

Agenda item 4.i

Report to:	Board of Directors	Date: 1 February 2024
Report from:	Chair of the Performance Committee	
Principal Objective/ Strategy and Title	GOVERNANCE: To update the Board of Directors on discussions at the Performance Committee	
Board Assurance Framework Entries	678, 1021, 2829, 2904, 2985, 3009, 3074, 3223, 3261	
Regulatory Requirement	Well Led/Code of Governance:	
Equality Considerations	None believed to apply	
Key Risks	To have clear and effective processes for assurance of Committee risks	
For:	Information	

1. Significant issues of interest to the Board

Finance

The **financial position** continues to be positive with a substantial surplus year to date. The Committee discussed the increase in temporary staffing costs despite the welcome reduction in vacancies. While this is partly explained by short-term sickness, this is not the only explanation and further controls to constrain agency spend are being considered. The Committee received assurance that agency spend as a % of pay at RPH is materially lower than the ICS target of 2.4%.

The mandatory adoption of IFRS 16 requires all PFI lessees to remeasure their PFI liabilities if there has been a change in future lease payments because of changes in interest rates. The remeasurement results in an increase in RPH's PFI liability on the balance sheet; a change in the expected interest that is expensed to the I&E and a reduction in the annual PDC charge as a result of the liability increase. Work has been undertaken with the support of external experts to quantify the impact on the Trust's financial position and with external audit to confirm these are accurate assessments.

Capex remains behind plan, but there has been a re-allocation from Estates to Medical Devices and the Committee received assurance that the Capex target will be met by financial year end. **CIP** delivery was in excess of the target, with around 75% recurrent (including areas of over-delivery such as pharmacy and private patients). Focus has now turned to the 24/25 pipeline.

Productivity

PIPR continued as amber: while Safe turned from red to amber (due to welcome improvements in safer staffing fill rates), Effective had returned from amber back to red.

Elective activity was significantly reduced in December due to IA, reduced CCA bed capacity due to continuing staffing challenges and an increase in emergency IHU and ACS pathways. For similar reasons, it was not possible to conduct any PSI in-month, and there were 15 52-week breaches. At the same time, additional non-CCA beds were made available to ICS partners.

CT reporting backlog. The Committee were informed that insourcing had just started, and that progress was being made on the IT solutions required. The Committee expects to see the first metrics demonstrating progress next month.

The Committee received the deep dive on **RSSC**, which revealed that the increase in first outpatient appointments, with no corresponding increase in follow-up appointments, was largely the result of a data coding error and did not indicate a failure to follow-up. There are however two underlying concerns, which require further work: (i) delay in sleep study reporting due to staffing issues and increase in demand; and (ii) delays in patients returning equipment provided for in-the-community sleep studies which is holding up provision of equipment to other patients.

The Committee received a first report on the **Patient Flow** programme, which provided assurance that substantial progress had been made in implementing the agreed processes, agreeing metrics and engaging staff but further time will be required to understand the impact this is having on patient flow.

The Committee received a report on the substantial reduction in **GP referrals**. This, together with referral data received previously, provided assurance that this was not due to a deterioration in RPH's reputation: other Trusts had witnessed a similar reduction and key referring GP practices confirmed all pathways are open and they have no concerns as to RPH's treatment of their patients (e.g. RPH has the shortest waiting times on Choose and Book). Although reasons for the change in referral patterns remain unclear, the Committee believed this is something that the ICS could investigate and decided, having received the required assurance, to bring this work at RPH to a close.

The Committee also received a report on the **PSI** over the first 3 months. This provided assurance that the initiative has had a significant positive impact, even if it had treated fewer additional patients than planned (249 rather than 343) and waiting lists had continued to grow over the period. Key identified risks had not materialised (the reported staffing issues have now been resolved) and financial costs were considerably lower than estimated due to a range of factors.

Operational Plan 24/25

The Committee discussed a detailed update on progress in developing next year's operational plan, including key financial risks (funding envelopes and cost pressures). The Committee will review the draft plan at its next meeting before it goes to Board in March, with a view to recommending the final plan in March for board approval in April.

- 2. Key decisions or actions taken by the Performance Committee**
- 3. Matters referred to other committees or individual Executives**
PFI accounting changes escalated to Audit Committee.
- 4. Other items of note**
- 5. Recommendation**
The Board to note the contents of this report.