

**Agenda item 2.a.i**

<b>Report to:</b>	<b>Board of Directors</b>	<b>Date: 07 July 2022</b>
<b>Report from:</b>	<b>Chair of the Performance Committee</b>	
<b>Principal Objective/ Strategy and Title</b>	<b>GOVERNANCE: To update the Board of Directors on discussions at the Performance Committee</b>	
<b>Board Assurance Framework Entries</b>	678, 1021, 1853, 1854, 2829, 2904, 2985, 3009, 3074	
<b>Regulatory Requirement</b>	Well Led/Code of Governance:	
<b>Equality Considerations</b>	None believed to apply	
<b>Key Risks</b>	To have clear and effective processes for assurance of Committee risks	
<b>For:</b>	Information	

**1. Significant issues of interest to the Board**

**BAF.** The Committee agreed to revise risk 678 Waiting List Management, as the only risk directly related to productivity allocated to the Committee, to more clearly reflect the broader productivity challenges faced by the Trust along the lines of Principal Risk 2 Productivity.

**Productivity.** Effective in May was amber for the first time in 2 years, as a result of lower Covid infections in the community and staff absences back to the seasonal norm, resulting in fewer cancellations and patient DNAs, leading to higher admitted patient activity and, more recently, especially day cases, which have been prioritised in RSSC and cardiology. However, EM advised that the comparison with May 2019/20 on which activity % is measured are unduly flattering since we moved hospital in May 2019. That said the strong outpatients performance still provides a sound benchmark since there was no drop in outpatient activity in May 2019. The Meridian productivity work in theatres/cath labs is completed and the tools and process to bring about improvement have been handed over and are already being deployed to some effect, helping to mitigate against more recent staffing challenges caused by the wider economic context. June will however be a more challenging month. The Committee was assured that appropriate measures are being taken to maintain and improve productivity.

**People.** Although retention is green for the first time in a while, it is thought this is just normal variation rather than indication of a positive trend; while the increase in vacancies is largely due the recent increase in establishment. The Committee acknowledged the increase in risk rating for staff engagement and endorsed the need for focus on staff engagement given the wider economic context. The Committee also discussed at great length temporary staffing and the need to keep control of costs, while retaining the critical flexibility that temporary staffing provides. There is work within the ICS to improve rostering and control the costs of bank and agency staff, including attempts at collaboration with respect to bank staff across the ICS although this faces a number of obstacles, including specialist requirements (such as at RPH) and differentiation in bank pay. The RPH workforce team are looking strategically at bank, agency and overtime and have introduced a number of controls to manage the potential for increasing costs, including a vacancy panel to guard against “grade drift”. While there is only limited assurance at this time, given the significant external pressures, the Committee looks forward to receiving further details at subsequent meetings.

**Finance.** May was unusual, as reporting was against a planned deficit, although the plan has now been adjusted to break even. The Committee discussed that many elements of the financial recovery plan that the Committee had previously scrutinised to reduce the previously planned deficit are now “baked into” the break-even plan. The trajectory for achieving 104% elective activity remains, however, largely the same, with only achieving the target in Q4. The committee reaffirmed that nonetheless it is imperative to improve on that trajectory, if possible, while acknowledging that the current economic climate may make that challenging.

The Committee also discussed

- **Better payments** and that while the non-NHS suppliers target had been met, payments had fallen below target for NHS suppliers due to the team being stretched in-month given annual accounts etc. We discussed the need to introduce greater resilience, largely through automation, so that meeting payment targets are not subject to workload pressures.
- **CIP.** TG indicated that we are now in “touching distance” of meeting our pipeline target, which bodes well for so early in the financial year. Procurement is an important element of CIP and the Committee discussed measures being taken to mitigate inflationary pressures for non-pay costs e.g. devices, drugs. RPH has limited ability to influence many of these, e.g. where contracts are already in place or are negotiated nationally by NHS Supply Chain, but steps are being taken where possible and RPH representatives often engage directly with NHS Supply Chain. TG suggested that a report is brought to the next meeting so the Committee can review the position in more detail.

## **2. Key decisions or actions taken by the Performance Committee**

None

## **3. Matters referred to other committees or individual Executives**

None

## **4. Other items of note**

None

## **5. Recommendation**

The Board to note the contents of this report