Ashford and St. Peter's Hospitals
NHS Foundation Trust

TRUST BOARD
31st January 2019

AGENDA ITEM	17.3	
TITLE OF PAPER	Modern Healthcare Committee Minutes	
Confidential	**NO**	
Suitable for public access	**YES**	
PLEASE DETAIL BELOW THE OTHER SUB-COMMITTEE(S), MEETINGS THIS PAPER HAS BEEN SUBMITTED		
These minutes were reviewed and approved at the Modern Healthcare Committee meeting held on 24th January 2019.		
STRATEGIC OBJECTIVE(S):		
Quality Of Care		
People		
Modern Healthcare	√	
Digital		
Collaborate		
EXECUTIVE SUMMARY		
	The minutes of the Modern Healthcare Committee meeting held on 22nd November 2018 are attached for noting. This was the first meeting of the new Committee with its expanded remit. The key points are: - • reviewed operational performance and noted that continued pressures on delivering the A&E target and required RTT trajectories. The Committee also discussed the transfer of the UTC to Greenbrooks on 1st November 2018 and how this had impacted; • reviewed the Trust's workforce report noting the ongoing workforce challenges faced by the Trust and noted that a number of initiatives that were going to be undertaken in an attempt to reverse the current position and improve the recruitment of nurses in particular; • the month 7 financial position was being shown as meeting the NHSI control total target and hence the Trust would be eligible for the full	

	Provider Sustainability Fund finance element for the year to date. The plan had been adjusted following agreement by the Trust Board as a result of the PSF Incentive Scheme. The Committee noted progress with the land sales and discussions with NHSI regarding financial transaction levels; • received a detailed update on progress at the Trust following a number of GIRFT reviews; and • agreed to the signing of a seven month contract with the current catering provider to bridge the gap between the end of the current contract and the expected start of the new contract.
RECOMMENDATION:	*Receive and note the paper*
SPECIFIC ISSUES CHECKLIST:	
Quality and safety	
Patient impact	
Employee	
Other stakeholder	The impact on stakeholders through the Trust achieving its required financial targets, hence enabling the appropriate investment into services and infrastructure.
Equality & diversity	
Finance	
Legal	
Link to Board Assurance Framework Principle Risk	Financial risks.
AUTHOR NAME/ROLE	Paul Doyle, Deputy Director of Finance Please approach for any further information required.
PRESENTED BY DIRECTOR NAME/ROLE	Meyrick Vevers, Non-Executive Director and Committee Chair
DATE	24 January 2019
BOARD/TEC ACTION	Receive

Ashford and St. Peter's Hospitals
NHS Foundation Trust

MODERN HEALTHCARE COMMITTEE
MEETING MINUTES
22ND NOVEMBER 2018

PRESENT:	Meyrick Vevers	Non-Executive Director
	Neil Hayward	Non-Executive Director
	Marcine Waterman	Non-Executive Director
	Simon Marshall	Director of Finance and Information
	Tom Smerdon	Director of Operations – Unplanned Care
	James Thomas	Director of Operations – Planned Care
	David Fluck	Medical Director
IN ATTENDANCE	Suzanne Rankin	Chief Executive
	Louise McKenzie	Director of Workforce Transformation
	Andy Field	Chairman
	Paul Doyle	Deputy Director of Finance
	Sal Maughan	Associate Director of Corporate Affairs and Governance
	Lorraine Knight	GIRFT Programme Director (item 7.1)
SECRETARY:	Nicky Ghahrai	Associate Director of Financial Management

1. Introductions and Apologies for Absence

Meyrick Vevers welcomed everyone to the meeting and stated that the meeting was quorate.

2. Minutes of the Meeting held on 18th October 2018

The minutes of the meeting held on the 18th October 2018 were agreed.

3. Matters Arising – Actions List

3.1 Actions List

Meyrick Vevers asked if it was agreed that the number of meetings could be dropped to eight or nine, and which were the meetings which would not take place. The Director of Finance and Information said that meetings were required from January to March as that was a busy period with year-end and budget setting, however he thought that April may not be required as the annual accounts would not be finalised in time for the meeting. In addition, the December meeting may not need to take place, although papers could still be circulated. Marcine Waterman commented that she felt the timetable best suited to the business was most appropriate. It was agreed not to hold meetings in April and December, and those meetings would therefore be cancelled. This would reduce the number of meetings to nine as no currently no meetings were held in August. PD

With respect to the action point relating to Standing Financial Instructions and approving tender waivers, it was confirmed that the proposal would go to the November Board meeting for approval.

Marcine Waterman noted that action point 5, relating to recommendations for the risk appetite statement, risk and KPI's was not fully covered on the agenda. She expressed concern that the Committee needed sufficient time to review and discuss these prior to the January Board. The Chief Executive said she did not think that this would be an issue, as only three key indicators were required for focus and sign off at the January meeting.

All other action points were either completed or on the agenda.

4. Operational Performance Report

The Director of Operations – Unplanned Care said that the first half of October had been very difficult, but the second half had been focussed on preparations for implementing the Greenbrooks contract. The 'Making Every Day Count' exercise had boosted performance and ambulance delays had ceased at that point, and had not subsequently resumed. Whilst on one day many delays had occurred, this had enabled learning to take place, and the root cause analysis was being completed.

Attendances in October had reduced slightly in comparison to 2017 (as had August and September); it was felt that extended Primary Care hours in the evenings and at weekends had probably helped. However since Greenbrooks had commenced providing the Urgent Treatment Centre (UTC) service in November, activity had increased again. It was thought that the service may be attracting demand from patients locally.

Neil Hayward asked if any issues had arisen so far with the Greenbrooks service. The Medical Director responded that it had been expected that around 40% of patients would be seen in the UTC, but in fact 70% were being seen at some points in the day which had caused issues. Neil Hayward asked if there was a plan in place to address this, and the Medical Director confirmed that work was taking place in order to improve the service.

Marcine Waterman asked how the Trust's reference costs compared to Frimley Health, and also enquired whether the high agency costs being incurred had reduced. The Director of Operations – Unplanned Care said that agency costs were not expected to reduce in the first month – existing staffing arrangements had been kept until new models were agreed and these were expected to start in early December. The Director of Finance and Information said that Frimley would be more expensive as they had considerably more consultants within A&E than this Trust. However for middle grade medical staff and for nurses there is more reliance on agency staff at St. Peter's Hospital and these costs form part of reference costs. The Director of Finance and Information and Medical Director both commented that both nursing medical staffing were currently being reviewed.

Andy Field asked if the changes would lead to a more efficient and effective service, to which the Director of Operations – Unplanned Care responded that the organisation was on target to achieve this. A falls response scheme was in place, with two to three admissions being avoided daily, domiciliary care was being provided and support to Greenbrooks also, due to the increased activity levels.

Marcine Waterman asked if the NHSI visit had been helpful, and the Chief Executive said she believed it had, as positive messages had been received from the visit, although some areas where further work was required had also been

identified.

Neil Hayward asked for confirmation that NHSI would implement changes to tariffs from the next financial year. The Director of Finance and Information confirmed that this was correct, and the Chief Executive said that local changes also needed to be agreed and were under discussion with commissioners.

The Director of Planned Care said that the Trust recorded a non-compliant performance against the 92% RTT standard, however the Trust was 0.2% ahead of the agreed recovery trajectory (91.3%) for October. The areas of non-compliance were General Surgery, Oral & MaxFacs and Ophthalmology.

Weekend lists and clinics are taking place in Ophthalmology. There are four consultant vacancies, for which fifteen applications have been received. A locum is in post, in addition work is being outsourced to Ashtead and Kingston Hospitals; options involving companies who bring their own staff with them are also being investigated, with one due to start at Ashford Hospital in December.

Meyrick Vevers asked if we can triage the service to ensure that safety and quality are at the expected level. Director of Operations – Planned Care confirmed that in a particular case which had a poor outcome, the waiting list was not a factor, but the administrative process had broken down. Checks are being made for particular factors, e.g. diabetes, and failsafe officers are in place. It has been agreed with NHSI that some resource would be directed to follow-up patients.

With regard to Oral & MaxFacs, an all-day paediatric list would be commencing in December which would address some of the problems in that specialty and will not block adult beds, in order to maximise income.

The Director of Operations – Planned Care said that it was necessary to be ahead of the RTT plan before winter. The Director of Finance and Information said that there was £1m of operational income recovery risk and he was working through this with the CCG. The Chief Executive said that there was some RTT recovery built into the contract but this was very light at c£0.5m, with the gap filled with initiatives to manage demand. There will be a challenge for the commissioners if this is the case with other hospitals too.

Meyrick Vevers asked if the contract was on the basis of reimbursement of fixed or variable costs. The Director of Finance and Information said a marginal rate gives some flexibility, but there is a cost to seeing patients. The Chief Executive said that agreement will be required to balance the activity/finance issue – the commissioners want us to achieve our control total to balance the system.

The Director of Operations – Planned Care also reported that the Trust had dropped below the 98% standard for diagnostics, and had been at 95% in October. This was mainly due to (i) Endoscopy capacity, although weekend work is now taking place, and (ii) CT scans not being undertaken within six weeks, for which increased weekend working and outsourcing is now taking place. Another issue related to Neurophysiology, which had a single consultant who is leaving – a solution is being discussed with St Georges Hospital and the Royal Surrey Hospital.

Andy Field asked about the e-referrals pathway, and whether this had led to any missed appointments or incomplete pathways. The Director of Operations – Planned Care responded that wait times internally set had not been met, as when patients try to book a new appointment they cannot get one within the expected time, due to pressure in the system. Andy Field asked how this could be addressed, to which Director of Operations – Planned Care replied that more clinics could be

provided, since this system had only been live since October, and this level of information had not been available before.

Meyrick Vevers asked about recent press articles about PET scans; the Medical Director confirmed that these were not undertaken by the Trust as these were usually done at cancer centres – however reporting capacity was part of the scanning issue, with increased demand for cross-sectional scans. The Director of Finance and Information said that private scanning capacity could be utilised.

Neil Hayward asked if there had been an issue with Endoscopy cancellations at weekends. The Director of Operations – Planned Care responded that he did not know the DNA rate relating to the weekend specifically, but would obtain details – JT
Endoscopies had been taking place at weekends for many years. The General Outpatient DNA rate is 8%, but outpatient transformation work should improve this. The Medical Director said that he needed to understand medical outsourcing costs due to differing rates paid to outsourced and in-house services.

The Director of Operations – Planned Care confirmed that for TWR referrals, performance had shot up in the month. This was due to a pilot to move some patients to clinic to see whether an Endoscopy was definitely required in October, however activity is expected to drop when this pilot finishes.

The Committee noted the paper.

5. Workforce Report

The Director of Workforce Transformation presented the Workforce Report for October. Changes had been made to the report this month in order to try to set out the current position, risks and mitigations, and progress with recruitment for nurses and midwives, with medical staff shown separately.

The overall position had improved in the last two months with the vacancy rate reducing by 0.5% to 13.3%, and thirty two nurses joining the organisation.

With regard to the forecast position for Band 5 nursing and midwifery recruitment, an item in section 4 was presented which shows progress toward the target to recruit four hundred Band 5 staff by September 2019. This included the use of other healthcare professionals to replace nurses, the tracking of regular recruitment sources, both in the EU and outside it, UK open days and digital marketing which has been targeted at A&E and Surgery so far.

Recruitment is still taking place in Europe, although this only accounts for 10% of planned recruitment currently due to Brexit, and the need to support existing workers from the EU was recognised. Overseas recruitment was taking place in a number of different areas, including Jamaica and India, and as a result new starters from these areas were due to start in December. Issues with IELTS and visas have reduced as the organisation has become more experienced in handling these and applicants are not interviewed until their language test is passed. There is a risk that 10% of new appointments will not start; 20% have not yet been recruited, but overall there is 71% confidence that these starters will commence as expected, as 100% of nursing and midwifery starters had actually taken up their roles in the September to November period due to additional HR resources deployed to keep in touch.

Andy Field said that the report was improved, but would find it useful to track back from the planned start dates from offer acceptance, although he was reassured that 71% was a reasonable assumption. He asked what the expected implications for

year end in terms of usage of temporary and bank staff, and the financial impact resulting from this. The Director of Workforce Transformation confirmed that current retention rates had been applied for this estimate, although work was ongoing to improve these. The Chief Executive asked if the implications of the confidence rating should be adjusted for a 30% anticipated attrition rate by recruiting more staff. The Director of Workforce Transformation responded she would review the calculation of the confidence rating and ensure that the future reports included clarity about it. LM

Marcine Waterman enquired about retention rates as leavers accounted for 64% of the number of new starters. Concern was also expressed that October had thirty five new starters but there was still an increase in temporary staff. The Director of Finance and Information confirmed that on wards there would be a period for which staff are supernumerary due to training etc, but also that temporary nursing staff spend will be distorted by the acuity of patients, although on occasion there have been surplus escalation staff.

The Medical Director said that he was still unclear as to the establishment, and with 1,200 nurses and 600 doctors would expect vacancy rates to be lower, as agency staff often covered additional work rather than vacancies. The Medical Workforce Scrutiny Group is to review the governance of medical bank staff, which was supported by the Chief Executive.

The paper was noted by the Committee.

6. Finances as at 31st October 2018

6.1 Operational Effectiveness/Efficiency Metrics

The Director of Finance and Information introduced the paper by noting that there had not been any significant changes since last month, other than theatres utilisation going up by 6% at Ashford in October.

6.2 Commissioner Contracts update

The Director of Finance and Information confirmed that all contracts except that with North West Surrey CCG were broadly in line with expectations. Referrals for Vascular Surgery had reduced, while the increase in Critical Care related mainly to approximately six long term patients. A small amount of challenges from the commissioner were expected to be agreed within the next month. Elective work from the beginning of the year has driven the over-performance, but this is expected to reduce going forward.

Meyrick Vevers asked for confirmation on the likely impact of over-performance on income by year end. The Director of Finance and Information responded there are reserves at the CCG to cover some of this, but to balance this, some costs may need to be migrated. Marcine Waterman asked if the Best Practice stroke tariff was now being received. The Director of Finance and Information confirmed that the activity had not transferred from the Royal Surrey Hospital, although currently activity levels from North West Surrey CCG are higher than planned. As the Guildford and Waverley work has not transferred, the CCG do not wish to pay the Best Practice Tariff and have paid the Minimum Income Guarantee instead. Therefore costs will need to be lowered to fit the envelope. The Chief Executive commented that this would raise legitimate questions regarding quality.

Andy Field asked which area had the highest risk, to which the Director of Finance and Information responded that this relates to year end, to be agreed with the

Director of Finance at North West Surrey CCG.

The Committee noted the report.

6.3 Finance Report

The Director of Finance and Information reported that additional income of £8m and £16m respectively relating to land sale profit and NHSI PSF incentive scheme had now been included in the plan and forecast. NHSI required an accrual for the incentive PSF to be included (c£7m year to date), although the payment is still reliant on delivering the revised plan.

The Trust is reporting a year to date adverse variance to plan of £0.6m, however in respect of the NHSI Control Total it is on target. Core targets are fine, although expenditure is increasing. Meyrick Vevers asked if the solution was recruitment. The Director of Finance and Information said that part of the issue was outsourcing and demand, so this needed to reduce where possible. There is currently an adverse variance of £0.6m against PSF income, due to Q2 A & E targets not being achieved, and CIP's are £0.5m behind target currently, although an expected CIP relating to business rates is not yet included.

Marcine Waterman asked if Dermatology expenditure had reduced as a result of less work, and Meyrick Vevers asked if this would be part of any restriction of services to balance the books. The Director of Finance and Information responded that he did not believe this was an option; temporary staff deployment may affect income however.

With regard to the capital programme, further discussions are taking place with regard to the MRI scanner. It has been proposed that only the equipment is recognised in year, and not the building work required to install it, as this is not a separable asset. This will be discussed with the Trust's auditors.

Cash is expected to be paid for contract over-performance, but it is not yet clear when payments for either this or for the PSF are expected.

The Committee noted the report.

6.4 Forecast – Risks and Opportunities

The Director of Finance and Information took the report as read. Risks and opportunities included land sales, Greenbrooks and the related operational targets for PSF.

Andy Field asked if it would be possible to have a colour coded summary of the probability of these issues impacting at year end. This would come to the next meeting. PD

7. Strategic Finance

7.1 GIRFT

The GIRFT Programme Director explained that GIRFT was a national programme which was clinically led, with the objective of reducing variation, improving patient outcomes and productivity. A data pack was produced for each specialty – thirty five different specialties are using the statistics produced to compare data with other Trusts with similar services to demonstrate the overall quality of care. Peer to peer discussions regarding position and areas to improve then take place.

Within the Trust, twelve specialties (mainly Surgical) have now been reviewed, and three more are in the pipeline for January. Measures include activity, length of stay, patients with adverse outcomes, performance, costs, reference costs and costs of litigation. A ranking is then given, without an indication of whether good or bad.

The financial values attributable to improvement opportunities should be taken tentatively, as some are not cost releasing, e.g. digital clinics, which do not attract increased tariff income, but for which significant investment can be required to change practice.

Concerns highlighted for the Trust to date include too many spinal injections, too many caesarean sections in Obs & Gynae, the conversion of day cases to outpatient procedures in Outpatients, and the need to reduce emergency readmissions. Some reviews are ongoing, e.g. Upper GI – if surgery is undertaken on the patients first admission, this will reduce waiting lists. Opportunities include the reduction of surgical site infections in T & O, in 0.3% of hip fractures. Changes in practice would reduce spend, as typically 12% of patients have infections.

The Director of Operations – Planned Care commented that for the changes to the gall bladder pathway, it was hard to track the financial benefits as surgery is being undertaken earlier in the patient pathway. The Chief Executive said that she believed the financial benefits would probably relate to the release of resources or cost avoidance in another department, such as Outpatients. The Medical Director added that if patients had only one appointment instead of three, clearly this was better for the patient and there would be a system saving.

Marcine Waterman asked what analysis of patient experience is undertaken at clinician level. The Medical Director said that within departments, variations in the patient experience may be small, but within organisations there can be a significant variation.

Marcine Waterman asked how it would be known if improvements to patient pathways are sustained. The Chief Executive said that GIRFT should not be presented as a financial opportunity, as in that case, clinicians would not engage with the programme. The priority for the organisation should be the quality of care, and the provision of quality initiatives across the whole organisation, rather than at individual level. The Director of Finance and Information commented that GIRFT should be utilised mainly as a quality indicator, but also thought the rigour of the finance component was a benefit. The Medical Director commented that by not undertaking a procedure, the units of activity decrease, changing the metric.

The Chief Executive said that she believed it would be helpful to link the GIRFT programme to the Outpatient Transformation Programme in order to monitor progress and improvements.

Meyrick Vevers asked if GIRFT was a completely new programme, to which the GIRFT Programme Director responded that the Trust is one of only two Trusts who have moved at pace with the programme – many Trusts have not yet even started. The organisation has good clinical engagement.

Meyrick Vevers asked if it was more appropriate if the programme was reviewed at the Modern Healthcare Committee or the Quality of Care Committee. The GIRFT Programme Director responded that the programme has been rolled out as a quality initiative. Marcine Waterman felt GIRFT should be considered at the Modern Healthcare Committee on a quarterly basis, and also measurements of the outcomes. GIRFT would be added to the Schedule of Business quarterly. PD

7.2 Service Line Reporting – Month 6

The Director of Finance and Information presented the report, and commented that overall services broke even although there were differences between specialties.

Marcine Waterman asked where was the matrix that indicated that a service should be exited. The Director of Finance and Information responded that the quadrants just suggest how organisations should change their service provisions (for example where the contract does not cover costs). Meyrick Vevers said that as an example, the GUM service did make a profit, but the commissioners could not afford it - he believed GIRFT was more relevant as SLR just looks at the financial perspective.

The Director of Finance and Information confirmed that he does use the SLR reports in discussions with directorates. The Chief Executive also confirmed that cost reductions would be used to drive discussions from this paper, but it did triangulate with the other Committee papers. The Director of Finance and Information added that the information in the SLR report also needed to be translated into business planning.

The paper was noted by the Committee.

8. Financial Planning 2019/20

Due to the meeting over running this Item was deferred.

9. Financial Risks

9.1 Risk Appetite Discussion

Due to the meeting over running this Item was deferred and sufficient time would be given at the December meeting to cover this. PD

9.2 Key Points to Take to Trust Board

The Committee noted the following for discussion at Trust Board:

- Year to date results and forecast; and
- The Director of Finance and Information said that the agreement of the financial transactions level would also be addressed at the meeting.

10. Items for Information or Approval

10.1 Schedule of Business

Due to the meeting over running this Item was deferred.

10.2 Tender Waivers > £50k

It was noted that there were no tender waivers over £50,000 during October 2018

10.3 Catering Contract Extension

The Director of Finance and Information clarified that this paper sought authority to extend the contract for the seven month gap between the end of the current contract (which was originally for five years and has already been extended for one year), and the commencement of the new contract.

The Committee approved the seven month contract.

10.4 CQC Use of Resources Assessment Report

Marcine Waterman asked if there was an action plan to address the issues in the report. The Chief Executive said that a response would be made only where useful, not for such items as benchmarking based on out of date data, which had been flagged to the CQC at the time. This would be dealt with outside of this Committee.

11. Any Other Business

No other matters were raised.

12. Date and Time of Next Meeting

20th December 2018 at 08.00am in Room 2, Chertsey House, St. Peter's Hospital.