

Board of Directors
Public Board

28th February 2018

MEETING OF THE BOARD OF DIRECTORS ON WEDNESDAY 28th FEBRUARY 2018

**COMMENCING AT 9AM IN THE BOARD ROOM
EDUCATION CENTRE, ARROWE PARK HOSPITAL**

AGENDA

- | | | |
|----------|---|---|
| 1 | Apologies for Absence
Chairman | v |
| 2 | Declarations of Interest
Chairman | v |
| 3 | Chairman's Business
Chairman | v |
| 4 | Chief Executive's Report
Acting Chief Executive | d |

5. Quality and Safety

No Agenda Items

6. Performance and Improvement

- | | | |
|------------|---|---|
| 6.1 | Integrated Performance Report | |
| | 6.1.1 Integrated Dashboard and Exception Reports
Director Of Operations | d |
| | 6.1.2 Month 10 Finance Report
Acting Director of Finance | d |
| 6.2 | Response to the Naylor Review
Acting Director of Finance | d |

7. Governance

- | | | |
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| 7.1 | Report of Finance Business Performance and Assurance Committee
Chair of Finance and Business Performance Assurance Committee | d |
| 7.2 | Report of the Quality and Safety Assurance Committee
Chair of Quality and Safety Assurance Committee | v |
| 7.3 | Board of Directors | |
| | 7.3.1 Minutes of the Previous Meeting – 7th February 2018 | d |
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8. Standing Items

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| 8.1 | Items for BAF/Risk Register | v |
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| 8.2 | Items to be considered by Assurance Committees | v |
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| 8.3 | Any Other Business | v |
| | Chairman | |
| 8.4 | Date and Time of Next Meeting | v |
| | Wednesday 28 th March 2018 | |

Board of Directors	
Agenda Item	4
Title of Report	Chief Executive's Report
Date of Meeting	28.2.2018
Author	David Jago, Acting Chief Executive
Accountable Executive	David Jago, Acting 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.

- **NHSE Quality Surveillance Programme: Neonatal Critical Care Peer Review**

The Trust has received final formal feedback from the peer review visit that took place on the 29th November 2017 with the unit being the first in the region to be reviewed. The report notes the strong performance of the unit with significant achievements noted as;

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- Excellent facilities for parents and families, both on the unit and within Ronald McDonald House.
- Good parent engagement as demonstrated by the support group Neomates.
- Comprehensive parent information including various display boards on the unit.
- Discharge planning board, parents able to have a discharge dates to aim for
- Access to outdoor space the Neonatal Garden.
- Good support for siblings.
- Bereavement - support for families which is reflective of the pro-active team on the unit.
- Working with University to influence health visitor training.

The report also highlighted areas of improvement for the Trust including;

- Nurse staffing not compliant with BAPM standards.
- Lack of dedicated time on the unit for some of the AHPs.
- No dedicated time for all lead nursing roles.
- Some rooms have joint purpose for example, breast feeding room is also the counselling room. Ideally require dedicated space for counselling.
- Lack of space between cots within the high dependency unit.
- Consider feedback from parents regarding access to babies during shift handover or ward rounds.

I recently met with the CEOs of Alder Hey and Liverpool Women's to discuss the main challenges of medical and nursing workforce and space affecting all three level 3 units and how a potential future network solution might be configured to address some of these key challenges facing all of the level 3 units given the findings of the January 2017 North West Neonatal Operational Delivery Network (NWNODN) review. Work is ongoing and will be reported back to a future Board meeting. This networked approach would support the desire to maintain a level 3 unit for the population South of the Mersey and has the potential to compliment developing work with CoCH concerning Women and Children's services more broadly.

- **Health Education England (HEE) Future Lead Employer Arrangements**

The NW Lead Employer Service Steering Group has this reached agreement that it would like HEE to go out to tender on behalf of all NW provider organisations for a 'Single Lead Employer' for Doctors in Training across the North West. This service will take effect from 1 October 2018 when the HEE funded contracts are terminated.

One of the key risks to successful implementation that had been identified by the Steering Group was the failure to ensure full commitment, sign up and payment to the new service by individual Trusts. The commitments required of each organisation to ensure the successful implementation of new Lead Employer arrangements from 1 October 2018 are;

- It is agreed that all North West NHS provider organisations consider that doctors in training should continue to be employed under a regional Lead Employer contract
- It is agreed that HEE shall facilitate the procurement of new Lead Employer arrangements
- It is agreed that HEE shall facilitate the agreement of a single tri-partite contract between the appointed Lead Employer, all host organisations and HEE
- It is agreed that each Trust will pay the new Lead Employer for services as agreed within the contract, which will be defined and will include reference to the Apprenticeship Levy and Occupational Health services
- It is understood that HEE will reserve the right to withhold education and training monies due in the agreed LDA to divert funding to the Lead Employer service where organisations unreasonably fail to pay any LE charges

The central funding service provision has been agreed by HEE to be continued until March 2019.

National Strategy For Staffing.

[*Facing the Facts, Shaping the Future, A health and care workforce strategy for England to 2027*](#) is a whole national system consultation document, produced by Health Education England with content from NHS England, NHS Improvement, Public Health England, the Care Quality Commission, National Institute for Clinical Excellence and Department of Health.

The strategy is a draft document with a number of areas that will now be consulted upon widely over the coming months and a final report will be produced in July to coincide with the NHS 70 anniversary as the first comprehensive health and care workforce strategy in over 25 years.

While the NHS is employing more staff now than at any time in its history, with significant growth in newly-qualified staff from 2012 across the majority of professional groups, the report concludes that more must be done to keep up with increased demand as the population expands and grows older.

It responds by setting out a range of measures to improve productivity, boost training and retention, open up new routes into nursing and prepare the future workforce for technological advances such as genomics, artificial intelligence and digital robotics, which are poised to transform modern medicine.

Among the specific measures are:

- **targeted retention schemes to encourage staff to continue working in healthcare**, including support for local NHS organisations on how to improve retention rates, an expansion of the nursing Return to Practice scheme and efforts to encourage European nationals to stay by ensuring a streamlined, user-friendly service for obtaining settled status
- **improvements to medical training and how junior doctors are supported in their careers**, with a greater emphasis on producing more doctors in areas where there are the biggest shortfalls, including general practice and psychiatry, and ongoing efforts to improve the working practices of doctors in training, such as improving access to training opportunities and better communication around rotations and shift patterns
- **a far-reaching technology review across England, led by Professor Eric Topol** looking at how advances in genomics, pharmaceuticals, artificial intelligence and robotics will change the roles and functions of clinical staff over the next two decades and what this will mean for future skills and training needs – this will build on existing schemes to improve the digital skills of the healthcare workforce, including the planned launch of the Digital Academy in January 2018
- **making the NHS a more inclusive, 'family-friendly' employer** – the strategy also acknowledges the changing shape and expectations of the NHS workforce, with more people wanting flexible working practices to enable them to balance work and family life. It concludes that NHS organisations will need to develop an employment offer that remains attractive for all staff.

New Arrangements for investigations into maternity deaths and still births.

The Department of Health has published [*Safer Maternity Care: Progress and Next Steps*](#), following research work carried out by the Royal College (*Each Baby Counts*) and Imperial College London. The main points of the proposals are;

- The development of a national network of system leaders as Maternity Safety Champions;
- The Healthcare Safety Investigations Branch will investigate every death, on an arms-length basis, which falls within the *Each Baby Counts* criteria.¹ They will also investigate every

maternal death. The Department anticipates that, in most cases, this will be the sole investigation into such cases.

- By October 2018, national guidance on standards for maternity investigations will be published, to deliver the recommendations from the Morecambe Bay investigation and *Better Births*.
- The Government will consider how HM Coroner's can hold investigations² into stillbirths over 37 weeks' gestation.
- A new Rapid Response and Reconciliation will be developed to seek to settle maternity-related claims more speedily and without Court involvement. NHS Resolution (formerly the NHSLA) will also launch an incentive scheme for those showing excellent maternity and neonatal practice.
- The Secretary of State has decided that the ambition to halve the number of stillbirths, neonatal and maternal deaths should be moved from achievement by 2030, to achievement by 2025.
- An additional target has been set, of reducing the national rate of pre-term births from 8% to 6% by 2025.

2018/19 Planning Guidance

The NHSE/NHSI national planning guidance for refreshing the second year of 2 year plans was received on 2nd February. Given that nationally, two-year contracts are in place, 2018/19 will be a refresh of plans already prepared with required narrative to provide clarity on changes. Of particular note is the inclusion within the planning guidance that growth assumptions could and should be included within refreshed 18/19 operational plans. The planning guidelines state that there will be no additional winter funding and that plans should give consideration to seasonal changes in demand. We will produce a separate winter demand and capacity plan, which will be fully embedded within our operating plans with a timeline required probably at end of quarter one 2018/19. Further guideline for winter planning will be issued by NHSE/NHSI in March 2018.

While it is not necessary to provide a revised version of the full two-year operational plan narrative, we believe it would be beneficial for us to refresh our plan narrative to ensure relevance going into next year, but with additional focus on providing clarity on key changes in terms of activity, quality, workforce and finance. Colleagues across the Trust are now producing their capacity and demand plans with associated narrative, and these will be scrutinised by a number of executive Groups and Board Assurance Committees ahead of final Public Board review in April. We are required to submit initial operating plans to NHSI by 8th March 2018, with final board approved plans to be submitted by 30th April 2018.

NHSI Use of Resources Assessment

The Trust has received recent correspondence from its regulator NHSI that it will undertake a Use of Resources assessment on the 5th April following the recent submission of Provider Information Return to CQC.

To briefly summarise the assessment will entail:

- An on-site element lasting for one day. Approximately 5 NHS Improvement staff will be part of the assessment team.
- Meetings will take place with the Trust's Chair, Chief Executive, Director of Finance, Chief Operating Officer, Medical Director, HR Director, Nursing Director, Chief Pharmacist, Head of Estates, Head of Procurement and AHP lead.
- A high level commentary against each KLOE will be completed giving NHSI colleagues a preliminary overview of the trust and to help focus questioning on the day; and
- A review of the finance and productivity data (set out in the Use of Resources Framework) as 'initial metrics'.

David Jago
Acting Chief Executive
January 2018

Board of Directors	
Agenda Item	6.1.1
Title of Report	Integrated Performance Dashboard
Date of Meeting	28 th February 2018
Author	Anthony Middleton, Director of Ops / Deputy COO John Halliday, Assistant Director of Information
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 January 2018.

2. Summary of Performance Issues

The key national priorities are the A&E four hour target and the financial position. Other key targets by exception are covered in the opening section.

3. Explanation of Performance and Actions

a. A&E 4 Hour Target

Against the A&E standard of a minimum 95% of patients to be admitted, transferred or discharged within four hours, the month of January was 86.49% as measured across the combined Wirral WUTH ED, WCT Walk-in Centres and Minor Injury Units (MIU). This is the external view of Wirral performance by NHS England. Performance for ED with the All Day Health Centre on the Arrowse Park site was 78.45%, with ED alone at 70.86%. This reflects the ongoing pressure on urgent care services through the winter period, and that have continued into January.

The key elements of the Wirral urgent care plan are being maintained including primary care streaming, additional community beds, and revised integrated discharge managements. The primary internal focus remains on discharges earlier in the day using the SAFER framework, real time clinical escalation and bed management.

b. Financial Position

Summary information is provided in the exception updates against the individual finance metrics in the dashboard, with further detail in the separate finance report to the Board.

4. Recommendation

The Board of Directors are asked to:

Note the Trust's current performance to the end of January 2018.

WUTH Metrics Summary Performance for January 2018

Metrics	✓	!	✗	Not rated
	14	8	18	3

Headline Commentary

The key focus remains on the financial position and A&E 4-hour performance, followed by elective access standard performance (RTT and Cancer).

Performance against the A&E 4-hour standard had seen improvement, however the ongoing winter pressures have made sustaining that extremely challenging. This is reflected regionally and nationally.

RTT incomplete validation and cleansing is complete, with increased activity now required to reduce waiting lists and times. The enforced cancellation of elective activity in January has a natural detrimental effect on the RTT position. That moratorium has continued to a large degree into February. Very long waiters are being actively managed on an individual basis, and reviewed for possible harm.

Cancer standards are on track to be delivered for Q4. The financial position is detailed separately.

A&E : 4 Hours Arrival to Discharge

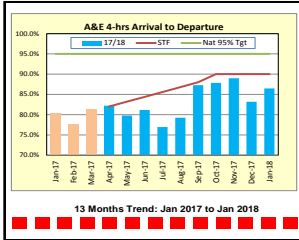


Actual: 86.49%

Accountability: J Holmes / A Middleton

Threshold: 95% (minimum)

Committee: FPBAC



Metric
The total time spent in A&E, measured from the time the patient arrives in A&E to the time the patient leaves the A&E Department, by discharge home, transfer to another hospital or admission to a ward.

Key Issues
The Trust had agreed a trajectory to deliver the standard by March 2018, but this has now been superseded by a blanket national expectation of 90% for October through to February, with 95% to be delivered in March 2018.

Performance is now reported for Wirral at various levels:

Wirral-wide including all Walk-in-Centres & MIUs	86.49%
WUTH APH site including the ADHC	78.45%
WUTH APH ED only	70.86%

This performance reflects the pressure on urgent care services through Winter, and that are continuing into February.

Inouts
The key elements of the Wirral urgent care plan are being maintained including primary care streaming, additional community beds, and revised integrated discharge managements. The primary internal focus remains on discharges earlier in the day using the SAFER framework, real time clinical escalation and bed management.

Progress
The Wirral system is demonstrating resilience, and still fares better comparatively on a national ranking.

Ambulance Turnaround 30 Mins

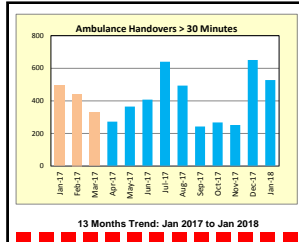


Actual: 528

Accountability: J Holmes / A Middleton

Threshold: 0 > 30mins

Committee: FPBAC



Metric
The standard is a maximum 30 minutes from the arrival of an ambulance to the handover of the patient to Trust staff in the Emergency Department (ED).

Key Issues
In the month of January there were 528 arrivals by ambulance that took longer than 30 minutes to handover.

Inouts
The autumn months had seen considerable improvement in a reduced number of delays, reflecting the overall improvement in patient flow through the Trust. However the increased pressure experienced in December and January is reflected in the subsequent increase in delays. This reflects the national picture.

Progress
To be monitored in conjunction with the 4-hour A&E standard and patient flow.

Ambulance Turnaround 60 Mins

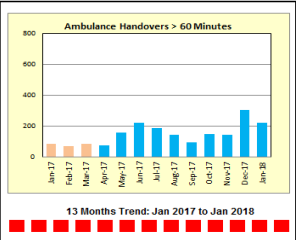


Actual: 219

Accountability: J Holmes / A Middleton

Threshold: 0 > 60mins

Committee: FPBAC



Metric
The guideline is that all handovers between ambulance and A&E must take place within 30 minutes - However where there are circumstances which prevent this, there is an expectation that no turnaround should breach 60 minutes.

Key Issues
In the month of January there were 219 arrivals by ambulance that took longer than 60 minutes to handover.

Inouts
Whilst there is a strong correlation between A&E 4-hour performance and Ambulance turnaround standards, specific inputs have been mobilised to improve the position at times of pressure. This is centred around the deployment of nurses to care for patients prior to handover allowing ambulance crews to be released. This can only be done when nursing levels allow and with the express consent of the ambulance service.

Progress
To be monitored in conjunction with the 4-hour A&E standard and patient flow.

RTT - Incomplete

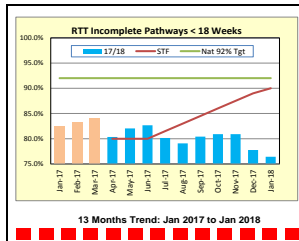


Actual: 76.43%

Accountability: J Holmes / A Middleton

Threshold: 92% (minimum)

Committee: FPBAC



Metric
The percentage of patients that have been referred to a consultant-led service and have not commenced treatment within 18 weeks from that referral, as measured at month-end.

Key Issues
The Trust agreed a trajectory back to compliance across 2017/18 with NHS Improvement. This trajectory has not been achieved since June 2017. Performance for the end of January 2018 was 76.43%.

Inouts
The cancellation of elective activity continued through January in line with national guidance to assist with the additional pressure on beds from urgent care. This has a consequential impact on waiting times and therefore RTT performance.

Progress
The reduction in elective activity is expected to remain in place for most of February, with a corresponding detrimental effect on RTT performance.

RTT - 52 Week Waiters ❌

Actual: 30 **Accountability:** J Holmes / A Middleton
Threshold: 0 **Committee:** FPBAC

Metric:
In conjunction with the 92% standard for incomplete RTT pathways, there is the national expectation that all patients will commence treatment within 52 weeks of referral, as measured at month-end.

Key Issues
There were 30 patients at the end of January that had waited longer than 52 weeks for treatment to commence.

Inouts
Long waiting patients are being actively managed alongside the general waiting list and waiting time improvement actions. Any patients confirmed as having waited 52 weeks at month-end are reviewed to ensure no clinical harm has resulted from the long wait, and to understand the causes of the excessive waiting time.

Progress
The reduction in elective activity is continuing into February, with a corresponding detrimental effect on RTT performance. Within this long-waiting patients are still being managed as much as possible.

Outpatient Waiting List - Appointment Scheduling Issues (ASI) ❌

Actual: 1532 **Accountability:** J Holmes / A Middleton
Threshold: Zero **Committee:** FPBAC

Metric:
Number of eRS referrals on the Appointment Scheduling Issues (ASI) list at month-end

Key Issues
Direct bookings from GPs via the national eRS are unable to find an available appointment for the patient if there is limited capacity at the Trust. These referrals are then logged as an ASI, preventing the referral letter reaching the Trust, and the patient does not receive an appointment until capacity becomes available.

Inouts
As additional capacity comes on stream, the size of the ASI backlog is reducing. Divisions are working through plans to reduce and minimise the number of ASI. The cancellation of elective admission activity is allowing outpatient activity to continue largely unimpeded.

Progress
The ASI backlog is expected to continue to reduce across the remainder of 2017/18.

Mixed Sex Accommodation Breaches ❌

Actual: 12 **Accountability:** J Holmes / A Middleton
Threshold: Zero **Committee:** FPBAC

Metric:
Patients have a right to single-sex accommodation, to respect their privacy and dignity in an inpatient setting.

Key Issues
There were 12 breaches of the same sex accommodation standard in January, all relating to patients waiting beyond the 24 hours allowed for patients transferring out of critical care areas.

Inouts
The delays in transferring out are discussed at all bed meetings and given high priority. The patients' privacy and dignity is maintained in the critical care areas, in a side room if possible, and all care given that would be provided on their destination ward. The delays are explained to the patients, and they are moved as soon as a bed becomes available in the right ward. The increased urgent care pressure on beds in recent months exacerbates the delays.

Progress
Options to increase the side rooms in critical areas are being assessed. Improving patient flow across the Trust will allow easier and more timely transfer back to general wards for those patients that no longer need augmented care.

Diagnostic Six-week Standard ❌

Actual: 98.82% **Accountability:** J Holmes / A Middleton
Threshold: 99% (minimum) **Committee:** FPBAC

Metric:
The percentage of patients awaiting one of a defined list of diagnostic investigations that have waited 6 weeks or more at month-end.

Key Issues
The national standard is a minimum of 99% of patients to have waited six weeks or less. The position for WUTH at the end of January was 98.82%.

Inouts
In December a combination of increased demand and a flu outbreak affecting staff availability culminated in a rise in waiting lists for diagnostic tests. Progress was made in January on reducing the absolute number of patients waiting over six weeks, but a greater reduction in the total numbers waiting resulted in a percentage performance still below the 99% standard.

Progress
Waiting lists are actively managed, including those awaiting elective admission for diagnostic procedures. The reinstatement of the elective programme will help to reduce diagnostic waiters affected in this area.

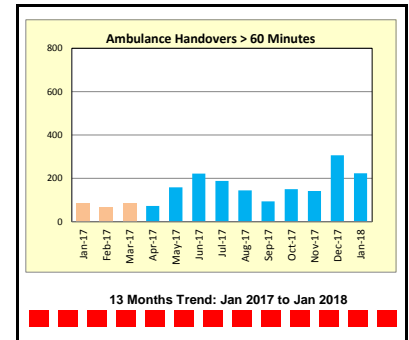
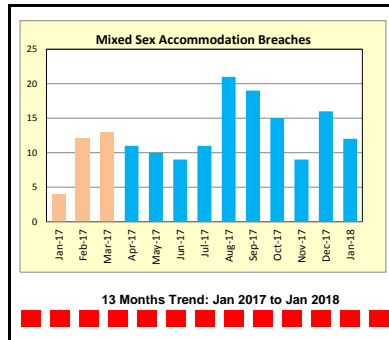
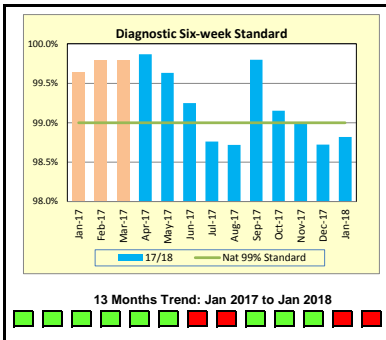
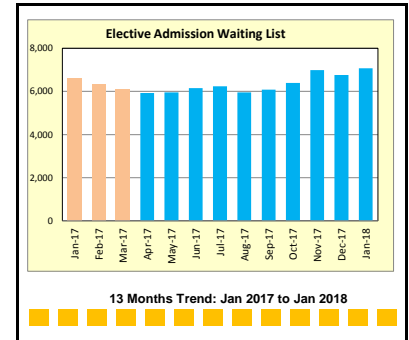
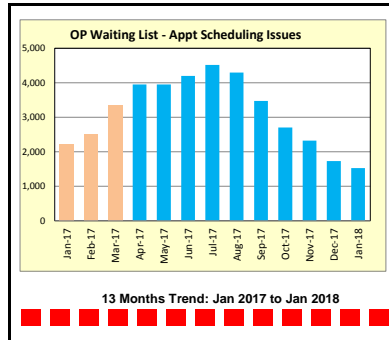
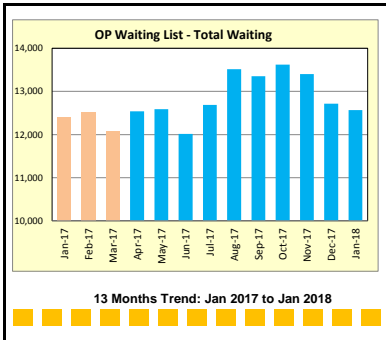
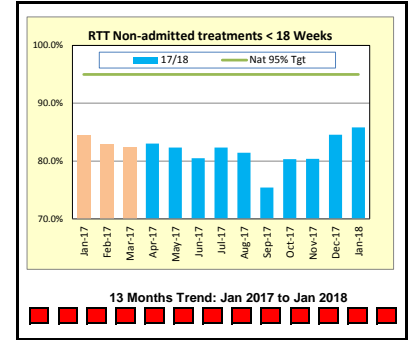
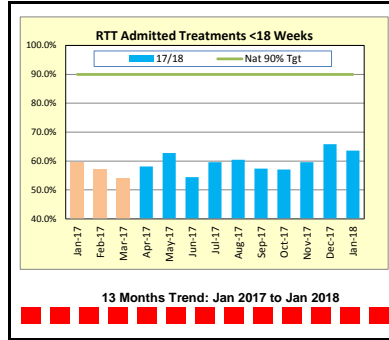
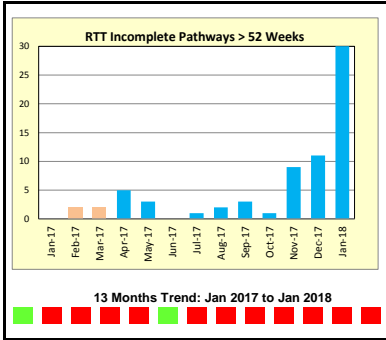
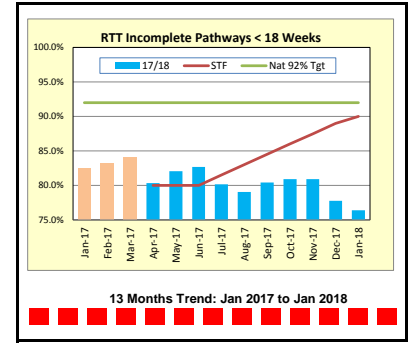
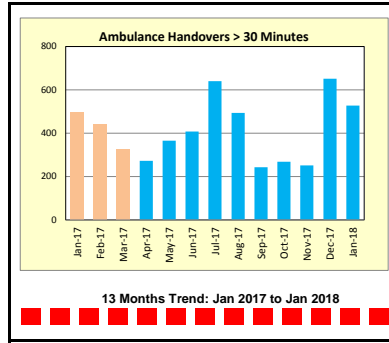
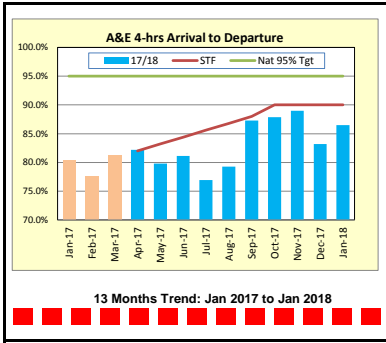
<h3>Liquidity Days</h3> ✘		Actual: -28.90 Threshold: Greater than planned liquidity	Accountability: G Lawrence Committee: FPBAC
<p>13 Months Trend: Jan 2017 to Jan 2018</p>		<p>Metric Days of operating costs held in cash-equivalent forms. 2016/17 plan and actual figures (to Feb 2017) appear worse than the 2017/18 metrics because they were compiled on a different basis. Due to changing instructions from the Department of Health and NHSI, working capital facility (WCF) borrowings were previously included within working capital balances, which made the liquidity metric more negative.</p> <p>Key Issues Since 2015/16, EBITDA deficits have consistently generated net cash outflows from operating activities, which in turn have deteriorated the Trust's working capital balances. The negative 'liquidity days' metric reflects this 'negative working capital' situation – the Trust's liabilities exceed its assets, including cash. This can be seen in the Trust's Statement of Financial Position.</p> <p>Inputs Loan arrangements are in place with the Department of Health and NHSI, which ensure that the Trust will not run out of cash. Such borrowings are to cover day-to-day running costs, and are not ordinarily expected to be used to improve working capital balances. Therefore, improvement in the liquidity metric primarily depends on improvement in the Trust's underlying EBITDA performance.</p> <p>Progress Improvement in the liquidity metric primarily depends on improvement in the Trust's underlying EBITDA performance.</p>	
<h3>I&E Performance</h3> ✘		Actual: -3.71 Threshold: On plan	Accountability: G Lawrence Committee: FPBAC
<p>13 Months Trend: Jan 2017 to Jan 2018</p>		<p>Metric The actual monthly Trust financial position compared to the planned financial position.</p> <p>Key Issues Operational expenditure, in particular pay, continues to be significantly above plan due to workforce pressures as a result of increased non-elective demand and staffing escalation areas. In addition there are issues in recruiting to medical gaps and the high levels of nursing vacancies as well as the pace of delivery on CIP schemes. The non-delivery of the operational plan has resulted in not being able to access the planned Sustainability & Transformation Fund (STF) since Q1.</p> <p>Inputs A financial recovery plan is in place that will support the reduction of the current run-rate.</p> <p>Progress The financial recovery plan is reviewed at the Finance & Performance Group as well as the divisional finance reviews with the Director of Finance.</p>	
<h3>Cost Improvement Programme</h3> ✘		Actual: -38.4 Threshold: On Plan	Accountability: G Lawrence Committee: FPBAC
<p>13 Months Trend: Jan 2017 to Jan 2018</p>		<p>Metric The percentage of non-achievement of the in year CIP forecast against the £15m plan.</p> <p>Key Issues Pace of delivery of planned CIP schemes and the non-achievement to continue to find schemes to bridge the unidentified gap in the CIP plan. The CIP forecast still has a potential delivery risk and the CIP mitigation risk reserve only partially offsets the current gap.</p> <p>Inputs The Transformation Steering Group (TSG) continues to review and approve new opportunities to deliver the CIP agenda and monitor plans in progress to delivery. Work is ongoing to look at the big transformational schemes for 18/19.</p> <p>Progress TSG continues to progress schemes when identified and has strong links to SSPG in order to realise benefits from proposed vertical and horizontal integration.</p>	
<h3>Pay Expenditure</h3> ✘		Actual: 20.44 Threshold: Plan	Accountability: G Lawrence Committee: FPBAC
<p>13 Months Trend: Jan 2017 to Jan 2018</p>		<p>Metric The actual monthly Trust pay spend compared to the pay plan.</p> <p>Key Issues Operational expenditure in particular pay continues to be significantly above plan due to workforce pressures as a result of increased non-elective demand and the staffing of escalation areas, issues in recruiting to medical gaps and the high levels of nursing vacancies as well as the pace of delivery on CIP schemes.</p> <p>Inputs The finance team review pay overspends and use of non-core on a regular basis with the budget managers and divisional teams. There has been a vacancy freeze on all non-clinical posts implemented since early October and all vacancies remain under review.</p> <p>Progress As part of the financial recovery plan there are actions to look to reduce the run rate on pay expenditure.</p>	
<h3>Agency Cap Breaches</h3> ✘		Actual: 147 Threshold: 0	Accountability: J Holmes Committee: FPBAC
<p>13 Months Trend: Jan 2017 to Jan 2018</p>		<p>Metric The target is set at zero breaches of the agency cap. Divisional target to reduce agency usage by 50%.</p> <p>Key Issues Use of unfunded or unestablished escalation wards is creating increased demands for bank and agency staff. The Divisional target to reduce agency usage by 50% is proving a challenge without direct impact on patient care.</p> <p>Inputs The Effective and Efficient Workforce transformation is reviewing Medical leadership roles to free up more time for patient contact, job planning for medical and non-medical staff to increase efficiency, and policies and procedures to reduce reliance on temporary staff.</p> <p>Progress Policy amendments finalised Nov 2017. Revised workforce planning presented to WGG in Dec 2017. Collaborative agreements with other NHS organisations on agency rates are being considered for possible introduction from April 2018.</p>	

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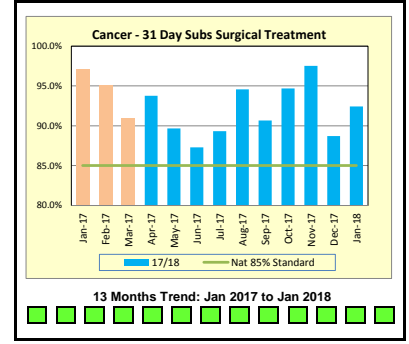
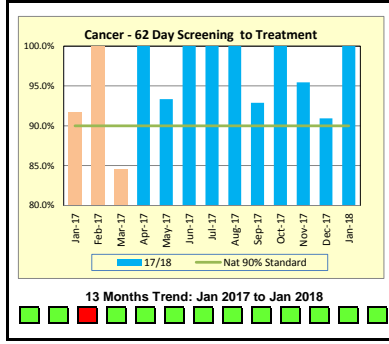
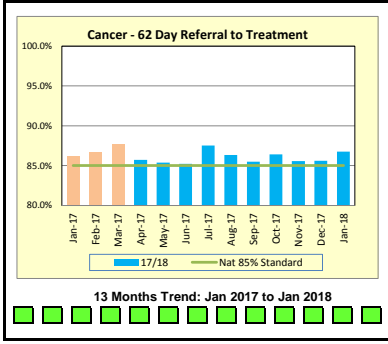
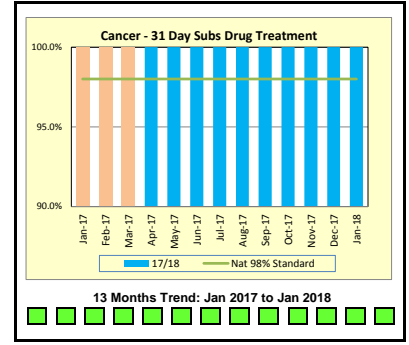
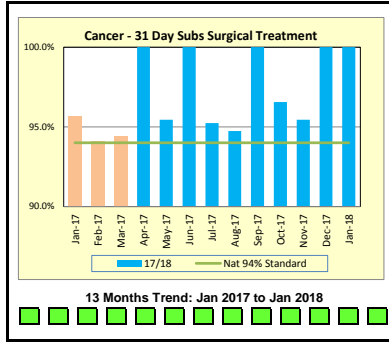
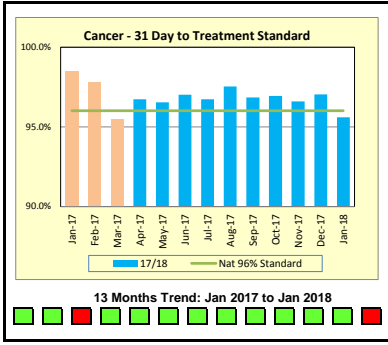
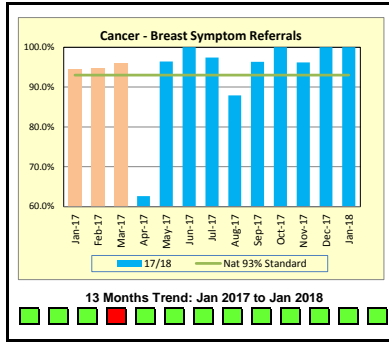
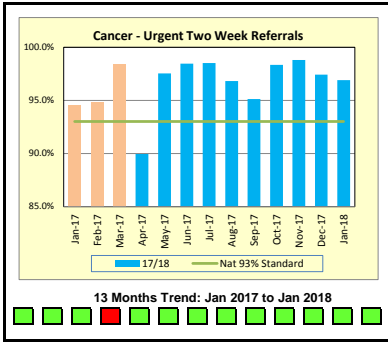
J Holmes / A Middleton

✓	!	✗	Not rated
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Access (Operations)



Access (Operations)

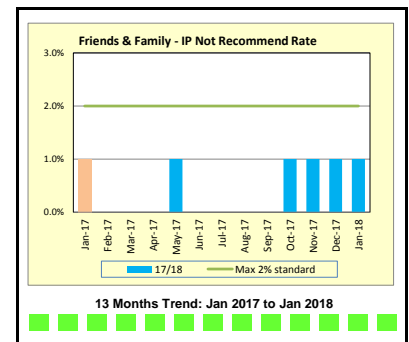
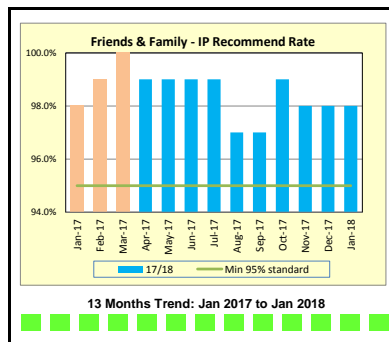
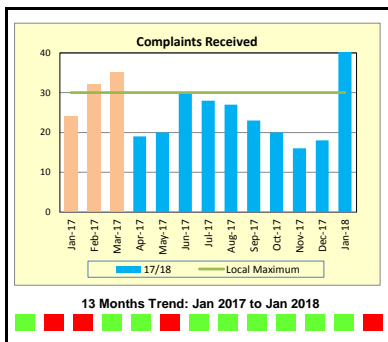
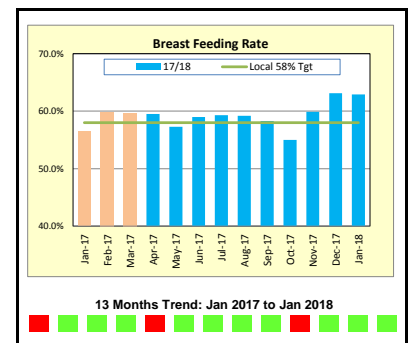
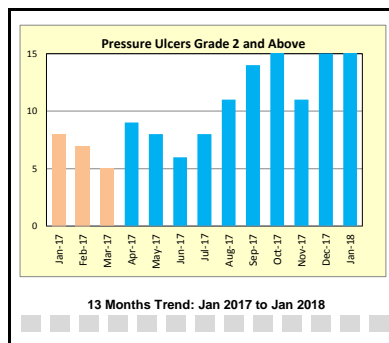
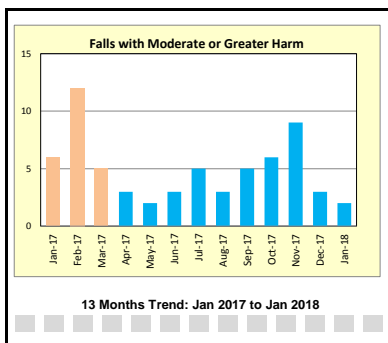
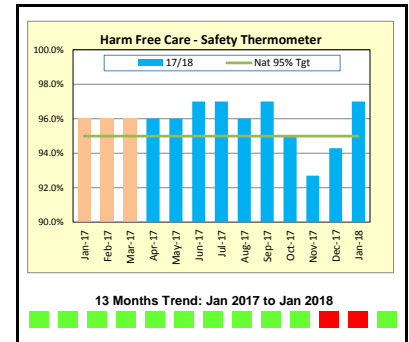
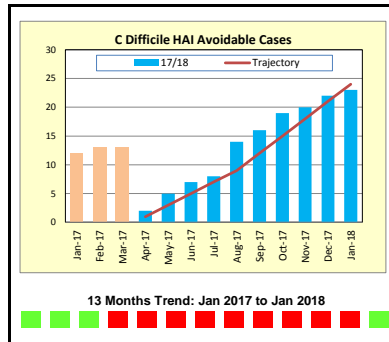
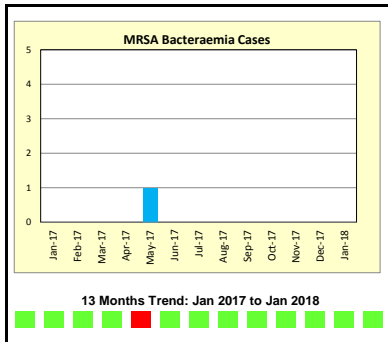


Patient Experience

G Westray

✓	!	✗	Not rated
6	0	1	2

Patient Experience

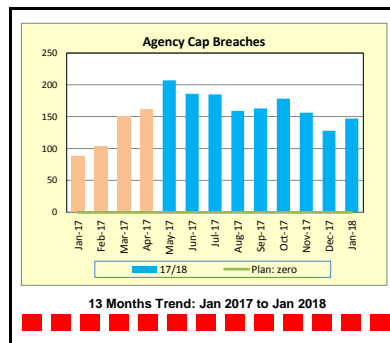
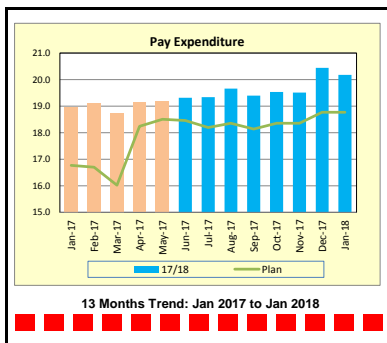
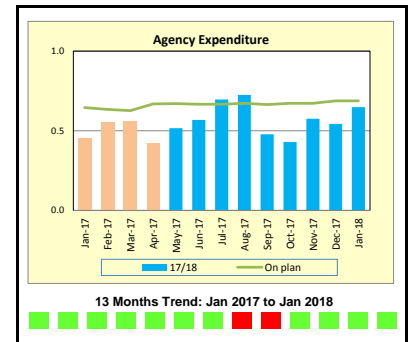
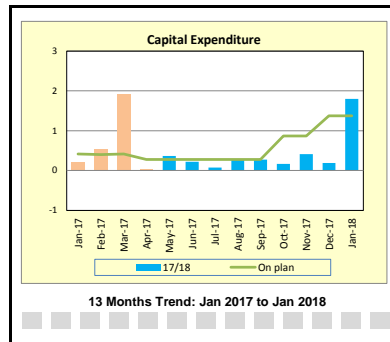
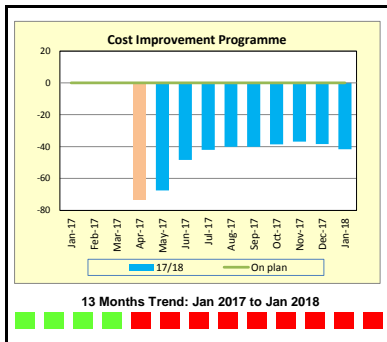
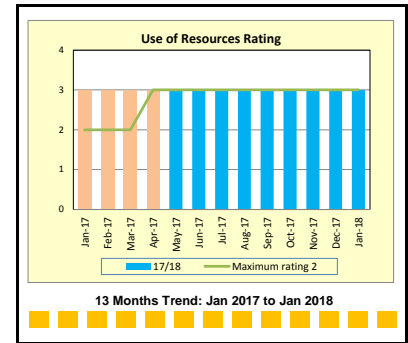
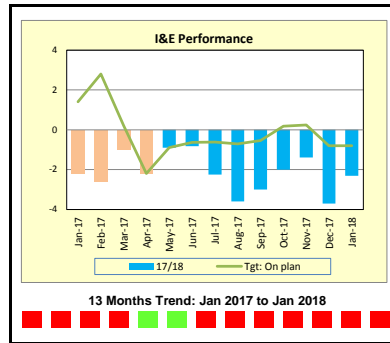
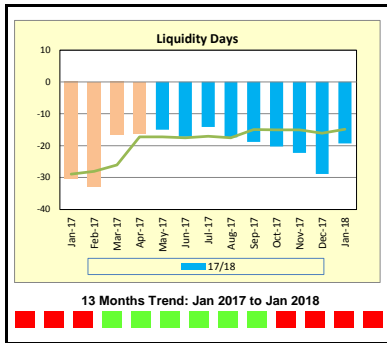


Use of Resources

G Lawrence

✓	!	✗	Not rated
1	1	5	1

Use of Resources

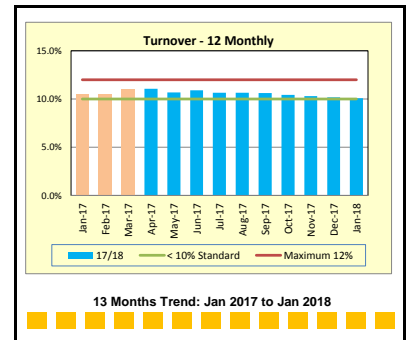
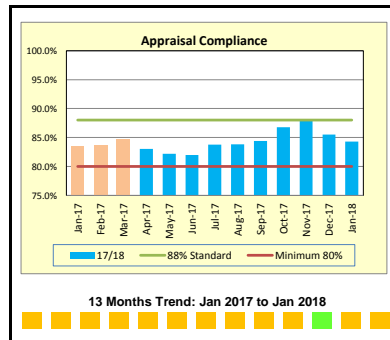
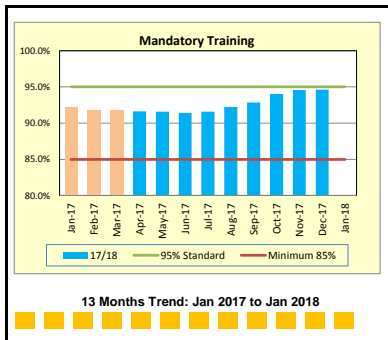
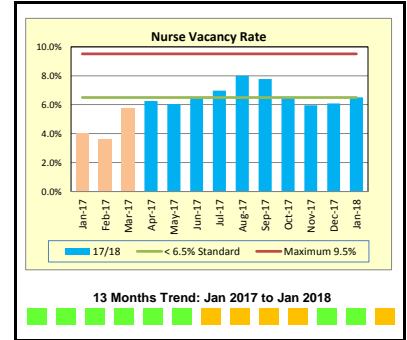
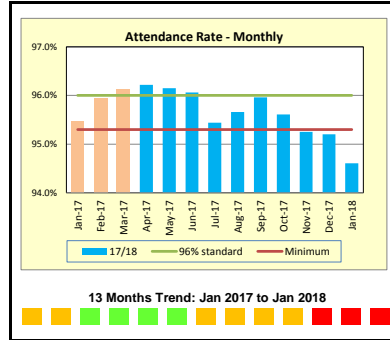
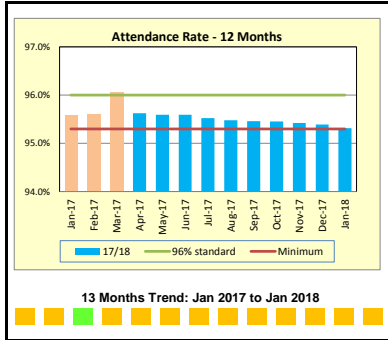


Workforce

L Osgood

✓	!	✗	Not rated
0	5	1	0

Workforce (HR)



Board of Directors	
Agenda Item	6.1.2
Title of Report	Month 10 Finance Report
Date of Meeting	28 February 2018
Author	Julie Clarke, Assistant Director of Finance
Accountable Executive	Gareth Lawrence, Acting 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) 	Gaps: Financial performance below plan with consequent non delivery of STF funding.
Purpose of the Paper <ul style="list-style-type: none"> • Discussion • Approval • To Note 	To discuss and 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 month 10 financial performance of the Trust for the 2017/18 financial year.

The Trust submitted a revised plan to NHS Improvement (NHSI) which agreed delivery of an operational deficit of (£0.4m) in line with the control total issued and agreed at Board in March 2017. Within this plan is the requirement to deliver a Cost Improvement Programme (CIP) of £15.0m and a requirement to deliver additional initiatives identified and agreed at Board in March to deliver further savings/initiatives of £6.6m (residual risk of £5.0m) profiled to the latter part of the financial year with a key element of this reliant on working with a formally appointed SEP.

At the end of January 2018 the Trust has reported an actual deficit of (£23.5m) against a plan of (£12.4m) excluding Sustainability and Transformation Funding (STF). As a result of the non-achievement of the STF criteria the Trust has not been able to access £5.7m of the STF. In month, the Trust has delivered a (£2.3m) deficit compared to a planned deficit of (£0.7m). The Trust reduced Elective and Outpatient activity in line with National guidance issued during January 2018 in response to the increased operational pressure on Health and Social care resources. The in month adverse performance relates to the non-achievement of STF, continued operational pressures as result of escalation, increased agency and locum costs as a result of vacant posts and non-delivery of the Cost Improvement Programme (CIP).

The Trust disappointingly is reporting a (£4.8m) adverse variance performance in the CIP position having delivered £6.7m compared to the £11.5m target. The levels of savings within the plan represent c5% of Trust turnover which is c3% above the level nationally identified by NHSI in the planning guidance. Current delivery levels exceed the 2% level but fall short of the internal target required to achieve the operational plan and subsequent STF. The Trust continues to review all transformational schemes via the Transformational Steering Group (TSG) in order to support sustainable delivery of the savings target.

The cash balance at the end of January was £2.4m, which is £0.5m above plan. This primarily reflects the closing 16/17 cash position being higher than plan, capital slippage, additional loan funding and the PDC cash received to support the Wirral Digital / Global Digital Exemplar (GDE) programme, offset by EBITDA performance. In January, additional cash support was drawn down in line with previous papers presented to the Board and FBPAAC.

The Trust has adjusted the forecast deficit in M10 as agreed with the regional NHSI team; this shows a year end variance of (£20.2m) against the control total. Although discussions have not yet been fully finalised in relation to the land sale and economy wide interventions, assumptions have been included in the forecast, with the main risk remaining in the treatment of Sepsis.

The Trust has achieved an overall Use of Resources (UoR) Rating of 3 which is in line with plan. As in previous months, the Agency spend rating is preventing the overall UoR Rating from dropping to 4.

Table 1 Income and Expenditure Performance

Year ending 31 March 2018 Position as at 31st January 2018	Current Month			YTD			Year-end forecast		
	Plan £k	Actual £k	Variance £k	Plan £k	Actual £k	Variance £k	Board- approved Plan £k	Actual £k	Variance £k
Clinical income	26,092	24,926	(1,166)	252,646	243,765	(8,881)	303,692	293,664	(10,028)
Non-NHS clinical income	131	300	169	1,310	2,141	831	1,566	2,491	925
Other income	2,445	2,650	205	24,450	24,543	93	34,288	31,261	(3,028)
Total operating income before donated asset income	28,668	27,876	(792)	278,406	270,449	(7,957)	339,546	327,416	(12,130)
Pay	(18,598)	(20,170)	(1,572)	(183,944)	(195,670)	(11,726)	(221,376)	(235,417)	(14,040)
Other expenditure	(8,675)	(9,104)	(429)	(89,621)	(88,244)	1,377	(106,045)	(106,014)	31
Total operating expenditure before depreciation and impairments	(27,273)	(29,274)	(2,001)	(273,565)	(283,914)	(10,349)	(327,422)	(341,431)	(14,009)
EBITDA	1,395	(1,398)	(2,793)	4,841	(13,465)	(18,306)	12,124	(14,015)	(26,139)
Depreciation and net impairment	(715)	(534)	181	(6,923)	(5,447)	1,475	(8,353)	(6,579)	1,775
Capital donations / grants income	0	0	0	0	325	325	0	325	325
OPERATING SURPLUS / (DEFICIT)	680	(1,932)	(2,612)	(2,082)	(18,587)	(16,506)	3,771	(20,268)	(24,039)
Net finance costs and gains / (losses) on disposal	(372)	(382)	(10)	(3,622)	(3,649)	(27)	(4,340)	(209)	4,131
ACTUAL SURPLUS / (DEFICIT)	307	(2,314)	(2,622)	(5,704)	(22,237)	(16,533)	(569)	(20,477)	(19,908)
Reverse net impairment	0	0	0	0	0	0	0	0	0
SURPLUS / (DEFICIT) before impairments and transfers	307	(2,314)	(2,622)	(5,704)	(22,237)	(16,533)	(569)	(20,477)	(19,908)
Reverse capital donations / grants I&E impact	12	20	8	118	(177)	(295)	142	(143)	(285)
DEL net impairments (<i>damage, not revaluation</i>)	0	0	0	0	0	0	0	0	0
ADJUSTED FINANCIAL PERFORMANCE SURPLUS / (DEFICIT) (AFPD)	319	(2,294)	(2,614)	(5,585)	(22,414)	(16,828)	(427)	(20,621)	(20,193)
AFPD excluding STF	(716)	(2,294)	(1,579)	(12,389)	(23,545)	(11,156)	(9,302)	(21,752)	(12,449)

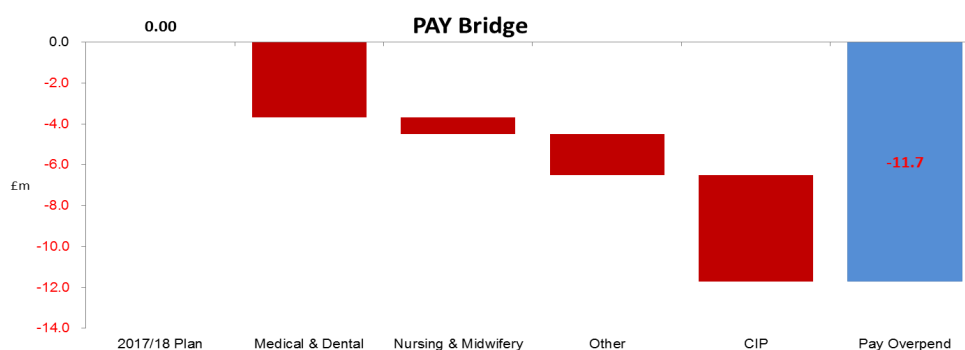
The table above details the current performance of the Trust in relation to the plan submitted to NHSI in March 2017. The detailed Income and Expenditure account can be viewed in Appendix 1.

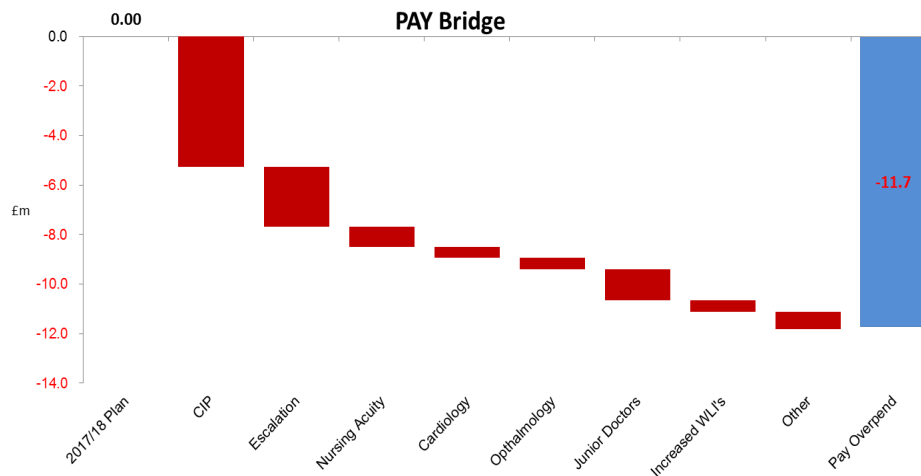
The non-achievement of the control total and A&E performance since Q1 has meant that the Trust has had (£5.7m) of the STF fund withheld further deteriorating the income position. Non PbR excluded drugs is currently below plan by (£4.9m), this is offset within expenditure.

As a result of the increased levels of NEL activity the Trust has currently been penalised by c£2.5m greater than planned for in respect of the NEL marginal rate. The Trust continues to discuss the high levels of NEL activity with Health and Social partners in order to find a more sustainable level of support.

Due to the Trust signing up to the Control Total issued by NHS Improvement, the Trust has avoided financial sanctions of c£10.3m YTD due to A&E (£1.7m) and RTT (£8.2m) adverse performance to targets.

The bridge charts below and overleaf demonstrates the current pay pressures within the YTD financial position.





The Trust continues to monitor the use of non-core spend and agency. The table below shows the detail by non-core category:-

Table 2 Core and Non-Core Expenditure Analysis

	15/16 Average £000's	16/17 Average £000's	17/18 Average £000's	Apr £000's	May £000's	Jun £000's	Jul £000's	Aug £000's	Sep £000's	Oct £000's	Nov £000's	Dec £000's	Jan £000's	YTD £000's
Plan				18,241	18,505	18,455	18,190	18,352	18,134	18,357	18,351	18,750	18,588	183,944
Pay Costs														
Substantive	16,047	16,944	17,538	17,340	17,366	17,355	17,213	17,405	17,562	17,654	17,260	18,401	17,835	175,381
Bank Staff	299	338	432	377	374	408	418	474	428	468	472	384	524	4,325
Agency Staff	723	591	560	424	515	568	698	724	477	429	574	543	647	5,597
Overtime	290	255	288	339	288	280	272	292	281	272	315	301	260	2,878
Medical Bank/Locum	357	462	595	488	508	558	548	629	541	582	628	710	770	5,954
WLI (In Year)	95	103	153	166	184	143	188	135	113	127	262	105	134	1,535
Non Substantive Total	1,764	1,748	2,029	1,791	1,825	1,955	2,118	2,254	1,840	1,878	2,249	2,043	2,335	20,288
Total Pay	17,811	18,692	19,567	19,131	19,191	19,310	19,331	19,659	19,392	19,532	19,509	20,444	20,170	195,669
Variance				(890)	(688)	(655)	(1,141)	(1,307)	(1,258)	(1,175)	(1,158)	(1,684)	(1,572)	(11,728)
Non-Core %	9.9%	9.4%	10.4%	9.4%	9.5%	10.1%	11.0%	11.5%	9.5%	9.6%	11.5%	10.0%	11.6%	10.4%

The Trust will continue to review the operational pay spend via F&PG and FBPAC with a renewed focus on actions required to reduce the pay run rate currently being experienced. The Trust agency YTD spend in M9 was £5.6m compared to the "ceiling" of £6.7m issued by NHSI however this is higher than planned levels of agency. Agency and Medical locum expenditure will continue to be closely managed given the premium adverse impact on the financial plan, alongside assessing the impact of a "freeze" imposed on non-clinical agency. The performance against the agency ceiling is ensuring that the Trust is currently delivering a UoR Rating of 3.

The YTD position includes the release of the £1.2m CQUIN risk reserve, as previously reported to the Board. This will be paid to the Trust in Mar 18.

The YTD non recurrent support of £1.3m overall has been released in Q1. This is non recurrent mitigation and as previously reported to the Board of Directors is not available in future months to support any continuance of the current higher than planned expenditure run rate of the Trust.

The impact of the associated risks and non-recurrent adjustments to the current YTD position and the underlying position are demonstrated in the table overleaf.

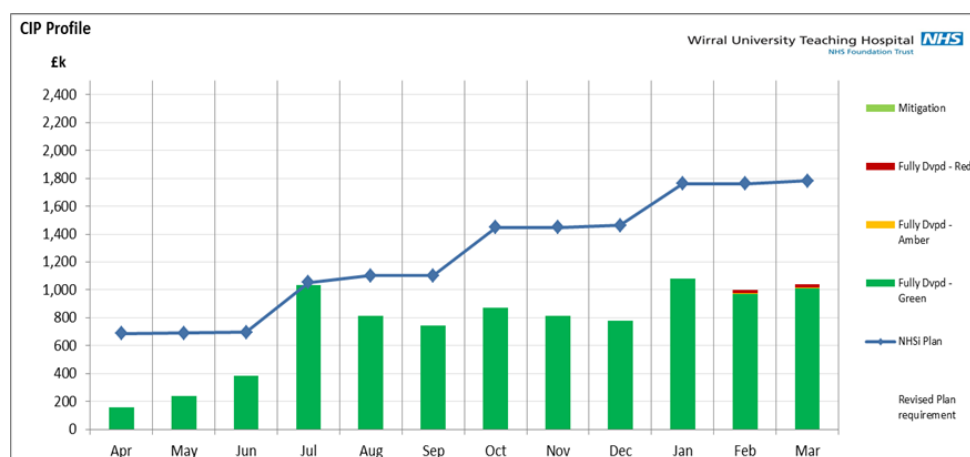
Table 3 Underlying Deficit

	YTD		
	Plan £k	Actual £k	Variance £k
Adjusted financial performance surplus/(deficit) (AFPD)	(5,585)	(22,414)	(16,829)
AFPD excluding STF	(12,389)	(23,545)	(11,156)
AFPD excluding Non-Recurrent Support inc Winter Funding	(12,389)	(25,797)	(13,408)
AFPD excluding SEPSIS Risk	(12,389)	(27,097)	(14,708)
AFPD Underlying Position (exc STF & CQUIN Risk)	(12,389)	(28,297)	(15,908)

Cost Improvement Programme (CIP)

The CIP for 2017/18 is £15m (c5%), this is allocated as a target both divisionally and workstream led. As at the end of the Month 10 the Trust is behind the YTD target of £11.5m by £6.7m.

Table 4 CIP Performance



The table below details the month 10 position for CIP.

Summary as at Month 10	YTD		In Year	
	Actual		Forecast	
NHSI Plan (Target)	£11,456k		£15,000k	
Fully Developed TSG approved schemes	£6,858k		£9,040k	
Overperformance/ (Gap) v NHSI Plan	-£4,598k	-40.1%	-£5,960k	-39.7%
Latest Forecast performance on TSG approved schemes	£6,722k		£8,764k	
Over/ (Under)performance compared to TSG approved schemes	-£136k	-2.0%	-£276k	-3.1%
Latest Forecast Including mitigation	£6,722k		£8,764k	
Performance Variance (Latest Forecast to NHSI Plan)	-£4,734k	-41.3%	-£6,236k	-41.6%
Latest Forecast adjusted for risk	£6,722k		£8,500k	
Performance Variance (Latest Forecast to NHSI Plan)	-£4,734k	-41.3%	-£6,500k	-43.3%

The in-year forecast for fully developed schemes at the end of January 2018 is £8.8m this is a reduction of c£0.5m compared to the M9 reported position.

The risk of delivery has also been assessed on all schemes and a provision of £0.8m in year has been made against the £9.3m. In addition the CIP mitigation reserve of £1.5m has been applied (not shown in the figures above) which increases the forecast in year CIP delivery to nearer £10m. This position is reflected in the full financial forecast.

Undoubtedly this shortfall is of concern, however considerable work has been undertaken with the divisional and programme leads to develop the plans in progress and opportunities schemes for approval at Transformational Steering Group (TSG) with all schemes having been risk assessed with a small proportion rated as red. Work will continue to assess the remaining schemes within these categories, with a view to obtain approval at TSG and have a clear understanding of the unidentified gap in order to take the appropriate actions. It is recognised that the pace of conversion of opportunities needs to be accelerated in order to reduce the gap between the plan requirement and the value of fully developed schemes. CIP performance has also been escalated to the weekly Executive Management Team meeting with particular focus on the delivery of the corporate directorate targets.

Statement of Financial Position (SOFP), cash position and Use of Resources (UoR) Rating

The Trust's Balance Sheet is detailed at Appendix 2 – *Statement of Financial Position (SOFP)*.

Capital variances to plan (£2.3m) are primarily due to actual brought forward balances for 2017/18 exceeding those in plan and depreciation savings, offset by the transfer of part of the Clatterbridge site to *Assets held for sale*, and a year-to-date capital underspend. Depreciation savings have been delivered by extending the asset life of the Cerner EPR system. While this has had a benefit to the Income & Expenditure position, it increases risks to the Trust's ability to fund its future capital programme without additional external support.

Capital expenditure is currently behind plan (inclusive of Digital Wirral (GDE) scheme) by £3.9m. Public dividend capital received in respect of the GDE scheme in year (£3.9m) must be spent before 31 March 2018. In order to utilise the capital expenditure available, the Trust is bringing forward capital schemes from the 2018/19 programme.

January's working capital variances are due to controlled variations in the working capital cycle, in addition to some temporary processing delays due to an upgrade of the Trust's financial system. In month 10, movements and variances in non-current borrowings are primarily attributable to the in-month draw-down of the Trust's revenue support *uncommitted loan* facility (£2.1m).

The January closing cash balance was £2.4m, which is £0.5m above plan. This variance comprises a number of factors: 16/17 cash position being higher than plan (£3.6m), capital underspend (£2.9m), the additional PDC cash received to support the Digital Wirral (GDE) programme (£3.9m), and above-plan loan draw-down (£7.7m), and working capital movements (£0.4m), offset by adverse EBITDA performance (£18.3m). The Trust has achieved Further detail of the Trust's cash position is at Appendix 3 – *Statement of Cash Flows*.

The Trust has achieved an overall Use of Resources (UoR) Rating of 3 which is in line with plan. As previously noted, the *Agency spend* rating is preventing the overall UoR Rating dropping to 4.

Conclusion

The Trust is currently reporting an YTD adverse variance (excluding STF) to plan of c(£11.2m) and as a consequence of this has not received the associated STF payments for this period. The underlying deficit position of the Trust continues to be reviewed in order to reflect the impact for 2018/19 planning.

The Trust continues to liaise with the wider Health Economy and in particular its main commissioner in order to mitigate the risks identified within the current and forecast financial position.

Recommendations

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

Gareth Lawrence
Acting Director of Finance
February 2018

Appendix 1 Income & Expenditure

Year ending 31 March 2018 Position as at 31st January 2017	January			YTD		
	Plan £k	Actual £k	Variance £k	Plan £k	Actual £k	Variance £k
NHS clinical income						
Elective	1,934	871	(1,063)	18,746	18,141	(605)
Daycase	2,325	2,293	(33)	22,363	22,136	(226)
Elective excess bed days	92	17	(110)	884	738	(146)
Non-elective	7,762	9,316	1,555	75,537	81,426	5,889
Non-elective excess bed days	188	206	18	1,828	2,076	248
A&E	1,059	1,112	53	10,382	10,863	481
Outpatient	2,949	2,954	5	28,388	27,623	(766)
Diagnostic imaging	213	194	(18)	2,055	2,030	(25)
Maternity	478	405	(73)	4,714	4,334	(380)
Non PbR	5,896	6,228	331	58,145	55,813	(2,332)
HCD	1,707	1,241	(466)	17,071	12,202	(4,869)
CQUINS	433	115	(317)	5,532	5,085	(448)
Other income	20	9	(11)	196	166	(30)
STF	1,035	0	(1,035)	6,804	1,131	(5,673)
Total clinical income	26,092	24,926	(1,166)	252,646	243,765	(8,881)
Non-NHS clinical income						
Private patients	54	22	(32)	540	327	(213)
Other non-NHS clinical income	77	278	201	770	1,814	1,044
Total non-NHS clinical income	131	300	169	1,310	2,141	831
Other income						
Education & training	815	897	82	8,150	8,272	122
R&D	34	8	(26)	340	409	69
Non-patient services to other bodies	773	846	73	7,730	7,233	(497)
Other income	823	900	77	8,230	8,954	724
Total other income	2,445	2,650	205	24,450	24,868	418
Total operating income	28,668	27,876	(792)	278,406	270,774	(7,632)
Operating costs						
Pay costs	(18,598)	(20,170)	(1,572)	(183,944)	(195,670)	(11,726)
Drug costs	(2,512)	(2,049)	463	(23,878)	(20,118)	3,760
Clinical supplies	(2,582)	(2,780)	(198)	(25,701)	(29,220)	(3,519)
Other costs	(3,581)	(4,275)	(694)	(40,042)	(38,907)	1,135
Depreciation and net impairment	(715)	(534)	181	(6,923)	(5,447)	1,476
Total operating costs	(27,988)	(29,808)	(1,820)	(280,488)	(289,361)	(8,874)
Operating surplus / (deficit)	680	(1,932)	(2,612)	(2,082)	(18,587)	(16,506)
Operating surplus / (deficit) %	2.37%	-6.93%		-0.75%	-6.86%	
Net finance costs and gains / (losses) on disposal	(372)	(382)	(10)	(3,622)	(3,649)	(27)
Actual surplus / (deficit) per annual accounts	307	(2,314)	(2,621)	(5,704)	(22,237)	(16,533)
Reverse net impairment	0	0	0	0	0	0
Surplus / (deficit) before impairments and transfers	307	(2,314)	(2,621)	(5,704)	(22,237)	(16,533)
Reverse capital donations/grants I&E impact	12	20	8	118	(177)	(295)
DEL net impairments (<i>damage, not revaluation</i>)	0	0	0	0	0	0
Adjusted financial performance surplus / (deficit) (AFPD)	319	(2,294)	(2,613)	(5,585)	(22,414)	(16,828)
Control total	319	319	0	(5,585)	(5,585)	0
AFPD excluding STF	(716)	(2,294)	(1,578)	(12,389)	(23,545)	(11,156)

Appendix 2 Statement of Financial Position (SOFP)

Actual as at 01.04.17 £k		Actual as at 31.12.17 £k	Actual as at 31.01.18 £k	Variance (monthly) £k	Plan as at 31.01.18 £k	Actual as at 31.01.18 £k	Variance (to plan) £k	Forecast 31.03.18 £k	Plan 31.03.18 £k
	Non-current assets								
145,789	Property, plant and equipment	143,134	145,680	2,546	144,387	145,680	1,293	149,046	145,166
12,216	Intangibles	11,597	11,522	(75)	10,562	11,522	960	16,364	10,080
950	Trade and other non-current receivables	874	867	(7)	1,612	867	(745)	866	1,612
158,955		155,605	158,069	2,464	156,561	158,069	1,508	166,276	156,858
	Current assets								
3,881	Inventories	3,664	4,117	453	4,051	4,117	66	4,117	4,051
16,389	Trade and other receivables	27,043	27,503	460	23,799	27,503	3,704	18,711	20,760
0	Assets held for sale ¹	1,805	595	(1,210)	0	595	595	0	0
5,390	Cash and cash equivalents	2,143	2,424	281	1,963	2,424	461	7,884	2,257
25,660		34,655	34,639	(16)	29,813	34,639	4,826	30,712	27,068
184,615	Total assets	190,260	192,708	2,448	186,374	192,708	6,334	196,988	183,926
	Current liabilities								
(31,059)	Trade and other payables	(39,239)	(42,362)	(3,123)	(33,663)	(42,362)	(8,699)	(36,187)	(32,172)
(3,341)	Other liabilities	(4,443)	(4,033)	410	(3,696)	(4,033)	(337)	(2,783)	(3,696)
(1,015)	Borrowings	(1,074)	(1,074)	0	(1,015)	(1,074)	(59)	(1,073)	(1,014)
(668)	Provisions	(668)	(668)	0	(664)	(668)	(4)	(668)	(664)
(36,083)		(45,424)	(48,137)	(2,713)	(39,038)	(48,137)	(9,099)	(40,711)	(37,546)
(10,423)	Net current assets/(liabilities)	(10,769)	(13,498)	(2,729)	(9,225)	(13,498)	(4,273)	(9,999)	(10,478)
148,532	Total assets less current liabilities	144,836	144,571	(265)	147,336	144,571	(2,765)	156,277	146,380
	Non-current liabilities								
(9,154)	Other liabilities	(8,898)	(8,869)	29	(8,869)	(8,869)	0	(8,813)	(8,812)
(26,708)	Borrowings	(39,441)	(41,536)	(2,095)	(33,634)	(41,536)	(7,902)	(49,484)	(27,627)
(2,221)	Provisions	(2,079)	(2,063)	16	(1,995)	(2,063)	(68)	(2,032)	(1,969)
(38,083)		(50,418)	(52,468)	(2,050)	(44,498)	(52,468)	(7,970)	(60,329)	(38,408)
110,449	Total assets employed	94,418	92,103	(2,315)	102,838	92,103	(10,735)	95,949	107,972
	Financed by								
	Taxpayers' equity								
72,525	Public dividend capital	76,416	76,416	0	72,525	76,416	3,891	78,502	72,525
4,575	Income and expenditure reserve	(15,347)	(17,662)	(2,315)	(2,355)	(17,662)	(15,307)	(15,903)	2,779
33,349	Revaluation reserve	33,349	33,349	0	32,668	33,349	681	33,350	32,668
110,449	Total taxpayers' equity	94,418	92,103	(2,315)	102,838	92,103	(10,735)	95,949	107,972

¹ The Trust is actively pursuing options related to the sale of part of the Clatterbridge site.

Appendix 3 Statement of Cash Flows

	Month			Year to date			Full Year	
	Actual	Plan	Variance	Actual	Plan	Variance	Forecast	Plan
	£k	£k	£k	£k	£k	£k	£k	£k
Opening cash	2,143	1,991	152	5,390	1,752	3,638	5,390	1,752
Operating activities								
Surplus / (deficit)	(2,314)	309	(2,624)	(22,236)	(5,700)	(16,536)	(20,478)	(568)
Net interest accrued	105	92	12	873	823	50	1,080	982
PDC dividend expense	277	277	(0)	2,770	2,772	(2)	2,924	3,326
Unwinding of discount	1	3	(2)	5	30	(25)	6	35
(Gain) / loss on disposal	0	0	0	0	0	0	(3,800)	0
Operating surplus / (deficit)	(1,932)	682	(2,614)	(18,588)	(2,075)	(16,513)	(20,268)	3,775
Depreciation and amortisation	534	715	(181)	5,447	6,923	(1,475)	6,578	8,353
Impairments / (impairment reversals)	0	0	0	0	0	0	0	0
Donated asset income (cash and non-cash)	0	0	0	(325)	0	(325)	(325)	0
Changes in working capital	487	(1,567)	2,055	(2,402)	(2,820)	417	(1,304)	(270)
Other movements in operating cash flows	0	0	0	0	0	0	0	0
Investing activities								
Interest received	6	7	(1)	30	68	(38)	44	82
Purchase of non-current (capital) assets ¹	(909)	(864)	(45)	(3,751)	(6,637)	2,886	(10,712)	(7,964)
Sales of non-current (capital) assets	0	0	0	0	0	0	4,395	0
Receipt of cash donations to purchase capital assets	0	0	0	40	0	40	40	0
Financing activities								
Public dividend capital received	0	0	0	3,891	0	3,891	5,977	0
ITFF loan principal drawdown	0	0	0	0	0	0	0	0
Support funding ² principal drawdown	2,100	1,000	1,100	15,134	7,434	7,700	23,600	9,600
ITFF loan principal repaid	0	0	0	(508)	(508)	0	(1,015)	(1,014)
Support funding ² principal repaid	0	0	0	0	0	0	0	(7,666)
Interest paid	1	0	1	(501)	(510)	9	(1,121)	(1,064)
PDC dividend paid	0	0	0	(1,373)	(1,663)	290	(3,324)	(3,326)
Capital element of finance lease rental payments	(5)	0	(5)	(50)	0	(50)	(59)	0
Interest element of finance lease rental payments	(1)	0	(1)	(10)	0	(10)	(12)	0
Total net cash inflow / (outflow)	281	(28)	308	(2,966)	211	(3,178)	2,494	505
Closing cash	2,424	1,963	460	2,424	1,963	460	7,884	2,257

¹ Outflows due to the purchase of non-current assets are not the same as capital expenditure due to movements in capital creditors.

² Support funding currently comprises a working capital facility, and 'uncommitted loans', issued by DH and administered by NHSI.

Board of Directors	
Agenda Item	6.2
Title of Report	Response to the Naylor Review
Date of Meeting	28 February 2018
Author	David Sanderson Associate Director of Estates & Facilities
Accountable Executive	Gareth Lawrence Director of Finance
BAF References Strategic Objective Key Measure Principal Risk	Strategic Objective Locally Focused, Regionally Significant.
Level of Assurance Positive Gap(s)	Positive. Gaps: This is an advisory paper only
Purpose of the Paper Discussion Approval To Note	To note and for discussion
Data Quality Rating	Bronze – qualitative data
FOI status	Document may be disclosed in full
Equality Impact Assessment Undertaken Yes No	No

1. Executive Summary

The Government Response to the Naylor Review was published in January 2018, this paper aims to provide an overview of the paper and identify specific areas pertinent to the trust.

The Naylor Report entitled-NHS Property and Estates - Why the estate matters for patients was released in March 2017, and identified a number of changes that needed to be made to improve the current NHS Strategic Estates.

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2. Background

The Focus of the Review and Response can be summed up in the following

“In health, as in all public services, it is what goes on within buildings that really matters. But the built environment plays a critical role in the quality of clinical care being delivered and the experience patients have while being treated. Good buildings are energising for staff and recuperative for patients. Old and outdated buildings are inefficient and costly; they sap morale, impede recovery and reduce wellbeing.

So if we want to deliver world-class care, we need world-class buildings in which to deliver it. Many of the NHS's healthcare facilities – hospitals, health centres, GP surgeries – are excellent, but others could be better. They can be more efficient, more attractive, better maintained, and more effectively used to support clinical quality.”

3. Overview of the Response

The paper addressed various elements associated with the Strategic Estate, and the relevant points are detailed below

The Vision

NHS land and property is an important enabler of transformation in the health system and beyond, yet its potential is under-appreciated.

This can and must change. By adopting a more strategic approach, the NHS can generate money to reinvest in new or updated premises for the benefit of patient care. Unused land can be released to stimulate new housing

Co-locating services can reduce running costs and deliver more integrated clinical care and consolidated support functions. Using NHS land and buildings more efficiently releases money which can be ploughed back into clinical services and patient care.

What does this mean to us?

This is about collaboration and working with partners in the region to ensure as a health economy we are using the most appropriate. Most cost effective and best facilities in which to undertake our service, regardless of who owns them.

Our vision is of an efficient, sustainable and clinically fit-for-purpose estate, one where the NHS:

- provides a modern estate equal to delivering the vision of the *Five Year Forward View* (5YFV) and new models of care;

WUTH - We don't have a regional strategy for healthcare that can currently aid and drive the Regional Estates strategy currently however there is a new Estates Board for Merseyside and Cheshire, which will be attended by our Director of Finance.

- makes sure local strategic estates planning reflects changing delivery models, in particular the planned shifts of activity into primary care that was set out in the 5YFV;

WUTH - We have brought some services back into the trust from Primary Care locations as part of cost saving over the last 2 years; however this goes against the 5 year forward view,

The MSK project and the Women's and Children Services have seen progress in this area with services using community property.

Longer term the use of the best facilities for the services we provide is unlikely to be accepted until commissioners begin to mandate location where services should be delivered or provide financial support.

- aligns with current and future clinical service strategies, for the benefit of patients, local communities and partners in the Sustainability and Transformation Partnerships (STPs) and, in time, Accountable Care Systems (ACSs);

WUTH - The Wirral Estates group has just been reformed with David Sanderson as Chair, Karen Howell - Chief Exec Wirral Community Trust. the previous chair and will continue to keep an interest in the group with Mark Greatrix appointed as SRO, this groups aim is to try and understand the future clinical direction as a regional health economy to enable the Estate to understand future needs and direction.

- proactively takes steps to maintain its assets and reduce backlog maintenance

WUTH - An independent 6 facet survey is being planned to update the information we hold on the condition of the estate, at current levels of investment in the Estates we would expect the backlog figure to rise to around £70m in 5 years' time and £100m in 10 years' time, options include increasing spend, rationalisation and closure of areas/ buildings/Sites or at some stage consideration if the hospital is no longer worth investing in and a new facility would be a more viable option

- replaces what cannot be cost-effectively maintained and releases what it no longer needs, maximising receipts which can be reinvested into new premises and new services, while boosting economic growth and creating new homes;

WUTH - land sale of the initial part of Clatterbridge has been agreed, in line with government policy, Clatterbridge still remains our best area for future consideration, consolidation at the rear of the site, may open up opportunities for further land sale at the front of the site, Arrowe Park Hospital has less potential impact, with land on two sides leased from the council for parking this could be released with the build of a multi storey car park releasing the land for repurposing including other healthcare related facilities or indeed housing

- understands the cost of its estate, with comprehensive, accurate and comparable information underpinning estates-related decision making;

WUTH-The trust does not have currently any effective mechanisms in place to provide the level of data required to underpin effective decision making, the 6 facet survey will provide a basis and our pursuit of an Asset Management system that can provide more accurate day to day information (Circa£50K), and a space survey (circa£35k) will allow us to begin to link cost to individual buildings and services.

Further to this the introduction of an energy technician (being recruited) will allow us to add energy costs into the decision on facilities.

- Draws on expert advisers where it needs to, but builds its own capabilities to become an effective informed client on estates matters.

WUTH- Where possible we undertake the works within the existing teams, as this is a cost effective way of undertaking the works, however we still have to use architects, cost consultants, surveyors and CAD technicians currently to supplement our single project manager, the Strategic Estates Partner route we considered would have provided us with the services we need with respect to master planning, (£75k) Estates Strategy (£50k), feasibility studies (£30k), so we must consider how we procure these services in the future, we are hopeful that some works will be funded as part of Healthy Wirral or the wider STP works

Leadership & Capability

As the healthcare estate is often overlooked, so too is the estates and facilities management workforce. Patients and the public seldom see these staff but they are essential to the delivery of NHS services. They deserve access to professional development so that we have the right people with the right skills in the right place. While we have some excellent estates staff in post, we know there is generally a shortage of much-needed estates skills within NHS trusts.

Incentivising Local Action

The NHS has been working hard to develop credible capital and estates plans, fully aligned with clinical service strategies and supported by strong and credible business cases, as integral elements of their wider transformation plans to modernise services.

The Government has backed this with increased investment and strategic estates planning expertise to help STPs move from planning to implementation.

The Government has set aside almost £4 billion of additional capital investment. The NHS must also play its part in generating capital. Organisations will only receive additional government funding through the STP capital programme if they can demonstrate that they are pursuing all value-for-money opportunities to generate capital within the STP footprint and are reducing running costs by improving estates utilisation and tackling backlog maintenance.

Wuth - We are a long way from having a credible capital and Estates plan, there is no clinical service strategy locally or regionally agreed that can help formulate a Strategy, and little interest in the Estate and what it can help to achieve currently, but with funding going forward being assessed on a regional basis through the Merseyside & Cheshire STP, we have no other option but to be fully involved and I would argue to be at the forefront to ensure we are recognised and heard in the region which is currently Liverpool Focussed.

Model Hospital & ERIC data will be used to assess our performance against benchmarks; the major area for us is space utilisation and In particular non- clinical space usage

Improving the existing estate

The NHS can make an important contribution to sustainability by reducing operating costs which currently amount to over £8 billion and are the third largest area of cost to the NHS, after workforce costs and expenditure on drugs.

Backlog maintenance is a significant issue that the NHS must address. Reducing backlog maintenance not only provides a safer and higher quality estate, but reduces running costs in the longer term. We will expect capital business cases submitted to demonstrate a clear understanding of whole lifecycle costs and reduced backlog liabilities, alongside the current focus on upfront capital costs.

The need to reduce backlog maintenance and bring the estate to a proper state of repair is not just confined to the acute sector. NHSI will take forward a programme of work to support the whole of the NHS, including primary care, to tackle backlog maintenance, including:

- Ensuring that the NHS assesses the risks to patients, visitors and staff as part of their backlog maintenance assessments, including risks to safety and business; continuity, and mitigates those risks through capital investment, where appropriate

WUTH- we have recently submitted to NHSI, a significant piece of work on backlog maintenance, which identified all risks but specifically those around safety of the patient, which for us had a focus on Fire, and infrastructure.

As we know Capital expenditure for the last few years has been around £1.2m for backlog maintenance, and with very little additional refurbishment projects, the funding is no longer keeping pace with keeping backlog levels at a static level, with our main hospital approaching 40 years of age the site infrastructure is now at its designed lifecycle, and increased failures will impact significantly on the repairs and maintenance (Revenue Spend).

- identifying what is an appropriate level of backlog maintenance for an organisation of the size of the NHS;

WUTH - An independent 6 facet survey is being planned to update the information we hold on the condition of the estate,

- ensuring that there is appropriate protection for asset life-cycle management and that organisations are incentivised to keep facilities in a good state of repair; and

WUTH - We are expecting greater reporting requirements around our major assets in preparation for this we are in the process of changing our asset management system, with a system that allows us to better analyse the assets, and make more informed decisions on replacement, in addition there will be greater pressure from the centre on finance directors to provide funding for this from within the trust

- delivering a better estates culture with increased competency and knowledge transfer strategically, operationally and commercially

WUTH- Encouraging staff to undertake a new Facilities Management which is being led by David Sanderson, with our first course commencing in March with a view to upskilling existing staff and growing future leaders within the teams. A career development strategy and career path is also being developed by the team, with a view to retaining staff and internal promotion.

Estates Apprentices in Electrical & Plumbing trades have not been successful in recent years as the trade requirements and experience needed cannot be offered in a maintenance focussed environment, so there is a NHS wide drive to see how this can be changed.

Here at Wuth, In Estates we have an aging workforce, that struggles with change, but one which is slowly changing with a more commercial outlook, modern and innovative working in line with the best outside the NHS should be our target, complete with increased competencies, however even the fundamental of mandatory training for the various specialist roles has remained unfunded for many years, due to cost improvement.

The current training gap for authorised persons is £35k

Recruitment of specific roles such as Electrical and Plumbing are becoming increasingly difficult as salary differences between commercial and public sector have increased

4. Conclusion

All the above challenges are being discussed and action plans produced, some can be implemented with minimal financial impact, others will require an increased level of funding, however the main focus will be directly on the NHS Estate, especially around rationalisation and the drive to use good quality and available community properties (Such as ST Catherine's), simply actions such as back office collaboration with other providers, and the use of external non NHS, fit for purpose office facilities (such as Old Market House in Birkenhead) instead of using the Acute Estate could be the easiest of options open to us.

The Board is asked to note the content of the paper and provide comment if appropriate.

Gareth Lawrence
Acting Director of Finance
23 February 2018

Board of Directors	
Agenda Item	7.1
Title of Report	Report of the Finance, Business Performance and Assurance Committee – 23 rd February 2018
Date of Meeting	28 th February 2018
Author	Andrea Hodgson, Chair of the Finance, Business Performance and Assurance Committee
Accountable Executive	Gareth Lawrence, Acting 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 	
Reviewed by Assurance Committee	Not applicable
Data Quality Rating	Not applicable
FOI status	Document may be disclosed in full
Equality Impact Assessment Undertaken	Not applicable
<ul style="list-style-type: none"> • Yes • No 	

This report provides a summary of the work of the Finance, Business Performance and Assurance Committee (FBPAC), which met on the 23rd February 2018. Key focus areas are those, which address the gaps in assurance/control in the Board Assurance Framework.

1. Board Assurance Framework

The Committee noted the detailed element of the Board Assurance framework (BAF) and requested that full suite of key risk assessments be brought up-to-date and the summary overview to be reintroduced for future meetings.

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2. Risks at 15+

There were no risks scored at 15+ reported to the Committee this month.

3. M10 Financial Position and Financial Recovery

The Committee reviewed the current position at M10 which included a review of:

- **The year to date deficit position** which was reported at £23.5m excluding STF which was £11.2m adverse variance to plan. Non-delivery of financial and A&E 4 hour targets resulted in loss of access to STF to month 10 of some £5.7m.
- **Income** – PbR Clinical income is currently above plan, this is despite Elective and Outpatient activity being down in month as a result of non-elective pressures. The Committee was advised that £7.9m of the income position related to contract penalties recognising that this would have been higher (£10.3m) if the Trust had not accepted the in year control total of £0.4M deficit.
- **Expenditure** – this was reported at £10.3m above plan YTD with pay costs being the largest contributor at £11.7m. Within this position there were £5.4m of pressures reported associated with non-delivery of CIP, with further cost pressures associated to the increased number of escalation beds (£2m) and increased Medical costs to cover rotational gaps.
- **Cash** – Balances stood at £2.4m, £0.5m above initial plan figures. It was noted that additional above plan borrowing had been drawn down in line with levels previously agreed at FBPAAC and the Board of Directors.
- **Use of Resources** – this was reported as a 3 in line with the plan and supported by agency costs being delivered within the cap.
- **Cost Improvement Plan** – YTD performance is £4.7m below plan, however the in-year forecast continues to be forecast at circa £9.5m inclusive of risk reserve.
- **Forecast Outturn** – The Committee noted the revised forecast of £20.6m deficit that had been shared with NHSI and were taken through the main drivers of the deterioration and the recovery actions that had been delivered in year.

The Committee was concerned that costs in all areas were increasing above plan but most noticeably in Pay. It was agreed that greater visibility around Pay costs and their drivers would be brought to future committees.

4. Budget Planning Update

The Committee were taken through the Key Themes of the Planning Guidance and the control total that has been issued for 2018/19. The Committee discussed the Control Total in line with the current underlying Financial Position and the significant gap between the two. The committee noted that further updates would be taken through the committee before the final submission on the 30th April.

The Committee invited the Interim Director of Finance to consider seeking external quality assurance from a third party as the Trust had done on A&E performance to help validate the underlying financial performance drivers, the full extent the challenges and benchmarking of the opportunities available to the Trust in order to deliver a trajectory to a financially sustainable performance.

5. Performance Report ending 31st December 2017

The Committee noted that the performance pack within the agenda was for the month ending 31st December and requested that more timely updates are included in the pack for future meetings.

The committee was given a verbal update of the performance up to the end of the 31st January 2018. It was pleasing to note that the A&E performance continues to improve with latest figures reported of 87/88%. However, it was noted this remains behind constitutional standards.

Disappointingly RTT performance has decreased although expected, following the National guidance to reduce the Elective programme..

The committee discussed cancer performance in detail and requested that further information on all elements be brought back to future meetings.

6. Workforce Report

The committee was advised that certain measures were under review within the workforce report to ensure their accuracy. The Interim Workforce Director advised that she was undertaking validation of mandatory training data and fill rates. The committee requested that once concluded they are tested by Internal Audit to ensure the appropriate processes are consistently place.

The committee requested that further work be carried out on the Workforce report focusing on:

- Strategies for difficult to recruit roles
- Further triangulation with the Financial position

7. Naylor Report

In response to the Government Naylor Report, the Committee received an update summarising the various elements associated with the Strategic Estate review required to ensure that the estate remained safe and cost effective to support the services of the Trust. An independent 6 facet survey is being planned to ensure that the Trust takes the necessary steps to maintain its assets and reduce its backlog maintenance, The Committee requested that the Estates Strategy together with the detailed action plan to address the gaps in the report are brought back to FBPAAC.

8. Assurance Reporting

The Committee received Chair's reports from the following Working Executive Committees:

- Finance and Performance Group.
- Digital Wirral Programme Board.
- Information, Information Governance and Coding Group.
- The Strategy and Sustainability Planning Group

The Committee sought greater assurance and evidence from the Director of IT & Informatics to support the Trust's compliance with GDPR and where necessary invited the services of MIAA to review the Trust's state of preparedness given the impending deadline of 18.05.2018. Discussion was held around how the Trust might need to resource data access requests from patients. It was agreed that in the first instance confirmation of data compliance was required, and secondly a process be established. The Committee acknowledged it would be difficult to predict the amount of requests that might arise or the potential resource requirements at this stage and for this is to be included in the Risk Register.

9. Escalation to the Board/Inclusion on the Board Assurance Framework

The Committee requested that the Forecast Outturn Position presented be discussed at Board on 28 February.

Andrea Hodgson

Chair of Finance, Business Performance and Assurance Committee

BOARD OF DIRECTORS

UNAPPROVED MINUTES OF PUBLIC MEETING

7 FEBRUARY 2018

**BOARDROOM
EDUCATION CENTRE
ARROWE PARK HOSPITAL**

Present

Michael Carr	Chairman
David Jago	Acting Chief Executive
John Coakley	Non-Executive Director
Andrea Hodgson	Non-Executive Director
Graham Hollick	Non-Executive Director
Janelle Holmes	Chief Operating Officer
Gareth Lawrence	Acting Director of Finance
Dr Mark Lipton	Deputy Medical Director
Sue Lorimer	Non-Executive Director
Anthony Middleton	Director of Operations and Performance
John Sullivan	Non-Executive Director

In attendance

Jayne Kearley	Member of the Public
Dr John Fry	Public Governor
Steve Evans	Public Governor
Carol Skillen	Staff Governor
Mike Baker	Head of Communications
Nigel MacLeod	PA to CEO and Chairman (Minutes)

Apologies

Dr Susan Gilby	Medical Director
Cathy Maddaford	Non-Executive Director
Gaynor Westray	Director of Nursing and Midwifery

*denotes attendance for part of the meeting

Reference	Minute	Action
BM 17-18 /207	Apologies for Absence Noted as above	
BM 17-18 /208	Declarations of Interest None	
BM 17-18 /209	Chairman's Business The Chairman welcomed all to the meeting having been reconvened from the 31 January 2018. Members were reminded that the meeting, whilst held in public, was not a public meeting. Condolences were offered to David Jago, Acting Chief Executive, following the sad news of his mother's death. The Chairman extended congratulations to Gareth Lawrence upon his recent appointment as Deputy Director of Finance at St Helen's & Knowsley NHS Trust. Two additional Consultant in Emergency Medicine appointments were conveyed to the Board; Dr E Parkinson and Dr J Karim.	

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Reference	Minute	Action
BM 17-18 /210	<p>Chief Executive's Report</p> <p>The Acting Chief Executive presented the report and highlighted the following areas:</p> <p>Health & Care Partnership for Cheshire & Merseyside [Formally the Sustainability and Transformation Plan] - the Acting Chief Executive reported, in line with his report, that a Transformation fund had been established in 2018/19 via a levy to Commissioners totalling £7m with additional £0.9m coming from providers. The funds will be utilised to support the agreed STP programme. Eligibility criteria will include:</p> <ul style="list-style-type: none"> • Voluntary participation in Capped Expenditure programme "lite" • Clear and credible Place-based model of care • Realistic but challenging Place implementation plans, timescale and clinical /financial outcomes • Evidence that allocated funding will increase the pace of change. <p>It was also reported that having recently undergone a Readiness Assessment the overall assessment had been confirmed as Amber/Red for the Acute Care Sustainability programme. It was reported that the ongoing work with Southport & Ormskirk Trusts and East Cheshire would be a priority. The overall assessment is unlikely to have any immediate impact across the Wirral, with partners progressing in line with existing plans.</p> <p>2018/2019 Planning – the Acting Chief Executive reported that initial guidance had now been received and updated the Board with the key headlines:</p> <ul style="list-style-type: none"> • Additional funding (confirmed for the year 18/19) agreed as part of the autumn Budget to support local systems to make improvements in operational performance • Expectation that aggregate performance against the four-hour A&E target is above 90% in September and that the majority of providers to achieve 95% by March. The NHS to return to an overall performance of 95% in 2019/20 • A support fund has been established • NHSE is to introduce changes to the CCG quality premium to provide better rewards for CCGs • Guidance re RTT and number of patients waiting <p>In addition, it was reported that the Wirral Wide 'Lock In' Meetings have led to meaningful discussions resulting in greater cohesion amongst partners. A first view of aims and objectives for 2018/19 will be developed for discussion at future Board meetings.</p> <p>Additional Winter Monies – the Acting Chief Executive reported that the funding recently approved had not yet been received. In line with the 2018/19 planning cycle, it has been outlined that any additional winter funding for 18/19 is unlikely.</p> <p>National CQC Survey – the Board was please to recognise that a national survey by the Care Quality Commission (CQC) had found that the Trust provides some of the best maternity care in the country. The 2017 Survey of</p>	<p style="text-align: right;">DJ</p>

Reference	Minute	Action
	<p>Women’s Experiences of Maternity Care, undertaken by the CQC involved 130 NHS Trusts across the country and asked women about the care they received during their pregnancy, while they were having their baby and after their baby was born. Results showed that Wirral Women and Children’s Hospital was one of only two nationally to perform ‘better than expected’ in four core areas of care, with a strong emphasis on establishing relationships and communicating with patients.</p>	
<p>BM 17-18 /211</p>	<p>Bi Monthly Nurse Staffing Report</p> <p>The Board thanked the Chief Operating Officer having presented a very helpful and clear Nurse Staffing Report.</p> <p>Having reflected on the paper, a number of observations and priorities were discussed by the Board:</p> <ul style="list-style-type: none"> • Prioritisation will be focused on a strategy to reduce the number of vacancies across Nursing & Midwifery. • A strategy to improve sickness absence will be prepared for review at the March Board of Directors meeting. The strategy will aid recruitment, retention and career pathway development for roles across nursing & midwifery. • Having a career pathway was seen by the Board as a positive step to retention by providing additional training and educational guidance. • The Board welcomed the view that the organisation will have a mechanism to support recruitment for vacancies that arise from internal promotion. • An increasing vacancy trend across Surgery & Medicine and Acute is evidential. • The Board noted the age profile of the nursing workforce as evidenced in the report. The Chief Operating Officer outlined the numbers were high and expected to increase further, she confirmed that the key would be to be flexible and provide support for the development of roles for this cohort. <p>The Board asked that future reports include clarity around what defines an escalation ward and the impact that ensues once additional capacity is opened across the hospital.</p> <p>The report had indicated a position of being circa 20% over current establishment. It was reported that the current process for formulating the data is heavily reliant upon manual input and validation. In addition, the data for Women’s and Children’s is still being quantified. Once the Trust has implemented eRostering it was confirmed that a more accurate position will be determined. Initial timescales for the implementation had been outlined at circa 8 months. Recent projections estimate circa 8 – 12 weeks.</p> <p>From a cost perspective, the Trust has been operating on a level of providing circa 90 additional beds more than being funded for, impacted further having taken into account deteriorating staff sickness. To compensate, the concurrent Corporate Review Strategy to provide support to the workforce via alternative ways will have a positive impact in the long term.</p>	<p>JH</p>

Reference	Minute	Action
	<p>The Board received assurance that the 'care hours per patient' is aligned to nationally mandated data collection but does not take into account individual patient acuity. At Trust level, it was confirmed that as the Cerner programme develops, this potentially could be incorporated into local reporting.</p> <p>Whilst sickness absences rates have demonstrated a month on month rise in the registered Nursing/Midwifery cohort of staff, this has been further impeded by a number of flu/norovirus cases. Whilst the Medical Leadership review will in the long term provide a greater level of support, short term focus has been focused on ensuring the 'return to work process' is providing additional staff support as required.</p> <p>In conclusion, it was recognised that the Trust is seen as an outlier when directly compared with similar organisations. The recruitment and sustainability plan has been introduced to support this position and has incorporated the key aspects already outlined; workforce age and banding, improved social care leading to a reduction on the number of medically optimised patients being cared for within the Acute environment.</p>	
<p>BM 17-18 /212</p>	<p>Mortality Dashboard</p> <p>The Deputy Medical Director presented the report that reflects the position as at the end of January 2018. It was confirmed that the Trust remains on course to meet the requirements of the National Quality Board recent guidelines.</p> <p>Having presented the full report, the Board was advised of the key components:</p> <ul style="list-style-type: none"> • Two consultants have been trained in structured judgemental review (SJR) and having delivered a further training course the Trust will have sufficient reviewers to perform SJRs on 10% of all deaths. • The Trust recognised the delay in ensuring training was delivered. • 20 deaths in Q3 need to have second line review either by SJR, Root Cause Analysis (RCA) or Women's' and Children's processes. • It was confirmed that since November mortality reviews are now fully electronic for medical staff. The delay, as outlined within the report, was noted. • 413 Deaths in quarter 3 had been recorded (1.10.17 – 31.12.17). • The hospital standardised mortality ratio for WUTH (Oct 16 – Sept 17) is 91. This reflects a significantly better ratio than what is expected by statistical analysis. • At the present time there have been 5 elective surgical deaths, 11 deaths undergoing RCA and 4 deaths in Women's and Children's Hospital. <p>Andrea Hodgson sought and received assurances that key learnings and identified themes are applied. It was also confirmed that relevant Trust policies are updated to reflect the findings.</p> <p>David Jago received assurance that internal Trust processes are updated with key findings and then conveyed to Primary Care where required.</p>	

Reference	Minute	Action
<p>BM17-18 /213</p>	<p>Annual Infection Prevention and Control Report</p> <p>The Chief Operating Officer and Acting Director of Nursing presented to the Board the 2016/17 annual infection prevention and control report. The Board also received confirmation that having been subsequently subject to external review, an implementation plan has been introduced.</p> <p>It was confirmed that the newly appointed Interim Director of Infection Prevention and Control will join the Trust late February 2018.</p> <p>Sue Lorimer asked the Board to consider that the report did not reflect the current position across the Trust, which should be borne in mind when considering current performance. The Chief Operating Officer agreed with the sentiments, noting that 2016/17 had been an extremely positive year for infection prevention control. The team have harnessed that success to reflect on measures currently being taken.</p> <p>John Coakley noted that clostridium difficile cases are exceeding the trajectory and received assurance that all cases had been reported in line with current guidelines. All positive cases, including those detected at time of admission, are reported via PHE. Hospital acquired cases had been reported to NHSI as required.</p> <p>The Chairman sought and received assurance that audit results and actions from the water cooler and ice machine audit had been undertaken. Confirmation will be reported via the March Quality and Safety Committee.</p> <p>John Sullivan noted that he had been unaware of the reported Scabies Outbreak in February 2017. Mr Sullivan was assured that the declared outbreak had been managed appropriately and reported via the Quality and Safety Committee.</p>	
<p>BM 17-18 /214</p>	<p>Integrated Performance Report</p> <ul style="list-style-type: none"> • Integrated Dashboard and Exception Reports <p>The Director of Operations and Performance presented the integrated performance dashboard and advised the Board as follows:</p> <p>A & E 4 Hour Standard – The Board was reminded of the national focus in this area particularly as this was an indicator as to how the NHS as a whole functioned. The Director of Operations and Performance advised the Board of the comparable January 2018 position, in comparison to the reported December 2017 position; National position 84%, Cheshire & Merseyside 85%, Wirral wide including all Walk-in-Centres 86%.</p> <p>The Board was informed that performance has improved a little with a national acknowledgement that across Cheshire & Merseyside, Whiston and Wirral have been recognised as being under the most extreme demands.</p> <p>The inclusion of Type 3 activity, within daily reporting, has led to improved performance standards.</p>	

Reference	Minute	Action
	<p>Winter 2017/2018 – The Director of Operations advised the Board that the Wirral Economy had implemented plans to support anticipated increased demand. Ward 19 with 28 beds had been designated the appropriate escalation ward, supported by additional Community Bed and Transfer to Assess bed availability. The system had come under pressure as the anticipated discharge pattern throughout December and into the New year period had not manifested as anticipated. Having recognised a comparable national trend, central guidelines had been published that allowed management of the elective programme at local level. The decision had been taken to defer elective programmes, with the exception of Cancer treatment and time critical procedures. The result being that Ward 1 and the Day Case Unit was utilised to support increased demand. The Board was advised that the elective programme would recommence in February 2018 and that both Ward 1 and the Day Case Unit had been returned for normal operational use. During the intervening period, the Board received assurance that Ophthalmology elective procedures had not been curtailed.</p> <p>NWAS – it was reported that NWAS had experienced a 15% increase in calls. To support the increased demand, a number of patient transfer service ambulances have been deployed to provide additional capacity.</p> <p>The Director of Operations advised the Board that Wirral had been pre-selected for additional elective funding to support day cases. Whilst the granular detail was still to be received, WUTH had submitted a bid for circa £1.2m</p> <p>Sue Lorimer sought and received assurance that the ‘RTT – 52 Week Waiters’ was being tracked and managed appropriately. The Board noted that 11 patients had been reported at the end of December for waiting over 52 weeks to commence treatment. Clinical Harm Reviews are completed with some ambiguity around when the time frame for measuring commences. A number of circumstances had been identified for timescales exceeding the 52 week period that includes both hospital and patient cancellation. Having completed a review of the current waiting lists, assurance was provided that in the main this is now clean. Some work has been commenced in regard to clarification of the most appropriate patient pathways.</p> <p>Outpatient Waiting List – a number of breaches recorded have been driven by patient cancellations, wishing to defer procedures until another time.</p> <p>The Director of Operations concluded by reiterating that the key elements of the Wirral Urgent Care Plan are being maintained including Primary Care Streaming, additional Community beds and revised integrated discharge management. In addition, other key indicators to note included:</p> <ul style="list-style-type: none"> • C Difficile cases are reporting over trajectory. • Cancer metrics have been sustained. • Improved mix sex breaches. • A rising trend had been identified in the number of pressure ulcers being reported. All pressure ulcers are reported as required. The Trust has commenced a dedicated review in addition to the existing processes to undertake an assessment at the time of admission. 	

Reference	Minute	Action
	<p>Sue Lorimer advised the Board of a most informative presentation delivered as part of the recent Non-Executive Director induction programme. The presentation had been far ranging with a most interesting update that pertained to presenting and interpreting data to draw early indications of likely trends and performance. It was agreed that this could perhaps be considered at a local level.</p> <ul style="list-style-type: none"> M9 Finance and Cost Improvement Programme Report <p>The Acting Director of Finance presented the M9 Finance and Cost Improvement Report reporting the following:</p> <p>At the end of December 17, the Trust delivered an overall deficit of £21.2M which was £9.5M adverse to plan excluding Sustainability and Transformation Funding (STF). As a result of the non-achievement of STF, the Trust was not able to access £4.6M of STF. In the month, the Trust therefore delivered a £3.7M deficit compared to a planned deficit of £0.8M, £0.7M worse than forecast.</p> <p>The position was primarily as a result of reduced Elective and Outpatient Activity (£1.3M), the reversal of the apprenticeship levy (£0.6M) and ongoing Winter Funding costs (£0.4M).</p> <p>The Board was advised that the Trust continues to forecast a planned deficit of circa £0.4M at month 9. Whilst the Trust does wish to adjust the forecast outturn, it has been agreed with NHSI this can be done in month 10 due to the risks outlined by the Acting Director of Finance (Sepsis Coding, Utilisation of CQUIN risk reserve, Procedures of Low Clinical Priority, increased Locum Spend) and the impending land sale on the Clatterbridge site. The Acting Director of Finance also reiterated the risks already outlined by the Director of Operations having stood down aspects of the Elective programme to the clinical income plan.</p> <p>The Use of Resources (UoR) rating was reported at 3 in line with the plan. As in previous months, the agency spend rating was preventing the overall UoR rating from dropping to a 4.</p> <p>The Acting Director of Finance advised the Board that Cost Improvement Programme performance (CIP) remain in line with previous months and reaffirmed that whilst the Trust is currently circa 40% behind plan the Trust is delivering the national CIP objective of 2%. The Board was advised that Capital expenditure is currently behind plan by £6.3M. As the capital received in respect to the GDE scheme in the year must be spent before 31 March 2018, the Trust is looking to bring forward capital schemes from the 2018/19 programme. Confirmation was provided that whilst cash remains challenging, drawdowns had been made in line with previously presented cash papers.</p> <p>Sue Lorimer sought and received assurances that actions agreed via the Recovery Plan are being implemented and monitored to mitigate forecast outturn.</p> <p>John Sullivan observed that the pay costs are indicative of being higher than the 1% pay cap/constraints. The Acting Director of Finance reaffirmed that</p>	<p>JH/AM</p> <p>GL</p>

Reference	Minute	Action
	<p>this remained under review with the two main contributing factors being increased Patient acuity and a young Consultant body.</p> <p>John Coakley sought and received assurance that the Trust and the CCG continue to be in regular dialogue regarding the Sepsis coding challenges alluded to earlier and remain confident that a satisfactory agreement will be negotiated.</p>	
BM 17-18 /215	<p>NHSI Improvement Quarterly Return</p> <p>The Board formally noted the report and in line standard practice accepted the paper as read.</p>	
BM 17- 18 /216	<p>Report of Finance Business Performance and Assurance Committee</p> <p>The Board received the update from Andrea Hodgson, Chair of the Finance, Business Performance and Assurance Committee, who confirmed the update reflected month 6 financial results having last met 15 December 2017.</p> <p>Board confirmation was given that no further changes to the Board Assurance Framework [BAF] had been requested.</p> <p>The Committee have requested that future reports of the data quality, management of information and clinical coding review provides more assurance to the Committee relating to BAF risk and are supported by delivery of data quality metrics.</p> <p>Having received the Informatics Programme Review update, the Committee accepted improvements in a number of the Digital Wirral Projects and noted that further activity on supporting 'deep dives' would be required.</p> <p>The Committee had supported the recommendation to the Board of Directors to apply for an extension of the contract between WUTH and Cerner for a further 10 years. Assurance was also provided to the Committee that the Trust can exit the contract after 5 years with 18 months written notice, and the ability to terminate the Healthy Wirral Care Records product with only 3 months' notice.</p> <p>Having received the Workforce Report, the Committee had recognised an increased sickness trajectory and requested that this be reviewed by the Quality and Safety Committee to ensure the required interventions are being taken.</p>	GL
BM 17- 18 /217	<p>Chair of the Audit Committee Report</p> <p>As Chair of the Audit Committee, Graham Hollick confirmed that the committee had approved the adoption of the following inclusions within the terms of reference.</p> <p>1) The Committee members shall conduct annual private meetings with Internal audit in line with the Committee Work Plan and if required, by ad</p>	

Reference	Minute	Action
	<p>– hoc private meetings can be requested by either party at any time.</p> <p>2) The Committee members shall conduct annual private meetings with External Audit in line with the Committee Work Plan and if required, by ad-hoc private meetings can be requested by either party at any time.</p> <p>The Committee had also supported the actions of the Quality and Safety Committee's decision that note risk 1 should include seven day working and general clinical outcomes, thereby removing risk 4 from the Board Assurance Framework.</p> <p>Mr Hollick reiterated to the Board the update given within the Chairs report that referenced the Financial Assurances Report and Clinical Audit Update.</p> <p>The Board was advised that both the Director of IM&T and Director of Operations had provided the Audit Committee with assurances that concerns expressed within the Internal Audit Progress Report and Limited Assurance Reports are being managed and that remedial actions will be concluded by the required date, 31 March 2018.</p> <p>External Audit extension of Contract Recommendation – In line with the 5 yearly cycle, and having followed due process on reviewing and evaluating the External Auditor's performance, the Audit Committee recommended to the Board the extension of Grant Thornton's contract as External Auditors to the Trust for another two years. The Board accepted the recommendation and approved that the Council of Governors are informed the recommendation had the full support of the Trust Board.</p>	
BM 17- 18 /218	<p>Report of the Quality and Safety Committee</p> <p>As the Chair of the Quality and Safety Committee had extended apologies, the Board agreed to defer the item until the February Board of Directors.</p>	
BM 17- 18 /219	<p>Board of Directors</p> <p>The Minutes of the Board of Directors held on the 29 November 2017 were confirmed as an accurate record.</p> <p>Action Log</p> <p>The Acting Chief Executive confirmed that Executive Director colleagues had reviewed outstanding actions and were progressing as required.</p> <p>The Board accepted the action log as presented.</p>	
BM 17- 18 /220	<p>Items for the BAF/Risk Register</p> <p>The Board recommended that the reported deficit against plan be included.</p> <p>It was agreed that all Exec Directors would review the BAF to ensure it correctly reflected the latest position.</p>	GL

Reference	Minute	Action
BM 17- 18 /221	<p>Items to be considered by the Assurance Committees</p> <p>None</p>	
BM 17- 18 /222	<p>Any Other Business</p> <p>The Chairman advised the Board that Gaynor Westray, Director of Nursing & Midwifery would return to work 12 March 2018.</p> <p>The Acting Chief Executive advised the Board that a patient had attempted to commit suicide, within a patient toilet area located in A&E. It was confirmed that the area in question remains closed. The Trust has undertaken a 'ligature risk assessment'. Findings from a RCA [Root Cause Analysis] are yet to be presented. Both reports will be reviewed via the Trust's Quality & Safety Committee. This was the 7th such instance of this nature within the last 3 years.</p> <p>The Chairman sought any comments from the public on the meeting content.</p> <p>Dr Fry sought and received assurance that the delays at The Royal, associated with Carillion, had no direct effect for patients of Arrowe Park Hospital. Dr Fry also noted that he hoped the Trusts external auditors would consider the Carillion developments when providing their required assurances.</p> <p>Having reflected on earlier comments, Mr Evans asked if the Trust had any plans for the disposal of assets with particular reference to the Clatterbridge site. The Chairman confirmed that in line with national guidelines, the Trust continues to keep this under review to ensure maximum value and utilisation of assets owned.</p> <p>Carol Skillen was delighted to hear that Gaynor Westray would soon be returning to the Trust and sought and received clarification that whilst Denise Price had decided not to return to the Trust, Gaynor Westray will be supported by the newly appointed Deputy Director of Nursing & Midwifery.</p>	
BM 17- 18 /223	<p>Date and Time of Next Meeting</p> <p>Wednesday 28th February 2018 at 9.00am 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 – January 2018

No.	Minute Ref	Action	By Whom	Progress	BoD Review	Note
Date of meeting 7.2.18						
1	BM 17-18/211	Bi Monthly Nurse Staffing Report – Strategy to improve sickness absence to aid recruitment, retention and career development	JH	Work in progress and reporting timelines to Board noted.	March 2018	
2	BM 17-18/220	BAF to be reviewed and updated. Trust Financial position to be incorporated.	All Directors.	Update BAF to be presented to next assurance committee meetings for review.	March 2018	Board review through chairs assurance committee reports.
Date of Meeting 29.11.17						
1	BM17-18/172	CEO Report – Strategy. The Board also agreed to include the recommendation from the Non-Executives that the aims needed to be more explicit about meeting the future changing needs of the population.	DA TW	Will form part of operational plan narrative submission to NHSI	April 2018	
2	BM17-18/176	Ambulance Turnaround - The Board requested that all transfers over 1 hour is included in future reports.	AM	Update incorporated into February reporting	February 2018	
3	BM17-18/176	Workforce Metrics - The Chair of FBPAC reminded members of the request to split out short term and long term sickness and sought an update on this.	JM	Agreed and will be incorporated into future workforce reporting.	March 2018	Verbal update provided via FBPAC 23.2.2018.

4	BM17-18/176	Pressure Ulcers - The Board agreed that more work should be undertaken in this area and that the Safeguarding Board should review this also.	JH/GW	Agreed with reporting to March Quality & Safety Committee.	April 2018	Board review through chairs assurance committee reports.
5	BM17-18/176	M7 Finance and Cost Improvement Programme Report - The Board agreed and recommended that the Director of Finance and Executive colleagues articulate their forensic analysis of current performance as this would be useful ahead of any financial re-forecast required or as part of the improvement plan.	DJ / GL	Actioned as part of reporting on recovery plan progress and reforecast to Board. FBPAC to review at February meeting.	March 2018	Board review through chairs assurance committee reports and monthly finance report to Board of Directors.
6	BM17-18/176	M7 Finance and Cost Improvement programme Report - The Board agreed that the FBPAC should thoroughly review the Trust's progress in terms of reducing the monthly pay overspend in December in order to frame the discussion and decision making in the new year.	DJ / GL	Actioned. Ongoing review to link into capacity planning for 2018/19 budget setting round and use of benchmarking such as GIRFT, Model Hospital etc.	March /April 2018	Board to sign off operational plan submission including pay budgets April 2018.
7	BM17-18/178	Approval of Risk Management Strategy - The Board agreed to defer this item to the December meeting at the request of the Interim Quality Governance Consultant.	SG			
8	BM17-18/182	Items for the BAF/Risk Register - The Board recommended that the recruitment of a high calibre HR replacement be included on the BAF	CS	Experienced interim recruited to role.		

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9	BM17/18/183	Items to be considered by the Assurance Committees – Q & S Committee – focus on the new methodology for patient stories and the evaluation of learning from these together with the further work required in relation to exit interview analysis to inform future talent management policies. FBPAC - focus on monitoring the actions taken by the Trust to reduce the monthly pay overspend together with the developing the narrative ahead of any future financial re-forecast.	JH/GW DJ/GL	Actioned and ongoing Actioned and ongoing	March 2018 March 2018	
Date of Meeting 25.10.17						
1	BM17-18/148	Include the pay budget in the Use of Resources section of the new performance dashboard	DJ	Included in new Integrated dashboard - completed	Nov 17	
2	BM17-18/148	Include the breach analysis in the A & E narrative	JH	Included in new integrated dashboard - completed	Nov 17	
3	BM17-18/149	Articulate in the aims and objectives how the Trust would maximise value from developing an ACO or from horizontal integration as it was not clear where the savings or where the benefits might arise	TW	Long list of Healthy Wirral Initiatives being reviewed in terms of quantifiable benefits	Q1 2018/19	
4	BM17-18/154	Quality and Safety Committee to review the top 4 risks identified by SMT and review the risk ratings for risk 1 quality and safety and the risk for workforce	CS	Review undertaken in November 17- update included in Chair's report - completed	Nov 17	
5	BM17-18/154	Quality and Safety Committee to review the work being undertaken on E Roster	JM		Jan 18	

6	BM17-18/154	Quality and Safety Committee to review the infection prevention control action plan	DP	Review undertaken in November 17 – update included in Chair's report - completed	Nov 17	
7	BM17-18/154	Quality and Safety Committee and Finance Business Performance and Assurance Committee to review the development of the new performance dashboard	JH		Dec 17	
8	BM17-18/154	Finance Business Performance and Assurance Committee to review the potential savings/benefits from developing an ACO	TW		Q1 2018/19	
Date of Meeting 27.09.17						
9	BM17-18/112	Ensure future nursing reports focus on the action being taken to ensure that staff moves are appropriately managed	DP	Included in the nurse staffing report – Nov 17- Completed	Nov 17	
10	BM17-18/116	The Board requested an update on the action being taken in relation to infection prevention and control in light of the increase in reported avoidable cases of C difficile	DP	Included on the agenda for October 17 - completed	Oct 17	
11	BM17-18/119	Confirm the time commitment for Board members in undertaking the enhanced level 2 Equality, Diversity and Human Rights training	DP	The Board has agreed the training session will take place in Dec 17	Oct 17	
Date of Meeting 26.07.17						
12	BM217/18/096	Undertake a review of the Board Model Hospital portal	DJ	To be undertaken with members as part of work programme in September - completed	Sept 17	Deferred until October 2017
13	BM17-18/104	Quality and Safety Committee to review research work as part of their work plan	SG			
14	BM17*18/105	Provide an update on future Care Quality Inspections to the CoG in September	SG		September 17	

Date of Meeting 28.06.17					
15	BM17-18/068	Quality and Safety to receive assurance on CQC preparedness and overall compliance and provide regular reports on this to the Board	SG	Ongoing	July 2017
Date of Meeting 24.05.17					
16	BM17-18/039	Provide regular reports on the A & E 9 point action plan – specifically those areas that relate to the Trust	JH	Ongoing – last review June 17	June 17
17	BM17-18/049	Review the IT risk on the BAF in relation to cyber security	PC	Work is ongoing to implement further protections e.g. awaiting delivery of a new Internet circuit which is ordered but has a 90 day delivery time. Working with NHS Digital and GDE sites with Cerner to go through the Cyber Essentials plus framework funded by NHS Digital – dates being agreed. WUTH is leading work on Cyber for Cheshire and Mersey STP. A further update is due in December when the Audit actions will be complete. Review thereafter to be undertaken at Senior Management Team and Audit Committee	July 17
Date of Meeting 26.04.17					
18	BM17-18/013	Ensure Equality and Diversity is covered throughout the Trust's Mandatory training programme	GW		June 17
Date of Meeting 25.05.16					
19	BM16-17/036	Full review of the performance report to be undertaken to avoid this becoming unmanageable	JH	New dashboard included on the agenda for Nov 17 - completed	Sept 17
					Draft dashboard viewed in October

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20	BM16-17/037	Explore the impact of technology when reporting CHPPD in the future	GW	Director of IT and Information currently evaluating this work	April 17	
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