.

The Trust continues to benefit from the envelope agreed with Wirral CCG at the start of the financial year by £2.6m. While this is supporting the financial position this year continued non delivery of activity will impact on the starting point of negotiations with the CCG for next financial year.

Non NHS Clinical Income

The overall position on Non NHS Clinical Income is marginally below plan in September largely due to an under-recovery on ICR income this month and private patients.

Non Clinical Income

In September (Month 6) Non Clinical Income exceeded plan by £0.2m and cumulatively is c£1.0m over recovered. The in-month over achievement relates to higher research & development and SIFT income reflecting a non-recurrent adjustment on training tariffs relating to M1-6. The accounting adjustment change for population health is a further c£0.4m of the cumulative variance from plan this is matched with increased expenditure to the same value.

Operating Expenditure

In September (Month 6) operating expenditure is underspent by (£0.3m) increasing the years to date overspend to (£2.1m).

Pay costs exceeded plan by (£0.4m) in September, and are showing a cumulative overspend of (£2.6m). The issues driving the current adverse performance in pay are:

- A reduction in the provision of intermediate care beds within the health economy has resulted in an increased unplanned demand for non-elective beds within the Trust. As a result of this pressure escalation beds have remained open driving the adverse pay performance (c£0.6m ytd). The Trust is continuing to work with the health economy to try to reduce this pressure going forward and is currently reviewing the winter plan as a senior team.
- Other operational pressures in medical staffing costs have continued during the month. Within the Emergency Department, the medical staffing position has improved in but there remains a c£(0.4)m ytd pressure; there are further critical medical staffing gaps in other specialties, resulting in premium agency or locum staff being utilised to cover the gaps. WLIs have reduced significantly in September as focus is now on using core capacity to deliver RTT targets and spend is now marginal in a couple of specialties for RTT and some

cancer target areas however ytd is still a £(0.6)m pressure. Non –delivery of CIP on pay work-streams is a £(0.4)m further pressure that has been mitigated by non-recurrent vacancy support. A further £(0.6)m cumulatively reflects numerous further pressures across the other pay categories

Focus within the Trust continues to remain on the use of non-core pay spend across all staff categories and continuing development of recruitment and retention strategies to address staffing gaps together with mitigating the slippage on the delivery of CIP schemes.

Agency spend, during September was marginally underspent against the agency ceiling, and remains c£0.1m cumulatively below the NHSI ceiling rate. This reflects the work the Trust is undertaking on managing premium agency costs across the organisation.

Non pay costs are £0.7m below plan in September and cumulatively £0.6m lower than plan. In September there is £0.8m improvement on other operating costs (premises) which relates to a renegotiated contract variation for the Cerner system.

EBITDA

Operating income under recovered in September by (c£0.4m) reflecting under performances in associate contracts, operating expenditure under spent by c£0.3m. The combined EBITDA position is an adverse variance of (c£1.1m) YTD.

Post EBITDA Items

The Trust has delivered savings during September in depreciation and Public Dividend Capital (PDC). This is due to the revaluation of the Trusts estate and an extension to the current Cerner health contract. Impairments following the revaluation of (c£1.5m) have also impacted upon the Trusts position but these will be normalized out. It must be noted that the savings associated with depreciation will not deliver a cash benefit to the Trust and this will be reflected in the 13 week cash flow submitted to NHSI during October.

Achievement of the 2016/17 Cost Improvement

The 2016/17 plan assumes the achievement of c£8.5m of cost improvement programmes and £2.7m revenue generation schemes through the year, delivering a combined total of £11.2m. Plans amounting to some £9.5m have been identified and were extracted according to the profile of the schemes, with the unidentified balance of £1.7m extracted in a flat profile (12 ths). The CIP position at Month 6 (including non-recurrent schemes) can be summarised as follows:

Theme	YTD Plan (Mth 6) £m	YTD Actual £m	Variance (£m)
Productivity & Efficiency	1.5	0.8	(0.7)
Workforce	1.1	0.6	(0.5)
Cost Control & management	0.9	0.9	0
Estate Management	0.4	0.3	(0.1)
Income	0.6	0.6	0
Other schemes	0.2	1.9	1.7
TOTAL	4.7	5.1	0.4

The latest in year forecast has increased to c£11.9m, underpinned by the depreciation review and Cerner contract savings. The challenge continues to be the conversion of ideas and opportunities into expenditure releasing recurrent schemes as the Trust progresses through the financial year. The Trust is closely monitoring the non recurrent schemes due to the impact on the underlying position.

The Trust continues to focus its attention on managing performance against schemes identified and milestones agreed through the Transformation Steering Group (TSG).

The Trust is mindful of the financially challenging environment and the need to maintain pace and focus in the identification of initiatives and subsequent delivery. The Service Improvement team is working closely with the Divisions to secure the achievement of the 2016/17 CIP requirement.

Statement of Financial Position for the period ending 30th September 2016

Total taxpayers' equity equals £115.6m, this is significantly below the plan figure of £130.5m reflecting the revaluation exercise which was not included in the initial plan.

The main variances against plan are explained below.

a) Non-current assets

Capital assets are below plan by £17.5m at month 6. This variance is detailed in the table below.

Capital variances	£m
16/17 brought forward balances above plan (revaluation)	4.2
Capex underspend	-2.2
Depreciation below plan	0.8
Month 6 revaluation, not included in plan	-20.1
Derecognition correction for a finance lease	-0.1
Disposals exceeding plan	-0.1
Total variance of capital assets to plan	-17.5

b) Current assets

Current assets exceed plan by £3.3m. £3.2m relates to current trade and other receivables, of this £2.3m can be attributable to the profiling of the STF allocation, inventories a slightly behind plan (£0.1m). The remaining variance reflects the cash position, which exceeds plan by £0.2m.

The cash variance is detailed below:

Cashflow variances	£m
16/17 brought forward cash balance exceeded plan	1.2
EBITDA below plan	-1.1
Working capital movements	-3.7
Capital expenditure (cash basis) behind plan	2.9
Working capital facility drawn down ahead of plan	1.0
PDC dividend paid below plan	-0.1
Total variance of cash to plan	0.2

c) Current liabilities

Current liabilities exceed plan by £1.8m, within this trade and other payables are above plan by £0.3m, deferred income is above plan by £0.5m, and borrowings are ahead of plan by £1.0m reflecting the early draw-down of the agreed working capital facility.

d) Non-current liabilities

Non-current deferred income is below plan by £1.5m, due to technical adjustments to an IFRIC 12 asset which affected 2016/17 brought forward balances.

Financial Sustainability Risk Rating (FSRR)

The Trust has achieved an overall FSRR of 2. This overall score, and each individual rating, is broadly in line with plan with the exception of the “capital servicing capacity”.

Control Total and Sustainability and Transformation Fund (STF)

At the end of Q2 the Trust has delivered its financial operational plan excluding STF. The variance to the overall plan relates to the non achievement of RTT for August and September in line with the trajectory agreed at the start of the financial year.

Conclusion

The Trust has made improvements within the quarter to deliver the financial plan in line with the Board agreed recovery plan that was submitted to NHSI during August. While the Trust has delivered the Q2 position it has been achieved by utilising non recurrent benefits within expenditure, technical accounting reviews and supported by the fixed value envelope within income (£2.6m). These benefits will put pressure on the underlying position of the Trust as we enter the planning cycle for 2017/18 and 2018/19 and will be duly considered as part of the process.

As reported during the health economy meeting during September the Trust is forecasting to deliver a deficit of c£10m. The deterioration is a result of the £5m health economy challenge not being concluded, operational pressures within the Trust which have arisen and are outside of the Trusts control, and under performance against income contracts. This will subsequently result in the non-delivery of the Q4 position will also mean a further £2.5m reduction in the STF available to the Trust in the last quarter. Given the recent guidance and protocols to be adhered to on revisions to forecast outturn this will be incorporated into Q3 submissions going forwards.

Whilst cash is currently above plan the non cash related savings discussed above and the deteriorating financial position will mean that further cash support will be required in the coming months. This will be reviewed in line with the processes already being followed with NHSI.

The Trust continues to work with all partners across the health economy to support the delivery of a sustainable health service within the Wirral LDSP.

David Jago
Director of Finance
October 2016

Board of Directors	
Agenda Item	7.2
Title of Report	Report of the Finance, Business Performance and Assurance Committee - 21 October 2016
Date of Meeting	26 October 2016
Author	Andrea Hodgson, Chair of the Finance, Business Performance and Assurance Committee
Accountable Executive	David Jago, Director of Finance
BAF References	
<ul style="list-style-type: none"> • Strategic Objective • Key Measure • Principal Risk 	4, 7, 8 4a, 7a, 7b, 7d, 8a, 8c, 8d, 5, 6, 7, 8, 9, 16, 17, 20
Level of Assurance	Gaps with mitigating action
<ul style="list-style-type: none"> • Positive • Gap(s) 	
Purpose of the Paper	Discussion
<ul style="list-style-type: none"> • Discussion • Approval • To Note 	
Data Quality Rating	N/A
FOI status	Document may be disclosed in full
Equality Impact Assessment Undertaken	N/A
<ul style="list-style-type: none"> • Yes • No 	

This report provides a summary of the work of the Finance, Business Performance and Assurance Committee which met on the 21 October 2016. Key focus areas are those which address the gaps in assurance/control in the Board Assurance Framework.

M6 Financial Position

The Committee reviewed the cumulative year to date position presented a cumulative net surplus of £429k, which was £829k above plan. The cumulative position has largely been achieved utilising recurrent and non-recurrent and technical savings that have arisen as a result the recent estate revaluation and impairment provision release. However, the Committee noted the continued underlying adverse performance in pay costs reflecting operational pressures and maintaining increased escalation areas.

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The Financial Sustainability Risk Rating (FSRR) was reported at level 2 in line with plan as a result of the Income and Expenditure (I&E) variance.

The Committee noted the work required to bridge the Q3 residual expenditure gap which would include the impact of the asset accounting changes, revised scrutiny in the use of agency staff and further employment of cash preservation methods. The Committee requested that the mitigating plans to establish a sustainable operating model to fulfil financial requirements was escalated to the Board of Directors meeting on 28 October 2016.

The Committee was disappointed to note a deteriorated forecast cash position as a consequence of compliance with external requirements, received following month 4. The Committee requested that a report outlining the significant impacts on the cash position between M4 to M6, including the overall impact on the Trust Working Capital Facility and requirement for further distressed funding, was presented at the Board meeting. The current and anticipated future impact of cash position was also to be reflected within the Board Assurance Framework.

The risks and appropriate mitigations were outlined and debated by the Committee in relation to income, expenditure, CIP and cash. The Committee discussed escalation to Board on the risks around the year end outturn, residual expenditure gap and deteriorated forecast cash position.

Cost Improvement Programme at M6

The Committee received the Cost Improvement Programme (CIP) performance at M6 which confirmed achievement of £5.1m cumulative savings, which was £416k above plan as a consequence of utilising recurrent and non-recurrent savings as a result of the technical revaluation and release of associated provisions which resulted in an increased year-end forecast of £11.9m against £11.2m.

The Committee was disappointed to note scheme deferral but noted that replacement initiatives would be sought and supported by the ongoing recruitment to the Transformational Team which would assist in the support and upskill of the Divisions to ensure completion of future schemes.

2017-2019 Service Transformation Portfolio and Cost Improvement Planning

The Committee received the Service Transformation Portfolio and Cost Improvement Planning for 2017-2019 which was under development with the assistance of operations, finance and strategy colleagues.

The Committee was pleased to note the revised CIP methodology which would see the introduction of robust governance arrangements to support a 2 to 3 year CIP cycle which would see the delivery of truly transformational initiatives; but recognised the importance of also identifying short term delivery schemes in order to maintain pace.

Procedures of Low Clinical Value

The Committee received the report outlining the operational and financial impact of the notice received from Wirral Clinical Commissioning Group (WCCG) regarding the revised commissioning arrangements for procedures of low clinical value (PLCV).

The Committee was advised that the Trust had performed approximately 3,500 affected PLCV since the start of the 2016/17 financial year which had generated £1.5m income. The Committee noted that payment for PLCV services undertaken for the year to date was provided for within the current contract and that the Trust write to the WCCG confirming such. The Committee also requested that consideration was given to a new risk associated with potential non-payment which, if necessary, were to be reflected within the BAF.

The Committee was alerted to the potential receipt of notice from WCCG outlining further changes to commissioning for additional PLCV, the impact of which would be outlined to the Committee in a follow-up report.

The Committee noted the challenge to Divisions to evaluate the clinical and financial implications to inform capacity and demand planning for 2017/18.

Agency Cap Compliance Report

The Committee received the Agency Cap Compliance Report which confirmed that the Trust remained broadly within the agency cap for M6 but recognised that further reduction in agency utilisation was essential. The Committee noted the report reported in detail the factual position, and that explanation for any breach and non compliance was required. Further, the Committee requested that the remedial activities to redress were captured.

The Committee was alerted to the receipt of new guidance on agency expenditure which required monthly CEO sign off of prospective agency spend. The Committee reviewed the self-certification checklist issued as part of the revised guidance and agreed that particular consideration was to be given to developing a collaborative approach for those requirements outlined under the working with your health economy section which pertained to whether:

- The board and executives have a good understanding of which service lines are fragile and currently being sustained by agency staffing,
- The trust has regular executive-level conversations with neighbouring trusts to tackle agency spend together.

The Committee requested that a report which outlines the guidance expectations and impact to the Trust, including identifying where robust process and controls could evidence the requirements, and where management assurances would be sought to enable the Committee to provide confidence to the Board that necessary control and oversight was in place and that this be presented at the December 2016 meeting.

Performance Report for Period Ending 30 September 2016

The Committee noted that the Trust had reported a performance of 89.08% for the 4 Hour A&E Standard for September 2016. It was confirmed that work to improve patient flow and discharge to realise an improvement in performance would be undertaken by specifically developed task and finish groups.

The Committee was disappointed to note that the Trust reported a performance of 88.61% for RTT for September 2016. To address performance issues, it was confirmed that a pathway mapping exercise had been undertaken to identify areas for improvement and that the NHSI Intensive Support Team had been engaged.

The Committee noted that the Trust had reported 4 avoidable cases of C.diff during September 2016 resulting in a cumulative position of 8 and noted the overall positive performance in comparison to 22 cumulative avoidable cases during the same period in 2015/16. The Committee noted that the importance of maintaining the strict HPV cleaning regime in order to minimise the risk of contamination.

The Committee was pleased to note the ongoing compliance with all cancer targets.

Winter Plan

The Committee received the Winter Plan which outlined the 2016/17 provision as 29 onsite beds and 35 beds spread across 3 care homes within the local area. The Chief Operating Officer confirmed that Trust Winter Plans would be available to NHSI, NHS England and the CQC via a variety of fora.

The Committee noted its concern in respect of the lack of central funding to support the Winter Plan and subsequent potential negative impact on the Trust cash and forecast I&E position for Q3 as a potential consequence of approving the funding the additional required costs. The Committee sought clarification on the potential risks associated with opting not to implement a Winter Plan and after careful consideration, requested that a report be presented to the Board of Directors outlining all risks associated with the Winter Plan to inform the decision making process.

Divisional Service Line Reporting – Q4 2015/16

The Committee was advised of plans to optimise theatre utilisation and introduction of virtual clinics to redress the current financial deficit reported by the Surgery, Women and Children's (SWaC) Division.

The Committee stated the importance of the SWaC Division utilising more sophisticated modelling tools to ensure compliance with forecast performance which would be subject to continuous check and challenge.

Improving Data Quality

The Committee received the first Improving Data Quality Report which offered positive confirmation of data validity through external review and outlined the mitigating actions undertaken to address identified in respect of data quality.

The Committee noted the reporting structures established to address identified data quality issues but recognised the requirement to develop a feedback pathway from the Divisions to enable the Information, Information Governance and Coding Group to track the progress of mitigating actions.

The Committee requested that future Data Quality reports assume a risk focus to ensure the minimisation of Trust exposure to inaccurate data.

NHS Improvement – Monthly Return

The Committee noted the content of the NHS Improvement (NHSI) Month 6 financial commentary which detailed the financial position at the end of September 2016 and cumulatively against the 2016/17 plan.

Procurement Performance Report

The Committee was pleased to note the achievement of the Towards Excellence Procurement Accreditation.

The Committee sought confirmation from the Head of Procurement that assessment of the Trusts performance against the Lord Carter requirements had been completed and would be updated on a regular basis to support the formal Board reporting obligations expected from October 2016.

The Committee was advised of the receipt of the pricing index which would be subject to analysis to facilitate identification of key opportunities and top areas of performance, the findings of which would be presented at the January 2017 meeting.

Informatics and Medical Devices Programme Updates

The Committee was advised of the expectation to implement phase 3 of Wirral Millennium on 25 November 2016, subject to the resolution of recently identified clinical safety issues. The Director of IT provided confirmation that he had secured his availability to remain accountable for the successful leadership and support the planned implementation at the end of November. It was confirmed that input would be sought from the Divisional Clinical Directors to facilitate a comprehensive evaluation of the clinical safety issues to inform the go live decision.

The Committee noted that the Global Digital Excellence Award would be transformed into a Strategy by the newly appointed Director of Information and IT which would inform the development of a Memorandum of Understanding to outline the developments for which the Trust would be held to account.

Andrea Hodgson

Chair of Finance, Business Performance and Assurance Committee

BOARD OF DIRECTORS

UNAPPROVED MINUTES OF MEETING

28 SEPTEMBER 2016

**BOARDROOM
EDUCATION CENTRE
ARROWE PARK HOSPITAL**

Present

Michael Carr	Chairman
David Allison	Chief Executive
Cathy Bond	Non-Executive Director
Andrea Hodgson	Non-Executive Director
Graham Hollick	Non-Executive Director
Janelle Holmes	Chief Operating Officer
David Jago	Director of Finance
Cathy Maddaford	Non-Executive Director
Mark Lipton	Interim Medical Director
John Sullivan	Non-Executive Director
Gaynor Westray	Director of Nursing and Midwifery

In attendance

Carole Self	Director of Corporate Affairs
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Apologies

Jean Quinn	Non-Executive Director
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Reference	Minute	Action
BM 16-17/126	Apologies for Absence Noted as above	
BM 16-17/127	Declarations of Interest None	
BM 16-17/128	Patient Story The Director of Nursing and Midwifery presented a story from a patient who had recently received care in the endoscopy department. The patient described the appointment staff as helpful; the prior information as reassuring and the care as competent and thorough which included her aftercare.	
BM 16-17/129	Chairman's Business The Chairman reported upon three recent consultant appointments, these being: <ul style="list-style-type: none"> • Dr Azar – Histopathology • Dr Naz –Nephrology • Dr Pennington – Obstetrics and Gynaecology • Dr Puravell – Palliative care • Dr Langford – palliative care The Board was updated on the outcome of the recent Governor elections	

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Reference	Minute	Action
	<p>as follows:</p> <p>New Public Governors included:</p> <p>Anna Pearce for Bebington and Clatterbridge Frances Rimmer for Birkenhead, Tranmere and Rock Ferry</p> <p>New Staff Governors included:</p> <p>Armit Kang - Other Healthcare Professional</p> <p>Staff Governor Re-appointments included:</p> <p>Carol Skillen – Registered nurses and midwives Norman Robinson – Other Trust staff</p> <p>Board members were reminded of the forthcoming Annual Members Meeting which was planned for the 23rd November 2016.</p>	
<p>BM 16-17/130</p>	<p>Chief Executive's Report</p> <p>The Chief Executive focussed on the following areas from his report:</p> <p>Medical Director – the Board was advised that Dr Gilby had accepted the post of Medical Director following the recent recruitment process. Plans were underway to agree an appropriate start date. The Board was pleased to note that Dr Mark Lipton would continue in the interim Medical Director post until the new year.</p> <p>Director of Informatics and Infrastructure – the Chief Executive confirmed that the interview date had now been set for 5th October 2016.</p> <p>NHS Improvement/NHS England meeting 22 September 2016 – the Chief Executive provided an overview of the meeting which had been many months in the offering and which was established to consider how the health economy could work together to meet the £5m system control total. He confirmed that it soon became clear that due to the deteriorating financial position of the CCG that no support would be forthcoming as all efforts would have to be directed into developing and delivering a system wide recovery plan.</p> <p>Junior Doctors Industrial action – the Board was pleased to note the decision to cancel the industrial action planned</p> <p>A & E Delivery Board – the Board was updated on the proposals for the new Delivery Board at a Wirral level and a Wirral and West Cheshire level led by the Chief Executive</p> <p>Strategy – the Chief Executive confirmed that the LDSP submission for Wirral and Cheshire was required by 12 October in readiness for the STP submission on a Cheshire and Merseyside basis on 21 October 2016. He expressed concern that the work on the Acute Care Alliance had slowed as a result of the work at an LDSP and STP level however this now needed to be accelerated. The Board was advised that of the lack of pace in terms of a development of an Accountable Care Organisation and of the plans to meet with the Chief Executive of the Local Authority and the Accountable Officer of the CCG to progress this. The decision of the CCG</p>	

Reference	Minute	Action
	<p>to no longer fund a proportion of procedures of limited clinical value was debated together with the practicalities of administering the new regime and the impact on the financial position in 17/18. The Chief Executive confirmed that the situation with the CCG was impacting more widely with other hospitals who were above their activity trajectory now having to limit this or risk not being funded.</p> <p>GP Federation – the Board was advised that a workshop had been planned for 3 November to support each other on integrated working.</p> <p>Global Digital Exemplar – the Board was extremely pleased to note this recent announcement and expressed their thanks to all involved in the development of the bid.</p>	
<p>BM 16-17/131</p>	<p>Integrated Performance Report</p> <p>The Chief Operating Officer presented the Integrated Performance Report and highlighted the following:</p> <p>A & E 4 hour standard – The Board was updated on the continued improvement which was over and above the sustainability and transformation fund STF trajectory. The position including the all-day health centre was reported for August as 86.26% and without it at 89.48%. The Chief Operating Officer advised that the focus and actions being derived from the task and finish groups was now providing some traction.</p> <p>Referral to Treatment RTT – the Chief Operating Officer reported the position for August as 90.58% which was below the national standard and STF trajectory. The Board was advised that the cessation of waiting list initiatives for all specialities except cancer, as previously agreed due to financial constraints, had inevitably impacted on this. The Board was advised that Divisions were working on their forecasting and demand and capacity plans which would be presented shortly.</p> <p>C difficile rates – the Director of Nursing and Midwifery confirmed that there had been 4 avoidable cases reported to date against a trajectory y.t.d. of 9.</p> <p>Cancer – all access targets were reported as achieved. The Board was also advised that the breach allocation policy had been revised although no issuers were anticipated.</p> <p>Never Event – the Never Event in ophthalmology was formally noted by the Board noting that the Board had already been advised of this in the absence of a meeting in August.</p> <p>Advancing Quality – the improvements in Heart Failure and Community Acquired Pneumonia were noted by the Board.</p> <p>The Board was pleased to note the improvements in A & E particularly in light of 2% increased activity. The Board sought clarity on when RTT would be achieved. The Chief Operating Officer advised that this may take some time to achieve as the Trust improves its ability to forecast and determines the impact of the cessation of procedures of limited clinical value and waiting list initiatives.</p>	
<p>BM 16-17/132</p>	<p>Month 5 Finance Report</p> <p>The Director of Finance reported that at M5 the Trust had delivered an £813K deficit which was £66K better than the planned deficit of £879K</p>	

Reference	Minute	Action
	<p>although this was after the use of £0.5M of non-recurrent provisions. The cumulative deficit was reported as £3,811k this being £1,034k worse than the deficit plan of £2,777K . The Board was advised of the benefit year to date of the contract financial envelope and the risk therefore on the financial position for 2017/18.</p> <p>The Director of Finance confirmed that £3,149k of efficiencies as at the end of August had been delivered against a target of £3,775k although again this included £0.5M of non-recurrent savings delivered by the Divisions.</p> <p>The cash balance as at the end of August was reported at £4,784k this being £1,312k above plan.</p> <p>Capital expenditure was reported at £1,716k under plan as at the end of August as a result of delayed starts on some capital spend although no major concerns were highlighted. The Board sought to understand the main areas of delay which were confirmed as Cerner and the neuro rehabilitation centre.</p> <p>The Financial Sustainability Risk Rating FSRR was reported as 2 which was in line with the plan however the margin between a FSRR 1 and 2 was reported as less than £0.5M reduction in the Trust income and expenditure position.</p> <p>The Board sought assurance on the work being undertaken in the Divisions to improve the financial position and performance activity. the Director of Finance confirmed that the Division of Surgery Womens and Children was £1.8M below plan if a full payment by results contract had been agreed. He confirmed that further work to improve clinical assumptions; lower waiting list initiatives and use of agency was being undertaken as well as the work required to address the £600K slippage on the savings plan. The Board was advised that the restorative actions agreed by the Divisions in August would not impact on the financial position until September.</p> <p>The Board supported the use of technical revisions to support the financial position but because of concerns agreed that further understanding of the impact was required. The Director of Finance agreed with the Board's concerns and welcomed a more open discussion. He also confirmed that centrally it had been recognised that the STF funding would remain in place until 2020.</p> <p>The Board debated at length the concerns on activity flows and forecasting and agreed that the work described by the Chief Operating Officer on demand and capacity planning was welcomed.</p> <p>The Board thanked the Director of Finance for the report and in particular the detailed breakdown on pay costs.</p>	
BM 16-	Report of the Quality and Safety Committee	

Reference	Minute	Action
17/133	<p>Ms Maddaford presented the report from the Quality and Safety Committee held on 14 September 2016. Key highlights included:</p> <p>The Board Assurance Framework – Ms Maddaford confirmed that the Committee reviewed the proposed methodology and approach to the Board Assurance Framework and was fully supportive of this.</p> <p>Improving Future reporting - The Board was advised that the Committee reviewed the full CLIPPE report during this meeting as opposed to the traditional summary from the Clinical Governance Group, this was with a view to standardising and improving reporting in the future and ensuring the Trust shared learning at every opportunity. The Committee confirmed that it reviewed a variety of annual reports placing greater reliance on Executive summaries produced by Executive Leads. The approach was designed to ensure that leads focussed on providing assurance as well as escalating concerns in the future.</p> <p>Improved quality - The Board was advised that Ward 30 had achieved “gold” status and that the new accreditation scheme was now linked with the internal care quality inspections.</p> <p>Quality Account – missed medications was raised as an area of concern. The Board sought to understand the reasons for this and what support Cerner could provide in terms of providing alerts for high risk medicines.</p>	
BM 16-17/134	<p>Nurse Staffing Report</p> <p>The Director of Nursing and Midwifery presented information on registered nurses/midwives and clinical support workers staffing data including vacancy rates and staffing related incidents up to August 2016.</p> <p>The Board was pleased to note the nurse vacancy rate which was reported at 2.11%, although the Director of Nursing and Midwifery highlighted that this was higher for Band 5 nurses in certain areas citing medicines and acute as the highest at 7.21%. Recruitment was reported as ongoing with 18 newly qualified recruits due to start in September and the additional support put in place for those nurses coming from overseas or as part of the retention exercise.</p> <p>The Director of Nursing and Midwifery reported on the care hours per patient day CHPPD for each ward from May to August 2016 against their overall fill rates which provided further assurance when fill rates had decreased but CHPPD rates had remained static, which was deemed to be a better reflection of staffing levels. She confirmed that the Model Hospital portal would allow for benchmarking on CHPPD which would be reported in future.</p> <p>The Board was pleased to note that the number of safe staffing incidents had reduced in August and noted the action being taken to address the concerns with insufficient cover for deprivation of liberty DoLs patients.</p>	

Reference	Minute	Action
	<p>The Board sought to understand how ward 17 could have a fill rate of 120% and was advised that this was associated with the skill mix required resulting in greater numbers of staff required.</p> <p>The Director of Nursing and Midwifery was asked whether the changes in future funding for nurses would impact on the Trust’s source of recruitment. She confirmed that this would however the Trust was exploring the use of rotational posts as a way of attracting nurses in the future as well as the introduction of a nurse associate role.</p> <p>The Board agreed that it needed to understand how the Trust benchmarked against the CHPPD indicator in the future and in particular what the significant variances in reporting were signalling. The Board raised concerns with CHPPD levels on ward 36 especially in light of the cohort of patients on the ward that required greater levels of support and the high vacancy rates on the ward. The Board also sought to establish how labour intensive reporting of CHPPD was and how this had been received amongst the clinical workforce. The Director of Nursing and Midwifery reported that this had been well received by ward sisters although there was recognition that recorded in “real time” was still an issue.</p> <p>The Board thanked the Director of Nursing and Midwifery for the report and how this was developing as it supported the discussion and mitigation of a range of risks.</p>	
<p>BM 16-17/135</p>	<p>CQC Action Plan Progress</p> <p>The Director of Nursing and Midwifery advised the Board that the CQC had formally acknowledged the change in Nominated individual to herself following the departure of Dr Evan Moore. The Board formally noted the change.</p> <p>The Board acknowledged receipt of the regulatory action plan, circulated under separate cover, and agreed to review progress as outlined in the Executive Summary.</p> <p>The Director of Nursing and Midwifery advised the Board that the new risk management system procurement process would conclude in December 16 although interim solutions had been put in place. The improvement in the timely production of death certificates was reported although it was acknowledged that more work was required to ensure that this was improved from 59% in 24 hours and this was being progressed with clinical service leads and through the listening into action work. The progress made on compliance with MCA and safeguarding training was reported positively as was the notable improvements outlined in the report.</p> <p>The Board was updated on the outcomes from the CQC “deep dive” events which reported good progress and promoted positive feedback. The next engagement meeting with CQC was confirmed as 29 September 2016.</p> <p>The Director of Nursing and Midwifery confirmed that the Trust was</p>	

Reference	Minute	Action
	<p>undertaking a full review against all the fundamental standards and that the next CQC “deep dive” would focus on key areas arising from this, examples being missed medication and nutrition and hydration.</p> <p>The Board was updated on the achievements in End of Life Care in particular the record of care although it recorded its disappointment that the Community Trust had not yet rolled this out. The actions taken by the Trust were commended by the Board but again further work from partners was required and expected.</p> <p>The Board gave thanks for the report and the progress made.</p>	
<p>BM 16-17/136</p>	<p>National In-Patient Survey</p> <p>The Director of Nursing and Midwifery presented the results of the 2015 National In-patient Survey which was published by CQC on 8th June 2016. The Board was provided with an overview of the report as follows:</p> <ul style="list-style-type: none"> • For the majority of the published questions these were classed by CQC as “about the same” • The Trust scored in the top performing trusts as “better” in two questions <ul style="list-style-type: none"> ➢ Q57 Did you get enough support from health and social care professionals to help you recover and manage your condition? ➢ Q65 Did hospital staff take your family or home situation into account when planning your discharge? • The Trust did not feature in the worst performing trusts in any category <p>The survey also highlighted where the Trust had significantly improved in 12 areas compared to the 2014 survey. The Director of Nursing and Midwifery confirmed that this information had been shared amongst staff and with our Commissioners.</p>	
<p>BM16-17/137</p>	<p>NHS England EPRR Core Standards Compliance Report</p> <p>The Director of Nursing and Midwifery presented the Trust’s compliance self-assessment against the revised NHS England Emergency Preparedness, Resilience and Response EPRR core standards and the methodology deployed to achieve this.</p> <p>The Board was advised that the self-assessment had concluded that there were no RED areas of concern, 3 AMBER areas requiring further improvement with the remainder being green. The Director of Nursing and Midwifery confirmed that this assessment had been supported by the Head of EPRR at NHS England.</p> <p>The Board reviewed the 3 AMBER areas and was advised that work was underway to achieve compliance and in particular that the business impact assessments would be in place by the end of the year. The Board sought and received assurance that the action planned would sufficiently mitigate</p>	

Reference	Minute	Action
	<p>any risk.</p> <p>The Board expressed their thanks for the report and noted its contents therein.</p>	
BM16-17/138	<p>External Assurance - NHSI Q1 Feedback Letter</p> <p>The Board formally received the NHSI letter and noted its contents.</p>	
BM16-17/139	<p>Report of the Finance Business Performance and Assurance Committee (FBPAC)</p> <p>The Committee Chair presented the report from the FBPAC committee and highlighted the following areas of work undertaken:</p> <ul style="list-style-type: none"> • A review and the support of the Committee for the changes to the Board Assurance Framework • The Expression of Interest for the Centre of Global Digital Excellence • The approval of the Management of Suppliers and Supplier Representatives Policy • Review of the agency spend with a request that areas of non-compliance be more visible in future • The current position with regards to One to One and the plans for future working with the recommendation that the Audit Committee will review the final position with One to One at its meeting in December • The approval of the integrated reference and training costs 2015/16 <p>The Committee agreed to escalate to the Board the risks associated with the year-end outturn, receipt of the STF monies and the lack of a robust system wide plan to secure the £5M health economy challenge gap.</p> <p>The Board agreed to discuss in detail the concerns raised as part of their private agenda item on the financial position and future planning.</p>	
BM16-17/140	<p>Chair of the Audit Committee Report</p> <p>Mrs Bond presented the report from the Audit Committee and highlighted the following areas of work undertaken:</p> <ul style="list-style-type: none"> • The review of the BAF methodology ahead of approval by the Board; further work was planned to review the work of the Audit Committee in relation to risk and consideration to be given to what the Committee would require by way of assurance in the future. • The induction training by MIAA for new members of the Committee and some of the challenging questions raised as part of this work • The recommendation that clinical audit be included on the agenda for December in the absence of the lead and the lack of purposeful analysis • The changes to the External Audit Contract to recognise the changes to future auditing standards 	

Reference	Minute	Action
BM 16-17/141	<p>Board of Directors</p> <p>The Minutes of the Board of Directors Meetings held on 27 July 2016 were confirmed as an accurate record.</p> <p>Board Action Log</p> <p>The Board action log was updated as recorded</p>	
BM 16-17/142	<p>Items for BAF/Risk Register</p> <p>The Board agreed to ensure the BAF reflected the latest position with regards to the £5M system control total and the deterioration in the financial position of the CCG.</p>	CS
BM16-17/143	<p>Items to be considered by Assurance Committees</p> <p>The Board requested the following:</p> <ul style="list-style-type: none"> • Finance Business Performance and Assurance Committee – to review the impact on efficiency and future funding as a result of the decision by Wirral Commissioners to not fund procedures of limited clinical value. • Quality and Safety Committee – to review the quality and safety impact of the decision by Wirral Commissioners to not fund procedures of limited clinical value 	
BM 16-17/144	<p>Any Other Business</p> <p>None</p>	
BM 16-17/145	<p>Date and Time of Next Meeting</p> <p>Wednesday 26th October 2016 at 9.00 a.m. in the Boardroom, Education Centre, Arrowe Park Hospital.</p>	

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Chairman

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Date

ACTION LOG
Board of Directors
Updated – September 2016

No.	Minute Ref	Action	By Whom	Progress	BoD Review	Note
Date of Meeting 28.09.16						
1	BM16-17/142	The Board agreed to ensure the BAF reflected the latest position with regards to the £5M system control total and the deterioration in the financial position of the CCG.	CS		Oct 16	
Date of Meeting 27.07.16						
2	BM16-17/100	Levels of staffing reduced in May and June – clarify how many of these were Band 5 nurses	GW		Sept 16	
3	BM16-17/100	Nurse staffing data – revisit the numbers included on table 4 in the report to ensure correct	GW		Sept 16	
4	BM16-17/102	The Board recommended that the Trust review its compliance against the boiler exhaust omissions.	MB			
5	BM16-17/104	The Board also agreed that compliance with AQ standards be included in the Board Assurance Framework.	CS	Completed	Sept 16	

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6	BM16-17/111	Include in the BAF the following: <ul style="list-style-type: none"> The impact of the changes proposed in the single oversight framework The interpretation of the STF guidance 	CS	Completed	Sept 16	
7	BM16-17/	Items to be considered by assurance committees: <ul style="list-style-type: none"> FBPAC – an update on how the Divisions are progressing with the demand and capacity work Consider the learning from this and how this might inform the finance report going forward 	JH/DJ		Sept 16	
Date of Meeting 29.06.16						
8	BM16-17/069	Review the corporate governance statements in relation to the CQC action plan; data quality and compliance with statutory access targets	CS	The Board have agreed to review this work at the Development event in Dec	Dec 16	
9	BM16-17/071	Review the risk management process report for Audit Committee in view of the need for greater oversight of this going forward	EM/CB	Scheduled for the December Audit Committee	Sept 16	
10	BM16-17//71	Include the accountable officer for controlled drugs in the roles and responsibilities for the Risk Management Strategy	EM	Completed	Sept 16	
11	BM16-17/074	Review the wider health economy risk on the BAF to reflect the concerns raised at the Board in June 16	CS	Completed	Sept16	
Date of Meeting 25.05.16						

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12	BM16-17/033	Include progress on the implementation of the junior doctors contract as part of the Board Development Programme	CS	Agreed to defer this until November in light of current position	July 16	
13	BM16-17/036	Full review of the performance report to be undertaken to avoid this becoming unmanageable	JH	This work will be undertaken as part of the action plan from the well led Governance review		
14	BM16-17/037	Explore the impact of technology when reporting CHPPD in the future	GW			
15	BM16-17/040	Board to continue to receive CQC updates until the next inspection on a quarterly basis	EM	Included on the agenda for September	September 16	
16	BM16-17/046	Include the CIP £5M gap in the Board Assurance Framework	CS	Completed	July 16	
Date of Meeting 30.03.16						
17	BM15-16/297	Present the Medical Engagement Strategy	EM/JM	This work is underway and will be progressed further upon the commencement of the new Medical Director	May16	
18	BM15-16/299	Update on the number of discharges before noon as a result of the SAFER roll out	CO		April 16	
19	BM15-16/300	Circulate to members the impact of the nursing investment from a financial perspective in order to complete the evaluation process.	GW		April 16	
Date of Meeting 27.01.16						
20	BM15-16/243	Provide a weekly progress report on A & E in light of current performance	CO	Trust above STF trajectories for Q1 and Q2 to date. Board of Directors to continue to receive updates as part of monthly Board of Directors Performance Report.		

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21	BM15-16/244	Further work recommended on the performance report to ensure that the anticipated impact of planned action was captured, together with the risks, which would aid with future evaluation and analysis	MB	This work will be undertaken as part of the action plan from the well led Governance review	March 2016	
Date of Meeting 28.10.15						
22	BM 15-16/163	Surgical Activity -The Board asked for consideration to be given to reporting routinely how and where beds were being protected as well as where these had been absorbed hence impacting on performance.	MB/SG	This work will be undertaken as part of the action plan from the well led Governance review	November 2015	
23	BM 15-16/163	RTT - The Board requested that further consideration be given to implementing an "early warning system" thus using the technology the Trust has.	MB/SG	This work will be undertaken as part of the action plan from the well led Governance review	November 2015	
Date of Meeting 30.09.15						
24	BM 15-16/132	The Board requested that the actions being taken to address areas of under performance in the performance report ranked in terms of desired impact, where possible, to aid with review.	MB	This work will be undertaken as part of the action plan from the well led Governance review	October 2015	

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