Agenda Trust Board – Meeting in Closed Session

Date	30/06/2020
Time	9:00
Location	Conference Room, Heartbeat/Microsoft Teams
Chair	Peter Hollins

1 9:00	**Chair's Welcome, Apologies and Declarations of Interest** To note apologies for absence, and to hear any declarations of interest relating to any item on the Agenda.
2	**Minutes of Previous Closed Meeting held on 28 May 2020** *(Not for publication)*
3	**Matters Arising and Summary of Agreed Actions from Closed Meeting** *(Not for publication)* To discuss any matters arising from the Minutes, and to agree the status of any actions assigned at the previous meeting.
OPEN ITEMS (For publication)	
4	**QUALITY, PERFORMANCE and FINANCE**
4.1 9:20	**Briefing from Chair of Audit & Risk Committee for review (Oral)** Keith Evans, Chair
4.2 9:25	**Briefing from Chair of Finance & Investment Committee for review (Oral)** Jane Bailey, Chair
4.3 9:30	**Briefing from Chair of People & OD Committee for review (Oral)** Jenni Douglas-Todd, Chair
4.4 9:35	**Briefing from Chair of Charitable Funds Committee for review (Oral)** Dave Bennett, Chair
4.5 9:40	**Integrated Performance Report for Month 2 for review** To review the Trust's performance as reported in the Integrated Performance Report Sponsor: Paula Head, Chief Executive
4.6 10:25	**Finance Report for Month 2 for review** Sponsor: David French, Chief Financial Officer

5 **CORPORATE GOVERNANCE, RISK and INTERNAL CONTROL**

5.1 **Feedback from Council of Governors' meeting 23 June 2020 (Oral)**
10:40
Sponsor: Peter Hollins, Trust Chair

5.2 **Register of Seals, and Chair's Actions for ratification**
10:45
In compliance with the Trust Standing Orders, Financial Instructions, and the Scheme of Reservation and Delegation.
Sponsor: Peter Hollins, Trust Chair

5.3 **NHS Provider Licence Conditions Compliance and Self-certification for approval**
10:50
Sponsor: Paula Head, Chief Executive
Attendee: Susan Rudd, Interim Associate Director Corporate Affairs & Company Secretary

6 **Corporate Objectives and Quarter Milestones 2020-21 for information**
11:05
Sponsor: Paula Head, Chief Executive

7 **Any other business including review of meeting**
To consider any appropriate business, not on the Agenda.

8 **To note the date of the next meeting: 30 July 2020 in the Conference Room, Heartbeat/Microsoft Teams**

<table>
<tr><td colspan="5">Report to the Trust Board of Directors dated Tuesday, 30 June 2020</td></tr>
<tr><td>Title:</td><td colspan="4">Integrated Performance Report 2020/21 Month 2</td></tr>
<tr><td>Agenda item:</td><td colspan="4">4.5</td></tr>
<tr><td>Sponsor:</td><td colspan="4">Chief Executive</td></tr>
<tr><td>Date:</td><td colspan="4">25 June 2020</td></tr>
<tr><td>Purpose:</td><td>Assurance or reassurance
Y</td><td>Approval</td><td>Ratification</td><td>Information</td></tr>
<tr><td>Issue to be addressed:</td><td colspan="4">This report is intended to support the Trust Board in assuring that:
• the care we provide is safe, caring, effective, responsive and well led in the context of the Covid 19 pandemic
• at the same time we continue our journey toward our vision of World Class Care for Everyone.</td></tr>
<tr><td>Response to the issue:</td><td colspan="4">For the year 2020/21 the Integrated Performance Report has adapted to reflect the current operating environment. In particular we have aligned it with the Care Quality Commission Key Lines of Enquiry and then cut it again to reflect delivery of our Strategic Goals and annual corporate objectives.</td></tr>
<tr><td>Implications:
(Clinical, Organisational, Governance, Legal?)</td><td colspan="4">This report covers a broad range of trust services and activities. It is intended to assist the Board in assuring that the Trust meets regulatory requirements and corporate objectives.</td></tr>
<tr><td>Risks: (Top 3) of carrying out the change / or not:</td><td colspan="4">This report is provided for the purpose of assurance.</td></tr>
<tr><td>Summary: Conclusion and/or recommendation</td><td colspan="4">This report is provided for the purpose of assurance.</td></tr>
</table>

Integrated Performance Report

Introduction

The Trust Integrated Performance Report is presented to the Trust Board each month.

For the year 2020/21 the Integrated Performance Report has adapted to reflect the current operating environment. In particular we have aligned it with the Care Quality Commission Key Lines of Enquiry and then cut it again to reflect delivery of our Strategic Goals and annual corporate objectives in order to:

- Demonstrate that we can assure ourselves that the care we provide is safe, caring, effective, responsive and well led in the context of the Covid 19 pandemic
- Ensure that at the same time we continue our journey toward our vision of World Class Care for Everyone.

This means we have asked for some additional indicators and as yet not all of these are available for regular reporting. We might also adjust/ or add to these indicators – informing the Board and keeping a comparative narrative – if the situation changes as we work through these unusual circumstances. An example of this might be measuring vulnerable groups as the evidence around COVID emerges.

The monthly Trust Integrated Performance Report is currently complemented by a weekly 'Covid-19 Balanced Scorecard' Report being provided to the Board Operating Group.

May 2020 Summary

The Trust continued to experience significant disruption in relation to Covid 19, with exceptional changes in the nature of the operation and performance of the Trust throughout the month (examples are provided in the April report).

The number of beds occupied by patients with a Covid 19 positive diagnosis did reduce significantly during the month, falling from the maximum of 150 in ward beds and 30 in high care/intensive care beds in April to 36 and 13 by the end of May.

Non elective admissions for other diagnoses, and non-elective admissions in total, increased during the month - returning to approximately 90% of normal levels by the end of the month.

Infection control precautions have been further increased, and staff redeployment between departments in the trust has continued.

Responsive

- Emergency Department timeliness has continued to improve, reaching the best performance in over 12 months at 92.8% (RE 10). Attendances increased compared to April but continued to be significantly lower than normal, minor injuries and illnesses are directed towards Urgent Care Centres, and enhanced infection control precautions are in place within UHS departments.

- Reductions in the amount of elective (RE 13) and outpatient (RE 16 / 17 – a more current data source is being obtained) care that we have been able to provide is now resulting in significant increases in the length of time that patients are waiting for appointments, investigations and treatments. We are focussed on responding to this challenge as quickly as possible but need to exercise appropriate caution to ensure service activity is increased in a way that is safe for patients and staff.

- Increases in waiting times between March and May include the average for new outpatients appointments (RE 18) from to 9 to 11 weeks, the percentage of patients waiting more than 6 weeks for a diagnostic test (RE 20) from less than 2% to nearly 50%, and the percentage of patients waiting more than 18 weeks from referral to treatment from 75% to 58%.

- Cancer performance measures (RE 21-22) indicate that that cancer performance was maintained in April and is unlikely to deteriorate significantly in May (based upon provisional data). The number of patients still waiting with pathways greater than 104 days (RE 23) also reduced from 29 in March to 11 in April. Some concerns remain however; disruption to diagnostic services contributed to a reduction in the percentage of patients being 'diagnosed' within 28 days during the peak of Covid 19 (RE 24), and in common with other hospitals we have seen very significant reductions in the number of patients referred with potential symptoms of cancer and may therefore experience increases in the future.

Safe

- The majority of measures indicate that safety has been maintained during May and other recent months.
- The level of red flag staffing incidents (SA 14) demonstrates how redeployment of our staff between departments, and reductions in the number of patients being seen by the hospital, have mitigated reductions in the number of staff available to work clinically.
- During May the Trust commenced analysis of new Covid-19 diagnoses amongst hospital inpatients (SA 5, SA 6). Diagnoses made after the patient has been in hospital for more than 7 days are an indicator that a patient probably became infected whilst in the hospital, and will be investigated further on an individual basis. The number of such infections was low during May (and at a level consistent with other trusts), but we are working hard to reduce it to zero though a range of additional infection prevention measures including regular testing of all patients whether they have symptoms or not,

testing staff who don’t have symptoms, and increasing the physical distance maintained between our patients.

Caring

- The majority of measures indicate that UHS has continued to provide caring services during May and other recent months.
- In May our inpatient care was delivered with a significantly higher quantity of nursing staff than average (CA 7), patients recorded as moved overnight for non-clinical reasons remained lower than average (CA 6), and no same sex accommodation breaches were recorded (CA 8).
- The number of complaints closed on time (CA5) dropped significantly, reflecting disruption to complaint investigations during Covid 19 e.g. national guidance was for a pause in complaints investigations during the peak of Covid 19 admissions, team members were re-deployed to front-line clinical roles. Action has since been taken to restart complaint investigations and to reduce the time that patients wait for a response to their complaint.

Effective

- There is limited recent data available for ‘effectiveness’ measures this month.
    - The number of specialities and outcome measures, and the percentage of outcome measures RAG rated green, increased steadily throughout 19/20 and are reported on a quarterly basis (EF 1, EF 2).
    - The Hospital Standardised Mortality Ratios of Southampton General Hospital and UHS as a whole (EF 3), remain well within the benchmark, and are reported quarterly on a national basis.
- There are indications that measures EF5-7, relating to the screening and further care offered to patients in relation to smoking and alcohol, are deteriorating. Further investigation will take place to establish our capability to restore performance during periods in which Covid 19 has more moderate impacts upon local health services.

Well-led

- Staff sickness absence rates remained elevated, despite reducing compared to April (WL 5). In addition many of our staff continued to be unable to undertake normal patient-facing activities during the month due to their health risk from Covid-19 infection (reporting in development - WL 6). During May our Covid-19 testing of staff (or household members) increased significantly to >500 in the final week of the month.

- The percentage of black and minority ethnic staff at Band 7 and above is rising steadily (1% increase over 12 months) towards our target of 15% by 2023.
- The number of statutory and mandatory training courses being completed on time (WL 11) is a concern which has persisted over the last year - the causes of this, and potential new solutions, will be investigated.
- The percentage of non-medical appraisals completed on time (WL 2) has received focused attention to the process over the last year but remained below target. The peak of Covid 19 appears, understandably, to have had a large adverse impact with only 77% of staff now having an appraisal within 12 months. A recovery plan will be developed.
- Research related measures (WL 13-17) are reported quarterly. The majority of targets were achieved at the end of 19/20, though we were outside the top 10 trusts (13th) for commercial contract studies, and the number of publications was significantly lower than during 18/19.
- The Trust, together with the University of Southampton, continues to be actively involved in the Research effort to combat Covid-19 including the development of a new diagnostic test, new treatments, a vaccine, and new personal protective equipment for care workers.

End

Andrew Asquith

Director of Financial and Productivity Improvement

25th June 2020

Integrated KPI Board Report

covering up to

May 2020

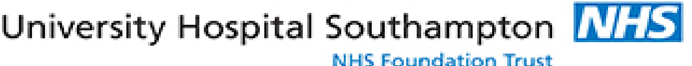
Executive Sponsor - Andrew Asquith, Director of Financial and Productivity Improvement,
andrew.asquith@uhs.nhs.uk

Report Guide

Chart Type	Example	Explanation
Cumulative Column		A cumulative column chart is used to represent a total count of the variable and shows how the total count increases over time. This example shows quarterly updates.
Cumulative Column Year on Year		A cumulative year on year column chart is used to represent a total count of the variable throughout the year. The variable value is reset to zero at the start of the year because the target for the metric is yearly.
Line Benchmarked		The line benchmarked chart shows our performance compared to the average performance of a peer group. The number at the bottom of the chart shows where we are ranked in the group (1 would mean ranked 1st that month).
Line Percentiles		A line percentiles chart is used to represent the distribution of a variable. The 50th percentile shows the median value, we also show the 5th, 25th (lower quartile), 75th (upper quartile) and 95th centiles.
Control Chart		A control chart shows movement of a variable in relation to it's control limits (the 3 lines = Upper control limit, Mean and Lower control limit). When the value shows special variation (not expected) then it is highlighted green (leading to a good outcome) or red (leading to a bad outcome). Values are considered to show special variation if they -Go outside control limits -Have 6 points in a row above or below the mean, -Trend for 6 points, -Have 2 out of 3 points past 2/3 of the control limit, -Show a significant movement (greater than the average moving range).
Variance from Target		Variance from target charts are used to show how far away a variable is from it's target each month. Green bars represent the value the metric is achieving better than target and the red bars represent the distance a metric is away from achieving it's target.

June 2020

RESPONSIVE



		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Target
RE1	Non-elective Spells (including CDU)			6,636												5,152	-
RE2-L	Non Elective LOS Rolling 12 months			6.47												6.38	-
RE3	Number of patients medically optimised for discharge															77	-
RE4-N	Longer LOS Census average (Patients with LOS >=21days)			214												82	-
RE5-I	Adult midday bed occupancy		94.0%												49.4%		90-95%
RE6	Last minute cancelled operations not readmitted within 28 days			11												0	-
RE7	Hospital initiated cancelled ops <24hrs			79												8	-

Current Data
Benchmark
Previous Year
Target

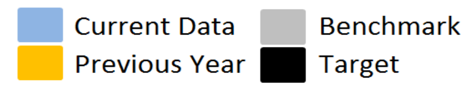
		Chart (Mar – May)	QTD	Q Target
RE8	Total ED Attendances	11582 … 7580	-	-
RE9-N	Patients spending less than 4hrs in ED - SGH Main ED (Type 1 and UCH) Major Trauma Centres (Type 1) Rank of 11, (8 from May 19 onwards)->	71.6% … 92.04%; 92.8%; 92.0% Rank: 7, 9, 7, 7, 6, 6, 5, 4, 5, 3, 6, 5, 3, 2, 5	86.1%	95%
RE10-N	Patients spending less than 4hrs in ED - UHS Total (includes SGH all types and lymington until Jul 19)	78.0% … 92.8%	87.49%	95%
RE11-N	Total time spent in ED - Percentiles UHS Total	Mean, 3:13; 50th, 2:54 … 90th, 3:58; Mean, 2:39; 50th, 2:40	-	-
RE12	Accepted Referrals	19848 … 7655	-	-
RE13	Elective spells	1,536	-	-

Current Data | Benchmark | Previous Year | Target

June 2020

RESPONSIVE

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Target
RE14-N	% Patients on an open 18 week pathway (within 18 weeks)	86% 82% 78%		87.4%												57.93%	>=92%
RE15-N	Total number of patients on a waiting list (35000 – 28000)			32713												33252	
RE16	Face to Face OPA (65,000 – 45,000)	58,621												56,622			-
RE17	Non-Face to Face OPA (8,500 – 5,000)	8,082												8,233			-
RE18	Average weeks waited for first outpatient appointment	9.46 8.49 7.51		7.4												11.2	-
RE19	Patients waiting for diagnostics (8,200 – 4,000)			7573												6333	-
RE20-N	% of Patients waiting over 6 weeks for diagnostics	1% 1%		1.5%												48.93%	<=1%



June 2020

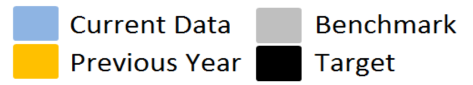
RESPONSIVE

University Hospital Southampton NHS Foundation Trust

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Target /May	no.patients to recover target	QTD
RE21-N	62 day Performance Benchmark (data reported nationally at due dates) Teaching Hospitals vs. UHS Total (chart: 0.9 – 0.5; labels 73.2%, 75.5%, 75.5%, 71.2%) Rank(of 10)->	10	6	8	3	6	5	7	8	6	4	5	6	5	5	N=> 90% L=> 86%	N = 22 L= 15 of 181.5	77%
RE22-N	31 day cancer wait performance (latest data held by UHS) (chart labels: 95.9%, 92.4%, 88.9%, 92.62%)															N=> 96%	N=36 of 936	92%

31 day initial decision to treatment (target of 96%) - in April 97.3% and May (DRAFT) is 95.9%62 day GP referral to treatment (target of 85%) in April 75.6% May is 73.5%

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Target /May	no.patients to recover target	QTD
RE23	Snapshot of waits > 104 days (from referral on a 62 day pathway)	37	28	26	33	38	41	55	52	41	29	35	27	29	11	-	-	-
RE24-N	28 Day Faster Diagnosis (chart: 100% – 70%; labels 87%, 85%, 83%, 73%)															=>75%	13 of 631	82%
RE25	My Medical Record - UHS patient logins (chart: 0 – 10,000; labels 1,263, 5,428)																-	-
RE26	Number of Estates Help desk requests (chart: 900 – 2500; labels 1619, 1244)																-	-
	and percentage completed on time (chart: 50% – 100%; labels 85%, 80.0%, 87.4%)																>85%	87.8%



June 2020

SAFE

University Hospital Southampton
NHS Foundation Trust

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Monthly Target	YTD	YTD Target
SA1-N	Cumulative Clostridium difficile															14 11	5	11	<=10
SA2	MRSA metric	In development																	
SA3	Hand Hygiene Scores	In development																	
SA4	Cleaning Scores	In development																	
SA5	**Healthcare-acquired COVID infection**: COVID-positive sample taken >14days after admission (axis 0–50)													20	30	13		63	-
SA6	**Probable hospital-associated COVID infection**: COVID-positive sample taken >7 days and <=14 days after admission (axis 0–50)													26	24	14		64	-
SA7	Number of pressure ulcers causing moderate/severe harm (axis 0–2)															0		0	-

Current Data | Benchmark | Previous Year | Target

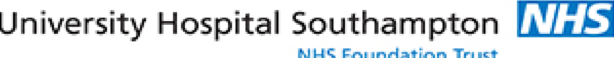
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	month target	YTD	YTD Target
SA8-N	Medication Errors (severe/Moderate)			2												5	<=3	6	<=6
SA9	Antibiotic usage	in development																	
SA10	Serious Incidents Requiring Investigation (SIRI)		9												2		-	2	-
SA11	Number of high harm falls (omissions in care)	0	2	1	2	0	4	5	1	3	1	1	0	0	0	0	-	0	-
SA12	% patients with a nutrition plan in place		95.20%														-	-	-
SA12 - on hold until further notice due to COVID-19 pressures																			
SA13	Number of fully and partially accredited wards	43	46	50 / 2	51	56	56	58	61	60	59 / 4	61 / 5	59 / 4	58 / 4	58 / 4		-	-	-
SA14	Red Flag staffing incidents			27												18	-	-	-
SA15	Number of statutory and mandatory maintenance jobs planned and percentage completed on time			253 / 100.4%												180 / 98.3%	>95%	-	>95%

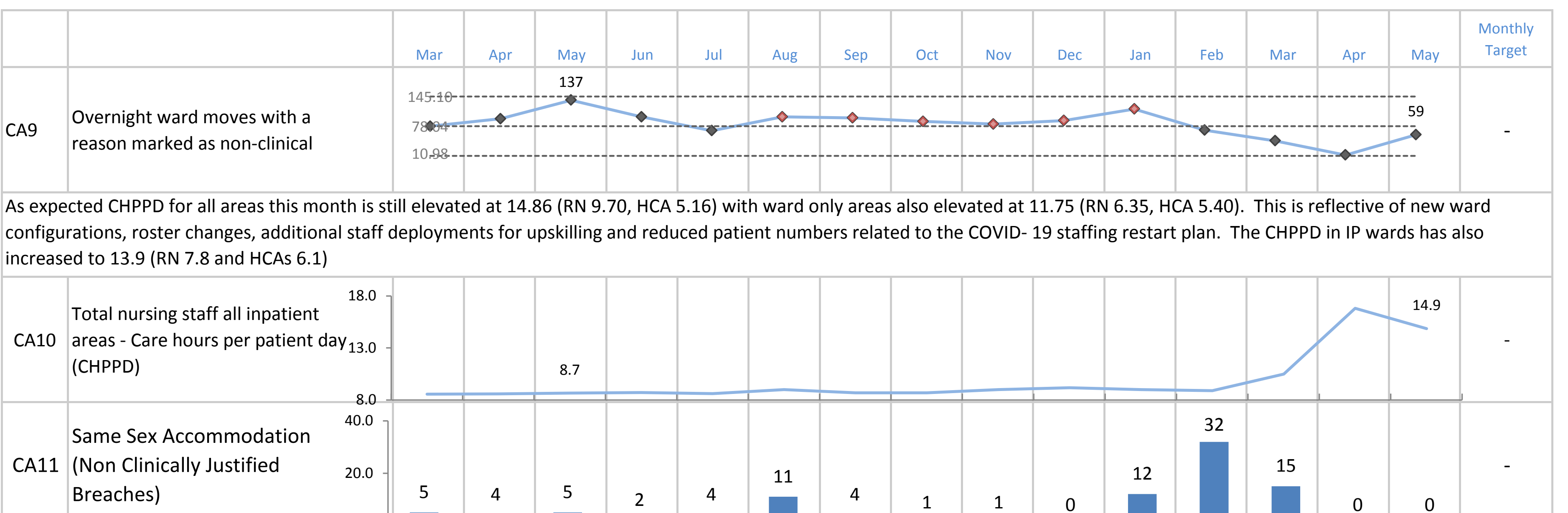
Chart axis values: SA11 10, 0; SA13 100, 0; SA14 100, 0; SA15 350, 50; 100.0%, 98.1%, 94.45%

Current Data | Benchmark | Previous Year | Target

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Monthly Target
CA1-N	FFT Negative Score - Inpatients	5%		0.8%													<=5%
CA2-N	Maternity FFT Negative Score	5%		1.1%													<=5%
FFT has not been updated in March/April due to COVID-19 pressures																	
CA3-N	Maternity - Continuity of Care															10.8%	>=35%
CA4-L	Complaints per 1000 units	1.30 / 0.00	0.36													0.18	<1.2
CA5-L	% Complaints closed within 35 days	100% / 20%		83%												20%	>=70%
CA6	% Patients reporting **being involved in decisions about care and treatment**	In development															
CA7	% Patients reporting finding somebody to talk to about worries and fears	In development															
CA8	% Patients with a disability/additional needs reporting those needs/adjustments were met	In development															

Current Data
Previous Year
Benchmark
Target





Current Data
Benchmark
Previous Year
Target

EFFECTIVE

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Monthly Target
EF1-L	Cumulative Specialities with Outcome Measures Developed	46 / 220			47 / 223			52 / 234			52 / 250			53 / 255			+1
EF2	Developed Outcomes RAG ratings	78%			78%			77%			79%			80%			-
EF3-N	HSMR - UHS HSMR - SGH												80.8 80.2				<100
EF4	HSMR - Crude Mortality Rate												2.9%				-
EF5-N	Percentage of patients screened for alcohol and smoking			97%													>80%
EF6-N	% patients screened & found to have either moderate or high alcohol dependence given advice or referral			88%													>90%
EF7-N	% patients screened & found to smoke given brief advice or a medication offer			84%													>90%

Current Data | Benchmark | Previous Year | Target

WELL LED

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Monthly Target
WL1-L	Substantive Staff - Turnover	13.91% 13.25% 12.59%		12.7%												13.1%	<=12%
WL2-L	Staff - Non-medical appraisals completed - Rolling 12-months	95% 85% 75%		87.42%												77.12%	=>92%
WL3-L	Staff - Medical appraisals completed - Rolling 12-months	In development															
WL4-L	Staff vacancies	In development															
WL5-L	Staff - Sickness absence	4.38% 3.7% 3.06%		3.29%												4.03%	<=3.4%
WL6	Numbers of at risk staff (level 2&3) relating to COVID-19	In development															

Current Data | Benchmark | Previous Year | Target

June 2020

WELL LED

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Monthly Target
WL7-L	Staff FFT - % of staff recommend UHS as a place to work. (Quarterly)	78.2%			76.8%			77.0%						73.3%			>=76%
WL8-N	Staff FFT response rate											25%					30%
WL9-L	Black & Minority Ethnic Band 7+ Percentage			8.4%												9.3%	15% by 2023
WL10	Cumulative Number of staff trained in QI	968			1001			1064			1171						
WL11	Statutory & Mandatory Training Achieving Target	8 / 4	8 / 4	8 / 4	8 / 4	8 / 4	8 / 4	8 / 4	7 / 5	7 / 5	7 / 5	7 / 5	7 / 5	7 / 5	7 / 5	6 / 6	-
WL12	Number of Apprenticeship Starts			14			29			53			28				-

Current Data
Benchmark
Previous Year
Target

WELL LED

		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Monthly Target
WL13-L	Comparative CRN Recruitment Performance by clinical specialty	50%			58%			44%			52%			56%			>=50%
WL14-L	Comparative CRN Recruitment Performance - weighted	2			3			5			6			5			Top 5
WL15-L	Comparative CRN Recruitment - contract commercial	13			16			15			13			13			Top 10
WL16-L	Proportion of studies closing in FY on time and to recruitment target - non-commercial	46%			56%			65%			65%			88%			>=80%
WL17	NIHR CRF & BRC publications Year on year growth	581			137			246			329			408			

Current Data, Benchmark, Previous Year, Target

Item 4.6

University Hospital Southampton NHS
NHS Foundation Trust

2020/21 Finance Report - Month 2

Report to:	**Board of Directors and Finance & Investment Committee** **June 2020**
Title:	**Finance Report for Period ending 31/05/2020**
Author:	**Philip Bunting, Acting Assistant Director of Finance**
Sponsoring Director:	**David French, Chief Financial Officer**
Purpose:	**Standing Item**
	The Board is asked to note the report

Executive Summary:

In Month and Year to date Highlights:

1. In May 2020, the Trust reported a breakeven position. A 'top-up' payment of £1.7m was however required to supplement the block contract in order to fully offset trust expenditure. The financial regime in place for April 2020 – July 2020 provides trusts with a minimum breakeven guarantee.

2. In month £2.8m (£2.0m pay and £0.8m non pay) was incurred on additional expenditure related to Covid-19. This was down from £4.1m in April as non pay spend on protective equipment reduced significantly.

3. The main themes seen in M2 were :
   - Clinical income was funded via block payment rather than activity based. If payment had continued on a payment by results basis the trust would have received £21.8m less income. This gap has however improved by £5.4m compared to April.
   - Elective income was indicatively 35% of planned levels (29% in April) and Non Elective income was 73% of planned levels (65% in April) . The trust is not financially exposed to the risk of underperformance due to the current block contract.
   - Activity within independent sector hospitals increased 50% from April (450 patients up from 300 in April) with guidelines on eligible patients relaxed from mid May. Throughput is expected to increase further in June. Currently the cost of independent sector hospital provision is met centrally.
   - Pay was £2m worse than plan in month correlating with Covid-19 additional expenditure due to increased staff, clinical sessions and sickness backfill. Additional consultant sessions are expected to reduce from June as Covid volumes reduce. Additional on-boarding relating to Covid continued in May however, relating to junior doctors and student nurses that commenced earlier than the normal September start.
   - Non Pay spend was collectively £3.5m favourable to plan with activity reductions supressing spend and a step reduction in Covid related expenditure (reducing £1.3m from April). Within this drugs and devices, which are normally pass through, were £1.1m favourable to plan. No downward adjustment is made to income for this as it is part of the block contract.

Finance: I&E Summary

A breakeven financial position prevailed for month 2 following 'top-up' income of £1.7m in addition to the safety net provided by block contract payment.

Total clinical income was reported as £0.7m behind plan continuing the trend from M1. All NHS clinical contracts are on a block with the exception of the channel islands who have underperformed. Other income was £3m behind plan as private patients, education and training and R&D are all falling behind plan as a result of Covid-19.

Pay costs were £0.7m up on April as staff numbers increased by 55 wte with intakes of junior doctors and student nurses all joining the trust earlier than planned as part of nationally agreed Covid-19 mitigations. Costs contain £2m of Covid-19 expenditure mainly related to increased sickness and self isolation backfill.

Drugs and pass through drugs and devices were heavily supressed by reduced activity being £1.1m behind plan. Clinical supplies costs contain an element of Covid-19 related items which totalled £0.6m. Other non pay costs also significantly reduced from M1 (down £2.6m) as c£1m of Covid related expenditure did not reoccur in addition to emerging spend reductions in training, interpreting and R&D amongst other areas.

		Current Month			Year to Date				M1 - 4		
		Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m		Emergency Budget £m	Ave Done £m	To Do £m
NHS Income:	Clinical	54.1	53.5	0.7	108.3	107.0	1.3	A	216.6	53.5	54.8
	Pass-through Drugs & Devices (Blocked)	9.9	9.9	0.0	19.8	19.8	0.0	G	39.7	9.9	9.9
Other income	Other Income excl. PSF	10.2	7.2	3.0	20.4	15.5	4.8	R	40.7	7.8	12.6
	Top Up Income	-	1.7	(1.7)	-	3.9	(3.9)	G	0.0	2.2	-2.0
Total income		**74.2**	**72.2**	**2.0**	**148.5**	**146.3**	**2.2**	A	**297.0**	**71.2**	**75.3**
Costs	Pay-Substantive	40.9	42.5	1.5	82.1	84.2	2.2	A	164.5	42.1	40.2
	Pay-Bank	1.9	2.8	0.9	3.9	5.4	1.5	R	7.8	2.7	1.2
	Pay-Agency	1.1	0.6	(0.5)	2.3	1.4	(0.9)	G	4.9	0.7	1.7
	Drugs	1.4	1.5	0.1	2.9	2.8	(0.1)	G	6.1	1.4	1.7
	Pass-through Drugs & Devices	9.9	8.8	(1.1)	19.8	18.0	(1.9)	G	39.7	9.0	10.8
	Clinical supplies	4.1	4.6	0.6	8.2	9.3	1.1	R	16.4	4.7	3.6
	Other non pay	11.7	8.4	(3.2)	22.9	19.4	(3.4)	G	44.8	9.7	12.7
Total expenditure		**71.0**	**69.2**	**(1.8)**	**142.1**	**140.5**	**(1.6)**	G	**284.1**	**70.2**	**71.8**
EBITDA		**3.2**	**3.0**	0.3	**6.4**	**5.8**	0.6	A	**12.9**	2.9	**3.5**
EBITDA %		4.3%	4.1%	0.2%	4.3%	4.0%	0.3%		4.3%		
	Depreciation	2.2	2.2	(0.0)	4.3	4.4	0.0	A	8.6	2.2	2.1
	Non Operating Income/Expenditure	0.9	0.8	(0.1)	1.9	1.5	(0.4)	G	3.9	0.7	1.2
Surplus / (Deficit)		**0.1**	**(0.0)**	0.1	**0.2**	**0.0**	0.2	R	**0.4**	**0.0**	**0.2**

Underlying Run Rate Position

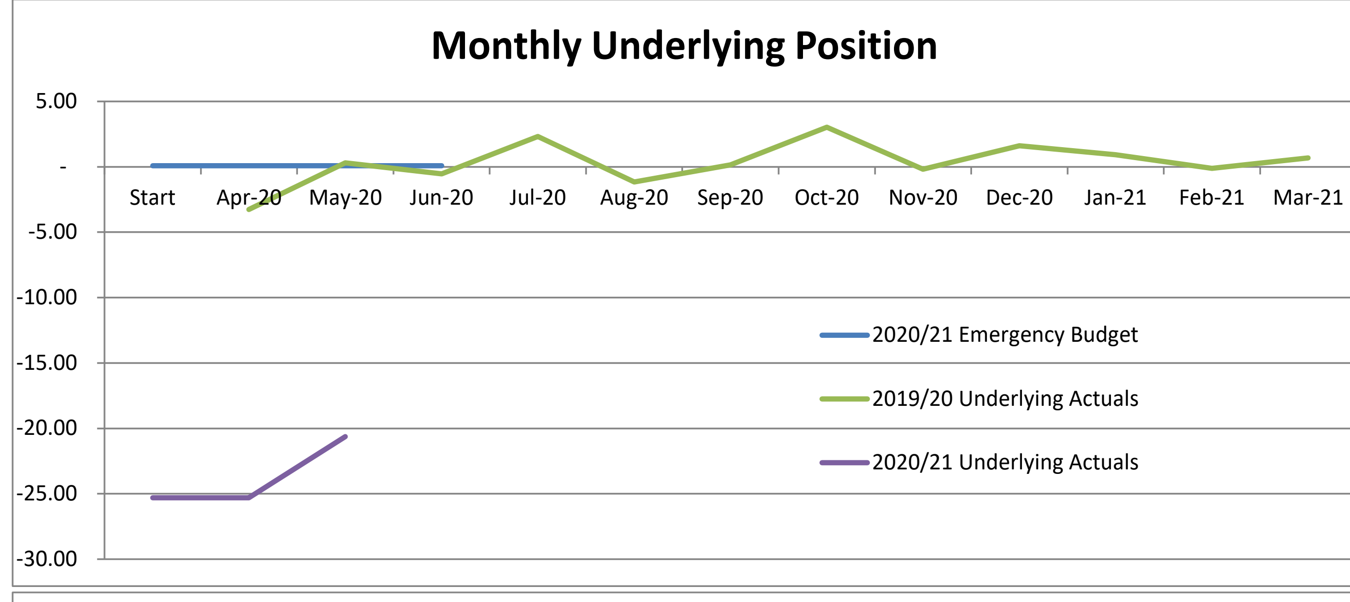
These graphs show the actual underlying position for the trust throughout 2019/20 and for April and May 20/21.

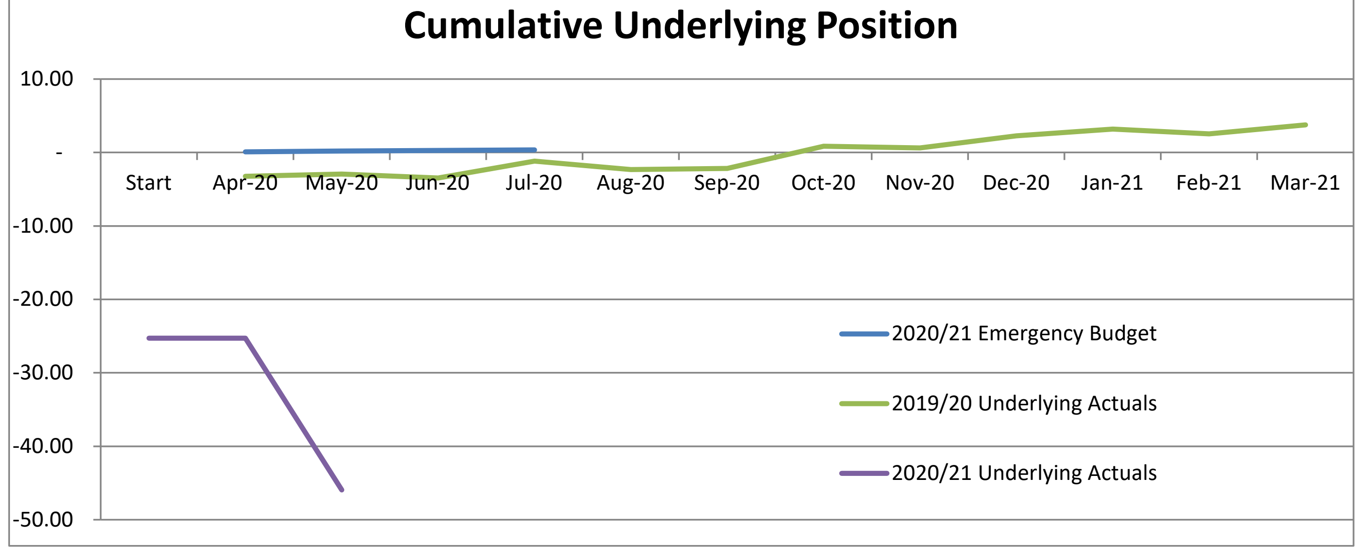
The following have been removed from 20/21 position:

- The block contract uplift of £21.8m in month (£48.8m YTD) which represents the value of income over and above that which would have prevailed under PbR.
- Covid-19 related expenditure of £2.8m in month (£6.9m YTD).
- ‘Top-up’ funding of £1.7m in month (£3.9m YTD) which bridges financial performance to breakeven.

This illustrates that without the funding safety net of the current financial regime a deficit in month of £20m (£45m YTD) would have prevailed. This is driven by activity levels that continue to be significantly suppressed as a result of Covid-19 infection control measures and productivity limitations.

The underlying monthly position will be monitored throughout the year as recovery phases commence.





Financial Regime Changes

This page highlights the expected changes to the financial regime which are expected to take effect from August 2020.

At present is not known how block contract values will be calculated and whether this will be prescriptive at an organisational level; however it is known they will be channelled via STPs. This could present another layer of risk if local negotiations are required and guarantees not provided for the 8 months remaining of 20/21.

The key change is the removal of top-up payments or Covid cost reimbursement. Financial risk is now expected to be fully managed by the system / provider rather than centrally managed.

The pace of recovery represents a significant tension as investment in additional resources is currently being requested by certain areas; however represents a cost increase that may not be provided for within any block contract provision.

NHS Financial Regime

- Interim Financial Regime April 2020 – July 2020 (Phase 2)
  - Block contract payment based on NHS clinical income from M1-9 2019/20
  - Top-up payment ensured minimum breakeven guarantee and that marginal Covid costs were covered
- Interim Financial Regime August 2020 – March 2021 (Phase 3)
  - Block contract recalculated (unknown methodology and amount still to be confirmed)
  - Removal of Top-up payments or Covid reimbursement
  - Channelled through STP's (unknown if organisation specific amounts)
  - Shifts risk substantially to providers to manage costs of Covid and recovery
  - No certainty on independent sector provision. Expectation that national contract will be extended.
  - Break glass if second Covid-19 peak – exact definition TBC
  - May include activity trajectory / performance targets – TBC

University Hospital Southampton NHS Foundation Trust

Clinical Income

(Fav Variance) / Adv Variance

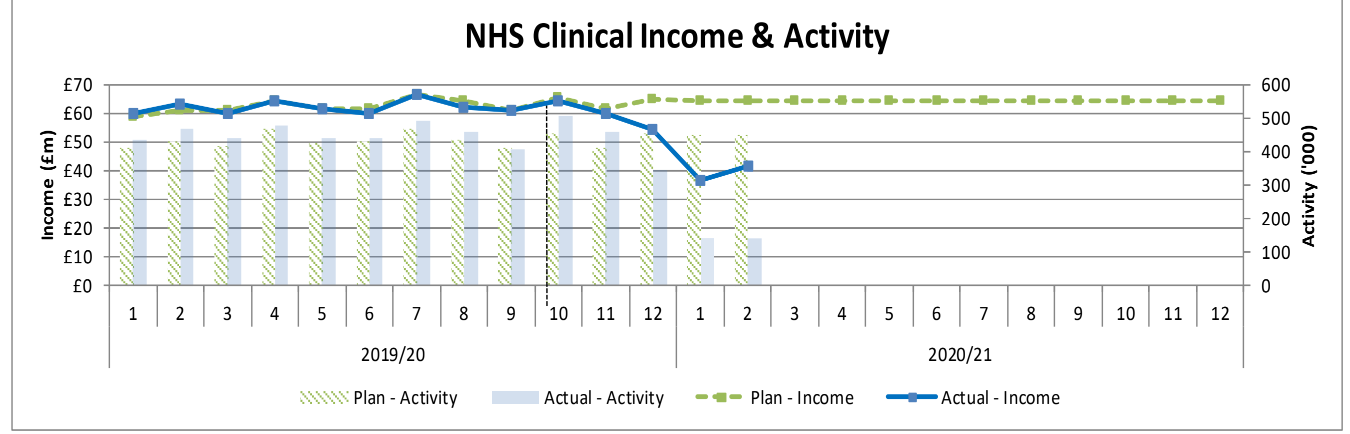
Clinical income for the month of May was £0.7m adverse to plan and including Non NHS income was £1.4m adverse. Much of this income is now fixed with confirmed block contract funding in place for April to July.

The planned activity levels for each point of delivery (POD) is based on 19/20 run rate activity which is being used as an interim plan measure. All areas are reporting significant underperformance against these activity levels due to the Covid situation supressing activity.

May did see improvements with elective activity values representing 35% of planned levels (29% in April) and non elective values 73% of planned levels (65% in April). Independent sector hospitals continue to be utilised and activity within these increased 50% from April to May. An additional 200 theatre sessions also took place on the SGH site in May when comparing to April.

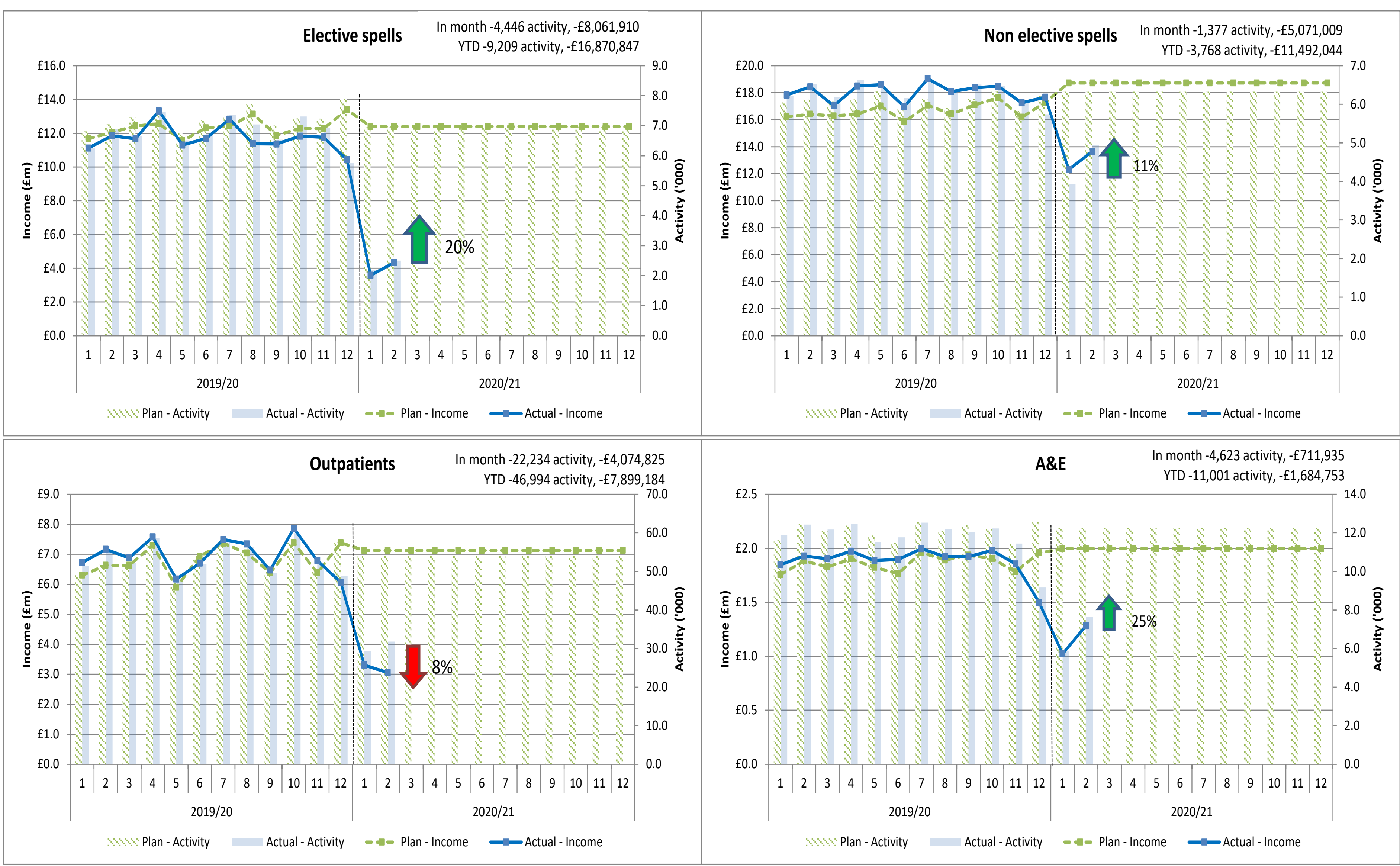
The graphs overleaf show trends over the last 14 months and the impact of Covid-19.

POD GROUP	2020/21 In Month Plan £000s	In Month Estimate £000s	In Month Variance £000s	YTD Plan £000s	YTD Estimate £000s	YTD Variance £000s	Emergency budget M1-M4 £000s	2019/20 YTD Actuals £000s
NHS Clinical Income								
Elective Inpatients	£12,393	£4,331	£8,062	£24,787	£7,916	£16,871	£49,573	£22,973
Non-Elective Inpatients	£18,725	£13,654	£5,071	£37,449	£25,957	£11,492	£74,899	£36,259
Outpatients	£7,129	£3,054	£4,075	£14,257	£6,358	£7,899	£28,514	£13,884
Other Activity	£11,306	£7,827	£3,478	£22,611	£15,310	£7,301	£45,223	£21,257
CQUIN	£669	£382	£287	£1,337	£763	£574	£2,674	£1,409
Blocks & Financial Adjustments	(£137)	£1,009	(£1,146)	(£273)	(£2,300)	£2,027	(£547)	£652
Other Exclusions	£4,066	£2,525	£1,540	£8,131	£6,123	£2,009	£16,263	£559
Pass-through Exclusions	£9,913	£8,823	£1,090	£19,826	£17,962	£1,864	£39,652	£18,238
Subtotal NHS Clinical Income	*£64,063*	*£41,605*	*£22,458*	*£128,125*	*£78,088*	*£50,037*	*£256,251*	*£115,232*
Covid block adjustments	£0	£21,773	(£21,773)	£0	£48,783	(£48,783)	£0	£0
Total NHS Clinical Income	**£64,063**	**£63,378**	**£685**	**£128,125**	**£126,871**	**£1,254**	**£256,251**	**£115,232**
Non NHS Clinical Income								
Private Patients	£546	(£34)	£579	£1,090	£213	£878	£2,179	
CRU	£208	£125	£83	£417	£321	£95	£833	
Overseas Chargeable Patients	£127	£77	£50	£254	£166	£88	£508	
Total Non NHS Clinical Income	**£881**	**£169**	**£712**	**£1,761**	**£700**	**£1,061**	**£3,521**	
Grand Total	**£64,944**	**£63,547**	**£1,397**	**£129,886**	**£127,572**	**£2,315**	**£259,771**	**£115,232**



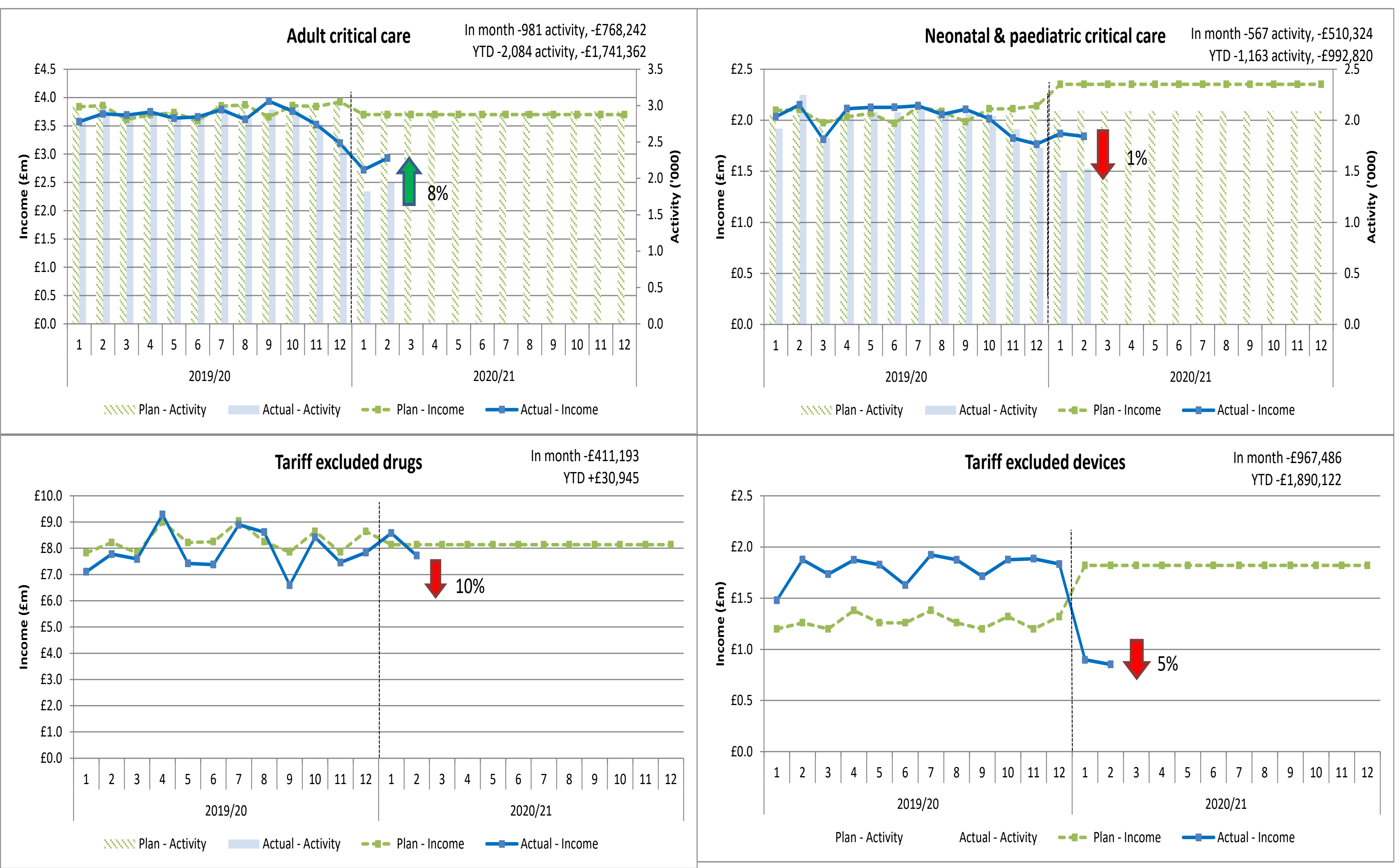
University Hospital Southampton NHS
NHS Foundation Trust

Clinical Income



2020/21 Finance Report - Month 2

Clinical Income



Note: Drugs impacted by CF drugs approved by NICE from April – circa £19m FYE

Income and Activity

The tables shown illustrate by division and care group the % of the activity and income plan being achieved in both April and May for Elective and Non Elective Activity.

Elective activity has improved in May but remains just 36% of planned levels. Income at 35% of planned levels suggest very little casemix distortion. No care group is reporting greater than 60% with Ophthalmology (12%) and Orthopaedics (21%) noticeably low. Recovery planning is targeting improvement in all areas but will be governed by clinical priority.

Non Elective activity levels have also increased in May but are still 22% short of plan. As lockdown measures are eased activity levels are expected to increase especially with traumatic specialties. Covid admissions are included within non elective and are thought to have a tariff income shortfall driving a variation between income % and activity %. This is currently being reviewed.

Elective Activity and Income		Activity as % of Plan		Income as % of Plan	
Division	Care Group	Apr-20	May-20	Apr-20	May-20
DIVISION A	CANCER CARE	51%	67%	48%	59%
	SURGERY	27%	30%	32%	42%
DIVISION A Total		**37%**	**48%**	**36%**	**46%**
DIVISION B	OPHTHALMOLOGY	4%	10%	7%	12%
	SPECIALIST MEDICINE	29%	33%	23%	31%
DIVISION B Total		**23%**	**28%**	**17%**	**24%**
DIVISION C	CHILD HEALTH	42%	43%	26%	39%
	WOMEN'S HEALTH	49%	39%	55%	44%
DIVISION C Total		**43%**	**42%**	**33%**	**40%**
DIVISION D	CARDIOVASCULAR & THORACIC	30%	36%	33%	35%
	NEUROSCIENCES	50%	44%	36%	41%
	RADIOLOGY	25%	25%	30%	31%
	TRAUMA & ORTHOPAEDICS	11%	20%	10%	21%
DIVISION D Total		**29%**	**32%**	**28%**	**32%**
Trustwide Total		**31%**	**36%**	**29%**	**35%**

Non Elective Activity and Income		Activity as % of Plan		Income as % of Plan	
Division	Care Group	Apr-20	May-20	Apr-20	May-20
DIVISION A	CANCER CARE	79%	94%	66%	79%
	SURGERY	46%	79%	55%	80%
DIVISION A Total		**55%**	**84%**	**59%**	**80%**
DIVISION B	ACUTE MEDICINE	84%	78%	72%	76%
	EMERGENCY MEDICINE	45%	82%	35%	76%
	OPHTHALMOLOGY	64%	51%	81%	51%
	SPECIALIST MEDICINE	33%	55%	40%	32%
DIVISION B Total		**61%**	**79%**	**61%**	**75%**
DIVISION C	CHILD HEALTH	44%	58%	72%	63%
	WOMEN'S HEALTH	83%	91%	89%	98%
DIVISION C Total		**71%**	**80%**	**83%**	**85%**
DIVISION D	CARDIOVASCULAR & THORACIC	58%	67%	47%	49%
	NEUROSCIENCES	70%	81%	79%	88%
	RADIOLOGY	47%	50%	49%	43%
	TRAUMA & ORTHOPAEDICS	58%	64%	84%	73%
DIVISION D Total		**60%**	**68%**	**65%**	**65%**
Trustwide Total		**62%**	**78%**	**66%**	**73%**

Productivity

Covid-19 has had, and will continue to have, a significant impact on productivity within the organisation. The impact of this is shown in the tables illustrating reduced theatre productivity and increased staff costs per £ of income.

Productivity reductions are driven by four underlying factors:

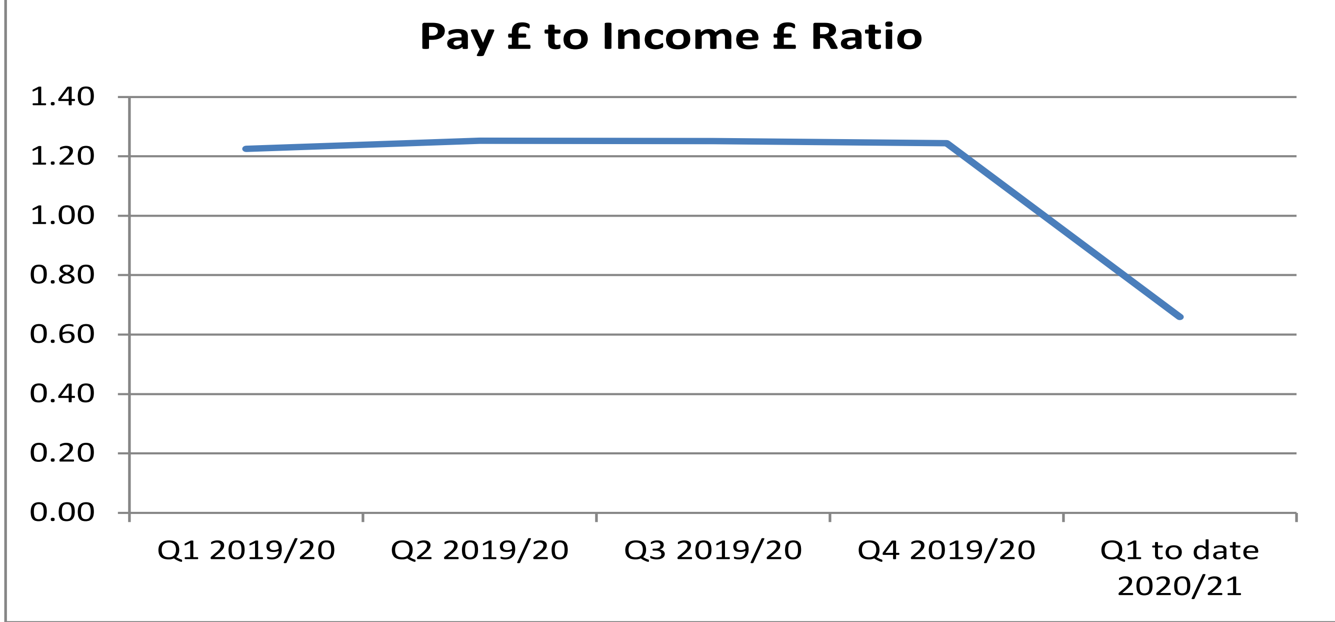
1) The need to maintain a safe environment meaning social distancing, infection control practices and PPE requirements have all put additional time into clinical practices.

2) The direct cost of Covid-19 for additional equipment, PPE, and infection control materials.

3) The cost of safeguarding staff resulting in 900 WTE classified as level 2 or 3 by Occupational Health. Many of these are frontline staff that therefore cannot perform clinical duties.

4) The above contraints reducing the 'top speed' of the organisation and therefore creating diseconomies of scale as fixed costs are spread across a smaller volume of patients.

	Patients Per Theatre List		
Specialties (with over 20 sessions in 20/21)	**2019/20**	**2020/21**	**% change**
General Surgery	3.77	3.14	-17%
Hepatobiliary & Pancreatic	1.98	1.38	-30%
Max Fax	2.84	1.62	-43%
ENT	3.5	2.04	-42%
Colorectal	2.47	1.48	-40%
Ophthalmology	4.04	2.08	-49%
Child Health	3.44	2.54	-26%
Women and Newborn	3.24	2.82	-13%
Cardiovascular & Thoracic	2.47	2.09	-15%
Neurosciences	2.45	1.59	-35%
Trauma & Orthopaedics	3.75	2.49	-34%
Spinal	2.41	1.83	-24%
Trustwide	**3.11**	**2.23**	**-28%**



Benchmarking

The current financial reporting framework of being brought back to break-even whilst achieving lower levels of activity makes it difficult to assess the performance of the Trust.

It is therefore important we measure our performance against our peers. Unfortunately data on activity and underlying financial performance of peers is limited; however the graph shows the comparator performance of four neighbouring hospital trusts when assessing their level of PbR equivalent revenue as a % of their block contract.

Distortions could exist (e.g. high cost drugs, specialised high-cost activity) however, and this isn't necessarily in correlation with productivity. For example one of 'higher performers' shown made a £10m Covid claim compared to £4m by UHS in month 1. The level of private sector provision available locally in addition to the specific geography for each trust all has a bearing. There is currently not enough information to draw firm conclusions from this data.

PbR % equivalent of Block Contract (£)

	Apr-20	May-20
University Hospital Southampton	57%	65%
Oxford University Hospitals NHSFT	72%	76%
Portsmouth Hospitals Trust	68%	
Salisbury NHSFT	57%	64%
Royal Berkshire NHSFT	61%	68%

**May data not available for PHT*

Substantive Pay Costs

Total pay expenditure in May was £45.9m (up from £45.1m in April). This step change was partly attributable to on-boarding 55 wte junior doctors and student nurses for who it was agreed would start earlier than the normally planned intake date of September as a Covid mitigation. Additionally bank holiday enhancements totalled £0.35m.

Covid related staffing expenditure was flat at £2m in month. This has funded sickness / self isolation backfill in addition to increased medical and nursing staffing costs, and other elements of workforce expansion, that have been required to deliver a fit for purpose workforce for treating C-19 patients.

Over 900 WTE (8.5%) are currently classified by occupational health as level 2 or 3 meaning they may have reduced ability to perform normal duties. This presents a significant risk within recovery planning as staffing constraints may put limitations on activity.

Total Pay

£m

48.0
46.0
44.0
42.0
40.0
38.0
36.0
34.0
32.0
30.0

Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21 Mar-21

Covid
Agency
Bank
Substantive
Plan Total

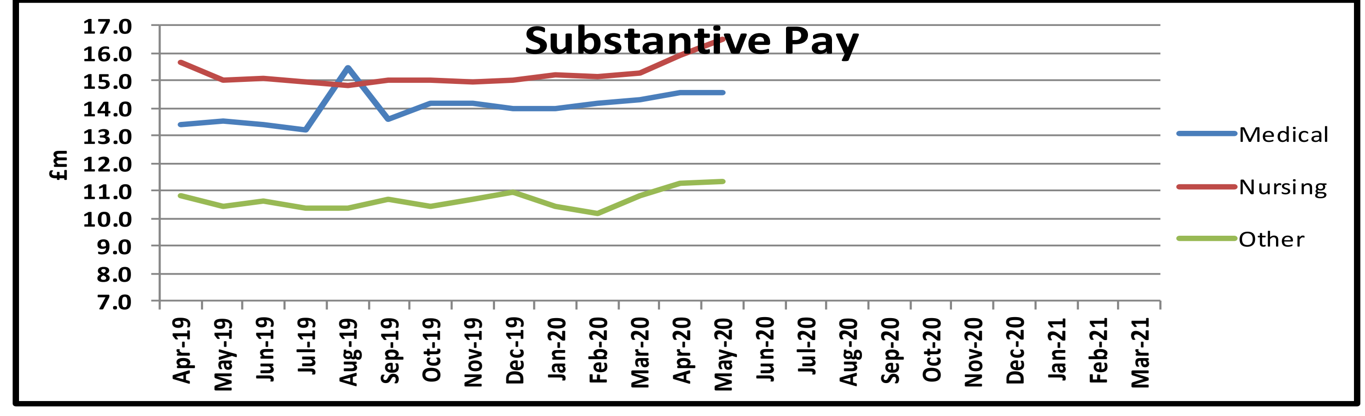
Substantive Pay

£m

43.0
42.0
41.0
40.0
39.0
38.0
37.0
36.0
35.0

Start Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar

Substantive Plan
Substantive Actual 20/21
Substantive Actual 19/20

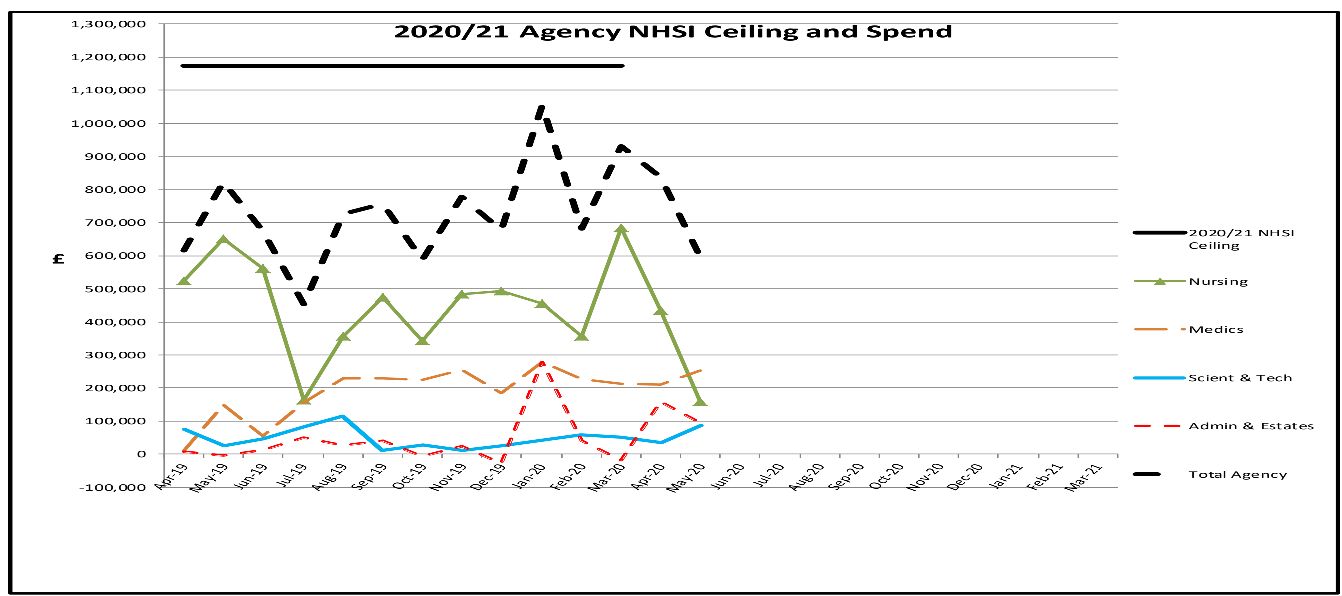


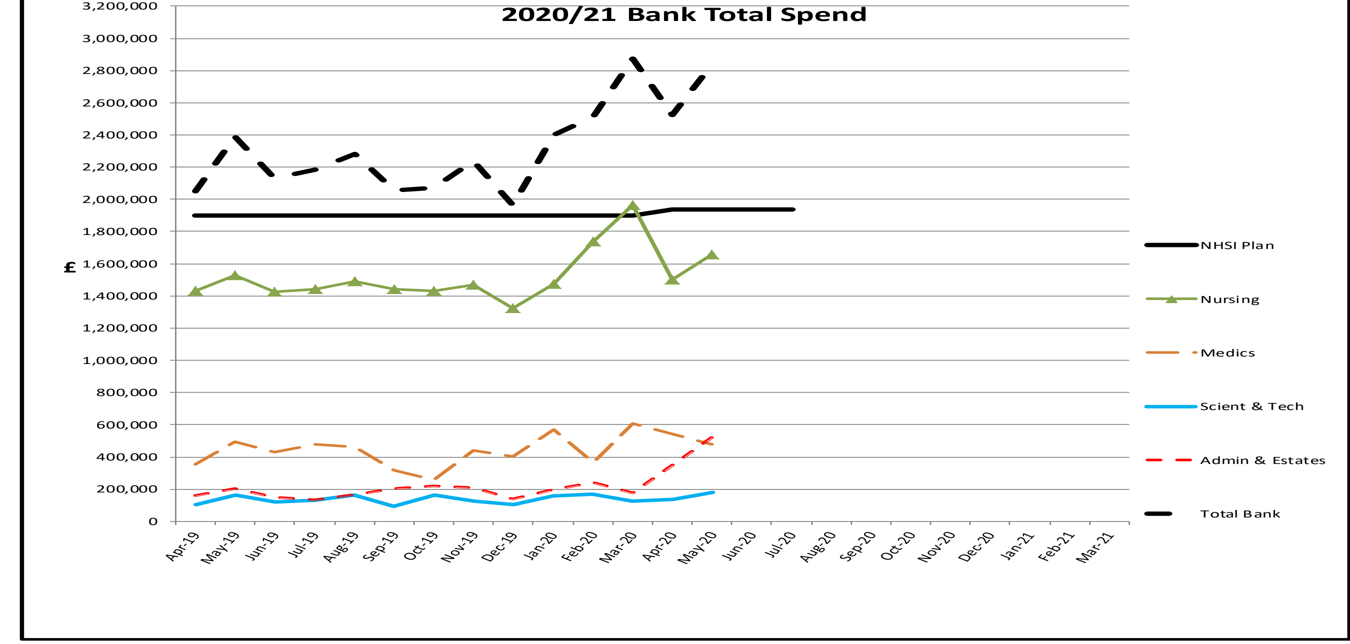
Temporary Staff Costs

Agency spend has decreased by £0.2m from April to May with the downward trend in nursing agency continuing since Covid correlating with a reduction in activity.

Staffing requirements have been flexed down in many elective focused service areas in order to support Covid-19 patients and avoiding the need for high cost agency.

Expenditure on bank staff was marginally up from April by £0.3m. This continues to be above average levels of spend in 19/20 predominantly relating to increased sickness and self isolation backfill. Admin bank usage has also increased significantly as staffing has been required to man entrances and exits to the trust 24/7.





Cash

The cash balance was stable at £170m at the end of May . The significant step change seen from April follows a change in the cash regime of the NHS as monthly block contract payments are now paid in advance of the month required hence £63.3m per month is received in advance. This is an interim measure due to Covid and may be reversed in year.

Adjusting for that, cash still continues to remain significantly higher than the minimum holding due mainly to two reasons.

Firstly the working capital position continues to be favourable to plan due to a higher than planned accounts payable position, and secondly net spend on property, plant and equipment (through capital expenditure and lease interest and principal payments) ended 19/20 significantly lower than the original plan. Several projects have been delayed due to Covid-19 and hence still require cash investment in 20/21 which is within the capital forecast.

Cash is therefore not expected to remain at these levels moving through 2020/21 as efforts are made to reduce the accounts payable balance in addition to cash outlays supporting a significant capital investment programme.

Cash Position

180
160
140
120
100
80
60
40
20
0

May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20

Plan 19/20 (for reference) — Actual — Minimum Cash Holding

Capital Expenditure

(Fav Variance) / Adv Variance

The capital expenditure position for the year to May shows expenditure of £8.6m against a plan of £7.9m which is £0.7m above that budgeted. However, excluding Covid 19 related expenditure ,which is aimed to be re-claimed, the expenditure 0.5m below budget.

Further excluding leases and externally funded schemes, spend was £0.3m above plan year to date, with the GICU scheme (+£0.4m) the scheme most notably ahead of plan.

There is very little leased asset expenditure in the year to date. The £0.7m shortfall in this area is the main reason for the overall underspend (excluding Covid 19 expenditure).

We are awaiting confirmation of funding for Covid-19 spend incurred in phase 1 (local approval). We are now in phase 2 (all spend requires national approval).

	Month			Year to Date			Full Year		
Scheme	Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
Childrens Hospital/ED Adult Resus	634	199	435	890	455	435	1,141	1,141	0
IT Schemes	205	233	(28)	735	763	(28)	7,564	7,564	0
Strategic Maintenance	250	222	28	454	374	80	3,750	3,750	0
Medical Equipment Panel	0	2	(2)	213	215	(2)	1,000	1,000	0
GICU Expansion	1,544	1,930	(386)	3,056	3,443	(387)	12,128	12,128	0
Fit out of E Level, Vertical Extension	8	14	(6)	58	65	(7)	5,013	5,013	0
Refurbish Eye Theatre	0	5	(5)	8	13	(5)	1,849	1,849	0
Theatre K Plant Room	0	13	(13)	150	163	(13)	334	334	0
Spend to Save	199	175	24	223	200	23	910	910	0
Radiotherapy Equipment	47	1	46	201	154	47	700	700	0
Decorative Improvements / Staff Fund	100	0	100	100	0	100	600	600	0
ED offices and minors space	2	0	2	18	16	2	586	586	0
Fit out of E &F level North Wing Courtyard	692	274	418	834	416	418	1,207	1,207	0
East Wing Annex Shell	0	0	0	0	0	0	1,490	1,490	0
Oncology Ward Build	64	1	63	64	12	52	5,782	5,782	0
Other Projects	446	495	(49)	570	665	(95)	3,926	3,926	0
Assumed Slippage	(805)	0	(805)	(895)	0	(895)	(4,468)	(4,468)	0
Total Trust Funded Capital excl Finance Leases	**3,386**	**3,566**	**(180)**	**6,679**	**6,954**	**(275)**	**43,512**	**43,512**	**0**
Finance Leases - Medical Equipment Panel	100	0	100	100	0	100	2,200	2,200	0
Finance Leases - Divisional Equipment	84	0	84	84	0	84	500	500	0
Finance Leases-IISS	400	0	400	400	0	400	5,535	5,535	0
Finance Leases-Other	100	0	100	119	19	100	2,265	2,265	0
Donated Asset Additions	0	0	0	0	0	0	(3,482)	(3,482)	0
Total Trust Funded Capital Expenditure (CDEL Allocation)	**4,070**	**3,566**	**504**	**7,382**	**6,973**	**409**	**50,530**	**50,530**	**0**
Energy Efficiency	366	306	60	443	383	60	1,667	1,667	0
Fit out of E Level, Vertical Extension	0	0	0	0	0	0	5,000	5,000	0
Digital Maternity (STP Wave 3)	0	0	0	0	0	0	1,350	1,350	0
Digital Outpatients (STP Wave 3)	0	0	0	0	0	0	589	589	0
HSLI Enterprise Wide Scheduling	70	4	66	74	8	66	444	444	0
Pathology Digitisation	0	0	0	0	0	0	1,080	1,080	0
Coronavirus Equipment and Works	0	538	(538)	0	1,250	(1,250)	0	2,593	(2,593)
Total CDEL Expenditure	**4,506**	**4,414**	**92**	**7,899**	**8,615**	**(716)**	**60,660**	**63,253**	**(2,593)**

Statement of Financial Position

(Fav Variance) / Adv Variance

The May statement of financial position illustrates net assets of £435.6m which is broadly similar to April.

Working capital movements have created significant contra variances between payables, receivables and cash that are interrelated. Accounts payable is distorted as it includes £63m of deferred income as block contract payments are paid in advance. Normalising for this payables remains close to the 2019/20 year end position. It continues to be an area of focus for the finance department.

Statement of Financial Position	2019/20 Actuals £m	2020/21 YTD Act £m
Fixed Assets	379.0	383.1
Inventories	15.2	14.4
Receivables	73.0	57.0
Cash	97.3	169.1
Payables	(115.6)	(176.6)
Current Loan	(3.3)	(3.5)
Current PFI and Leases	(7.4)	(7.8)
Net Assets	**438.2**	**435.6**
Non Current Liabilities	(20.4)	(20.0)
Non Current Loan	(11.5)	(10.8)
Non Current PFI and Leases	(33.4)	(32.2)
Total Assets Employed	**372.9**	**372.6**
Public Dividend Capital	220.7	220.7
Retained Earnings	131.8	131.7
Revaluation Reserve	20.2	20.2
Other Reserves	0.0	0.0
Total Taxpayers' Equity	**372.7**	**372.6**

Report to the Trust Board of Directors dated 30 June 2020				
Title:	**Register of Seals, and Chair's Actions**			
Agenda item:	**5.2**			
Sponsor:	**Chairman**			
Date:	**30 June 2020**			
Purpose	**Assurance or reassurance**	**Approval**	**Ratification** **Y**	**Information**
Issue to be addressed:	This is a regular report to notify the Board of use of the seal and actions taken by the Chairman in accordance with the Scheme of Delegation for ratification.			
Response to the issue:	The Board has agreed that the Chair may undertake some actions on its behalf. The following actions have been undertaken by the Chair. All awards of contract are subject to a full tender process.			
Implications: (Clinical, Organisational, Governance, Legal?)	Compliance with the NHS Foundation Trust Code of Governance (probity, internal control) and UHS Standing Financial Instructions and Scheme of Reservation and Delegation.			
Risks: (Top 3) of carrying out the change / or not:				
Summary: Conclusion and/or recommendation	The Board is asked to **ratify** the Chair's Actions.			

1 Signing and Sealing

1.1 **Deed of Agreement** pursuant to Section 106 Town and Country Planning Act 1990 and Section 111 Local Governance Act 1972, relating to Land at Bargain Farm, Nursling, Southampton between Timothy Jobling and Richard Michael Moyse, Prime (UK) Developments Limited, University Hospital Southampton NHS Foundation Trust, Test Valley Borough Council, Southampton City Council and Hampshire County Council. Seal number 188 on 26 May 2020.

1.2 **Renewal Lease** between BANA Limited (Landlord) and Southampton University Hospitals NHS Trust (Tenant) relating to 110 Coxford Road, Maybush, Southampton, SO14 3AB. Seal number 189 on 26 May 2020.

1.3 **Parent Company Guarantee** (executed as a Deed) between Siemens Healthineers AG (the Guarantor) and University Hospital Southampton University Hospital (the Company) relating to the Contract for the provision of an Imaging Infrastructure Support Service entered into on 27 September 2012 with Siemens Plc, a subsidiary of Siemens Holdings Plc. The contract was novated from Siemens Plc to Siemens Healthcare Limited with effect from 30 September 2015, with agreement from the Company. At the request of the Company, Siemens Plc procured the execution and delivery to the Company of a guarantee in relation to the Contract from Siemens Holdings Plc, which was executed on 27 September 2012. At the request of Siemens Healthcare Limited and Siemens Holdings Plc, the Company has permitted the guarantee from Siemens Holdings Plc to be released and replaced with a guarantee on the same terms from the Guarantor. Seal number 190 on 5 June 2020.

1.4 **Deed of Variation of Option Agreement** relating to The Sale of Land at a Development Site known as Plot 1 Bargain Farm, Adanac Park, Nursling, Southampton, between T. Jobling and R. M. Moyse being the present Trustees of the Barker-Mill Hillyfields Trust (the Seller) and Prime (UK) Developments Limited and University Hospital Southampton NHS Foundation Trust (the Buyer). The Deed is supplemental and collateral to the Main Contract. The parties have agreed to extend the Option Period in the Main Contract to 31 December 2020 in consideration of a monthly additional option fee. The Seller and the Buyer have agreed to vary the Main Contract on the terms set out in this Deed. Seal number 191 on 5 June 2020.

2 Chair's Actions

The Board has agreed that the Chair may undertake some actions on its behalf. The following actions have been undertaken by the Chair. All awards of contract are subject to a full tender process.

2.1 **Award of Contract for Gowns** to Omnimedical Limited, at a cost of £1,581,004 excluding vat. This is essential Personal Protective Equipment (PPE) to protect staff from Covid-19. The national supply chain has been fragile and this provides resilient, high quality local supply at a cost similar to current market levels. This local arrangement does not contradict the recent national procurement policy letter and gives the Trust 6 months' continuity of supply which will support the Trust in resuming elective services. Approved by the Chair on 26 May 2020.

2.2 **Award of Contract for Masks** to Omnimedical Limited, at a cost of £1,678,464 excluding vat. This is essential Personal Protective Equipment (PPE) to protect staff from Covid-19. The national supply chain has been fragile and this provides resilient, high quality local supply at a cost similar to current market levels. This local arrangement does not contradict the recent national procurement policy letter and gives the Trust 6 months' continuity of supply which will support the Trust in resuming elective services. Approved by the Chair on 27 May 2020.

2.3 **Award of Extension of Contract for Childcare Vouchers** via Salary Sacrifice to Fideliti Limited, at a cost of £780,000 excluding vat. This is the first of two one-year extensions available to the contract on original NHS Terms and Conditions and is essentially a pass-through of employee salary deductions with a monthly administration fee, which is competitive within the market. Approved by the Chair on 29 May 2020.

2.4 **Single Tender Action for Consultant basic pay recharge** and re-direction of national money for clinical excellence awards 2020/21 to University of Southampton at a cost of £3,540,000 (no vat). Approved by the Chair on 23 June 2020.

2.5 **Award of Contract for work undertaken on the Covid-19 trial ACCORD2 Study** to IQVIA at a cost of £13,100,000 excluding vat. UHS (with the University of Southampton as a partner) has been awarded a UKRI (combined UK Research Council) grant to deliver one of the national Urgent Public Health clinical trial platforms which forms part of the Government's response to the Coronavirus pandemic and has a combined award value expected to be circa £25m over the next 9 months. Approved by the Chair on 23 June 2020.

3 Recommendation

The Board is asked to **ratify** the Chair's Actions.

Report to the Trust Board of Directors dated 30 June 2020				
Title:	**NHS Provider Licence Conditions Compliance and Self-Certification**			
Agenda Item:	**5.3**			
Sponsor:	**Chief Executive**			
Date:	**30 June 2020**			
Purpose:	**Assurance or reassurance**	**Approval** **X**	**Ratification**	**Information**
Issue to be addressed:	Each Licensee is required by NHS Improvement to publish within three months of the end of each financial year a corporate governance statement by and on behalf of its Board confirming compliance with the Conditions of its Provider Licence, and at the date of the statement anticipated compliance for the next financial year, specifying any risks to compliance in the next financial year and any actions it proposes to take to manage such risks.			
Response to the issue:	NHS Foundation Trusts are required to self-certify regarding FT Licence compliance after the end of each Financial Year. The aim of the self-certification is for Trust Boards to assess whether they comply with the conditions. There is no process prescribed by NHS Improvement, but template certificates have been provided for Boards to sign. The self-certification is no longer sent to NHS Improvement, but NHSI expects to conduct an audit of a selection of Trusts to check for evidence of self-certification. This paper serves as such evidence. The table attached sets out Conditions FT4 and G6 of the Provider Licence for which the Board must self-certify along with sources of information and evidence to support a statement that compliance is “confirmed” for each Licence Condition on the certificate. Much of the information provided has been audited as part of the Annual Report and Accounts process and demonstrates compliance with the terms of Condition G6 that there systems of risk management and internal control, which operated in the timeframe, and have been reviewed. Coupled with the opinions of the Internal and External Auditor on quality, risk management, internal control, financial control, and the CQC’s well-led report, there is sufficient evidence to demonstrate on-going compliance for Condition G6. **1. What is the Board confirming?** 1.1 **For General Condition G6** – Systems for Compliance with Licence Conditions, the Board is required to respond “confirmed” or “not confirmed” to the following statement:			

> "Following a review for the purpose of paragraph 2(b) of licence condition G6, the Directors of the Licensee are satisfied that, in the Financial Year most recently ended, the Licensee took all such precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had regard to the NHS Constitution."

1.2 Note that licence condition G6 paragraph 2(b) requires that the systems and processes in place to identify risk to compliance with licence conditions are effective and regularly reviewed.

2. Evidence of Compliance

2.1 The Board should consider the following sources of evidence:

(a) Relevant papers relating to corporate governance, risk management, and internal control presented to the Board of Directors during the year

(b) Relevant papers presented to Trust Board standing committees:
   (i) Quality Committee
   (ii) Finance and Performance Committee
   (iii) Audit and Risk Committee

(c) The Risk Management Strategy, Board Assurance Framework, and Risk Registers

(d) CQC registration, rated "Good" overall, and recognised as "well-led"

(e) Ongoing accreditation with NHS Resolution

(f) NHS improvement Single Oversight Framework segmentation

(g) Formal, audited opinions from External Auditors in relation to:

   (i) Annual Governance Statement
   (ii) Annual Accounts
   (iii) Quality Account

(h) Formal findings by the Trust's Internal Audit programme on relevant topics including:

   (i) Risk Management
   (ii) Data Security and Protection Toolkit and GDPR
   (iii) IT Audit
   (iv) Safeguarding
   (v) Cancer Patient Management
   (vi) Follow-up

Implications: (Clinical, Organisational, Governance, Legal?	Compliance with the Trusts FT Provider Licence, the FT Constitution, the Monitor FT Code of Governance, the NHSI Single Operating Framework, NHSR, and Care Quality Commission requirements.
Risks: (Top 3) of carrying out the change / or not:	
Summary: Conclusion and/or recommendation	Considering the full annual cycle of Board business completed in the Financial Year 2019/20, the Head of Internal Audit Opinion and the wider sources of evidence set out in the Annual Report and Accounts, and Board reports received in 2019/20, the Board is recommended to self-certify that there are systems and processes in place to identify risk to compliance with licence conditions which were operated in 2019/20 and are effective and regularly reviewed. Looking forward however, there remains uncertainty following the ongoing coronavirus outbreak and the Trust has implemented Covid specific governance systems and processes. These arrangements will continue into a robust system of internal control although all risks cannot be anticipated. The Board Assurance Framework and the Corporate Risk Register will be an integral part of the monitoring system with regular reporting to the Board. The Board is recommended to certify that it is, and will remain compliant with the Conditions of its Provider licence, and to maintain close scrutiny of performance and risk throughout the coming year.

Condition G6 – Systems for compliance with licence conditions and related obligations	**Explanation**	**Proposed Status**	**Risks, Mitigations and Maintenance Actions**
G6 - 1. The Licensee shall take all reasonable precautions against the risk of failure to comply with:			Principal risks associated with Condition G6 include: • CRR01 – Inability to develop partnerships and redesign services innovatively renders the Trust unable to meet the expectations of the NHS long term plan, our strategic plan, and sustainable elective and non-elective pathways • CRR02 – Failure to deliver regulatory requirements causes the Trust to breach the terms of its Provider Licence leading to a loss of local leadership due to an enforced change in Board and Executive composition, impacting on Goals 1 to 6 • CRR03 – Failure to achieve financial targets results in a shortfall in cash required to deliver the capital programme • CRR04 – Reduced access to resources compromises the quality of services • CRR05 – Capacity and capability gaps in the workforce lead to an inability to provide safe and timely care • CRR06 – Lack of capacity and agility renders the Trust unable to respond to the changing operating environment, causing a failure to provide contracted services • CRR07 – Poor staff wellbeing and engagement leads to an inability to deliver safe and timely care • CRR08 – Lack of inclusion and diversity results in the failure to get the best from every individual • CRR09 – Failure to respond with the necessary organisational changes in design and operation renders the Trust unable to remain a competent NHS Provider • CRR010 – Inability to offer translational research renders the Trust unable to maintain its cutting-edge teaching hospital status Thiese risks will be tracked and monitored by the Board using the the revised Board Assurance Framework report, updated by the Executive Performance Management Group each quarter, or more regularly as appropriate.
(a) the Conditions of this Licence,		Confirmed	
(b) any requirements imposed on it under the NHS Acts, and	The Trust's strategy and governance arrangements are derived from a thorough assessment of its statutory and regulatory duties and obligations, coupled with the direction set out in the NHS Long Term Plan.	Confirmed	
(c) the requirement to have regard to the NHS Constitution in providing health care services for the purposes of the NHS.	The principles of the NHS Constitution are reflected in the Trust's own Constitution and in its values as a provider. The seven principles can be seen guiding the focus of the Trust Board in its decision-making and prioritising of resources: 1. The NHS provides a comprehensive service, available to all (by tracking both clinical effectiveness and access to services) 2. Access to NHS services is based on clinical need, not an individual's ability to pay (as reflected in contracts with Commissioners and partners) 3. The NHS aspires to the highest standards of excellence and professionalism (as reflected in clinical accreditation, quality assurance, risk management, and putting patients first) 4. The patient will be at the heart of everything the NHS does (putting patients first, stakeholder engagement, the patient voice, surveys, complaints, insurance, etc.) 5. The NHS works across organisational boundaries (as reflecting in the STP and integrated care modelling under way) 6. The NHS is committed to providing best value for taxpayers' money (as reflected in the audited value for money indicators) 7. The NHS is accountable to the public, communities and patients that it serves (as reflected through our Council of Governors, FT Membership, public engagement activities, and the Board's patient story items)	Confirmed	

G6 - 2. Without prejudice to the generality of paragraph 1, the steps that the Licensee must take pursuant to that paragraph shall include:			
(a) the establishment and implementation of processes and systems to identify risks and guard against their occurrence; and	The Accounting Officer's assessment of the evidence available at the end of FY2019/20 concluded that the system of internal control is generally satisfactory, and concurs with the Head of Internal Audit that some opportunities for strengthening and improvement exist. These opportunities will be acted upon in the forthcoming reporting year. This review of the effectiveness of the system of internal control was informed by: • NHSI: Single Oversight Framework Segmentation • Care Quality Commission registration and the results of CQC inspection reports; • Internal audit reports; • External audit reports; • Comments made by the external auditors in their management letter and other reports; • Clinical audits; • Accreditation and peer reviews; • Patient and staff surveys; • Benchmarking information; • Reports by the executive managers and clinical leads within the trust who have responsibility for the development and maintenance of the internal control framework; and • An independent report by Deloitte PLC on divisional performance management and governance, commissioned by the CEO in 2018.	Confirmed	The Head of Internal Audit Opinion notes that there were no high risk findings identified during 2019/20, which should be reported in our Annual Governance Statement. It was noted that Governance, risk management and control in relation to business critical areas is generally satisfactory. However there are some areas of weakness and non-compliance in the framework of governance, risk management and control which potentially put the achievement of objectives at risk. Some improvements are required in those areas to enhance the adequacy and effectiveness of the framework. • Mitigate by effecting the Governance Action Plan and implementing recommendations from Internal Audit
(b) regular review of whether those processes and systems have been implemented and of their effectiveness.	The Trust regularly reviews the effectiveness of the system of internal control which is informed by a review of the information described in G6 - 2 (above) in various for a with responsibility for monitoring, scrutinising, and challenging evidence on behalf of the Board and Executive. These fora include the: • Audit and Risk Committee • Quality Committee • Finance and Investment Committee • Executive Performance Management Group • Trust Executive Committee • Quality Governance Steering Groups and its subsidiaries • Divisional Management Boards • Divisional Governance Groups • Company Secretary and Corporate Affairs function	Confirmed	•People Committee effective from February 2020 •Substantive appointments made to Associate Director of Corporate Affairs and Risk and Governance Manager posts

Condition Condition FT4 – NHS foundation trust governance arrangements			
FT4 - 2. The Licensee shall apply those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	A well-led inspection conducted by the Care Quality Commission towards the end of the 2018/19 found that the Trust continued to be well-led and made recommendations on how to achieve the highest rating for leadership in 2019/20. The Board has responded to these recommendations by conducting a full and thorough review of its arrangements for divisional performance management and governance, for financial oversight, risk management, and Board performance. These reviews have utilised independent external advisors in addition to the expertise available from the body of non-executive directors and the Company Secretary. The output action plan is to set out robust and unequivocal arrangements for ensuring the constant and continuing compliance with the Trust's NHS foundation trust licence condition FT4 (FT governance) and includes actions identified to mitigate these risks, particularly in relation to: • the effectiveness of governance structures; • the responsibilities of directors and committees; • reporting lines and accountabilities between the Board, its committees, and the executive team; • the submission of timely and accurate information to assess risks to compliance with the Trust's licence; and, • the degree and rigour of oversight the Board has over the Trust's performance.	Confirmed	• Maintain by effecting recommendations of Governance Action Plan •Review of Board committees undertaken with recommendation to implement People Committee - committee effective from February 2020 •Board committee review included consideration of remit of each committee and clarity of reporting lines, updated Terms of Reference approved by Board
FT4 - 3. Without prejudice to the generality of paragraph 2 and to the generality of General Condition 5, the Licensee shall:			
(a) have regard to such guidance on good corporate governance as may be issued by Monitor from time to time; and (b) comply with the following paragraphs of this Condition.	• The Trust aims to either comply with or explain what alternative measures it has established in accordance with the Foundation Trust Code of Governance as advised by the Company Secretary and Corporate Affairs function • The Trust's Standing Orders require that a register of director's and governors' interest is in place and kept up to date (held by the Company Secretary) • An independent governance review was commissioned in 2018 • Supporting action plan in place, all recommendations were accepted • There are no material conflicts of interest in the Board. • Governors elections and by elections are held in accordance with election rules • There is an (interim) Company Secretary in post to provide the Chairman, Chief Executive, and Directors with definitive advice on governance and compliance	Confirmed	• Conduct a review of the 'Monitor' NHS Foundation Trust Code of Governance - 2019/20 review assessed as compliant • Complete review of resourcing for the Corporate Affairs function - substantive appointments made to Associate Director of Corporate Affairs/ Company Secretary and Governance and Risk Manager posts
FT4 - 4. The Licensee shall establish and implement:			
(a) effective board and committee structures;	The Board has one 'statutory' committee covering the role and function of the Nomination and Appointments Committee and the Remuneration Committee named the 'Remuneration and Appointment Committee'. The 'Audit and Risk Committee' fulfils the role and function of a statutory 'Audit Committee'. The Board has deployed two additional 'Designated' Committees to extend its monitoring, scrutiny, and challenge functions. These are the 'Finance and Performance Committee', and the 'Quality Committee'. A People Committee has been established from February 2020	Confirmed	• Maintain by effecting agreed governance structures

(b) clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and	The Board has a clear set of core governance documentation setting out its standards for this requirement, including: • UHS FT Constitution • UHS Standing Orders • UHS Standing Financial Instructions • UHS Scheme of Matters Reserved to the Board • UHS Scheme of Delegation • UHS Board Committee Terms of Reference • UHS Accountability Framework • UHS Divisional Partnership Agreements	Confirmed	• Review and revise this set of governance documentation according to a 3-year cycle
(c) clear reporting lines and accountabilities throughout its organisation.	• Finance, quality, and performance management infrastructure including Divisional management groups reporting into Trust Executive Committee • CQC Well-led Review 2019	Confirmed	
FT4 - 5. The Licensee shall establish and effectively implement systems and/or processes:			
(a) to ensure compliance with the Licensee's duty to operate efficiently, economically and effectively;	• See Annual Governance Statement for 2019/20 as audited and published in the Annual Report and Accounts • CQC Well-led Review 2019 • Use of Resources review 2019 NHSI Review 2019	Confirmed	• Maintain by effecting agreed governance structures
(b) for timely and effective scrutiny and oversight by the Board of the Licensee's operations;	• See Annual Governance Statement for 2019/20 as audited and published in the Annual Report and Accounts	Confirmed	• Maintain by effecting agreed governance structures
(c) to ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions;	• NHSI: Single Oversight Framework Segmentation (2) • Care Quality Commission registration and the results of CQC inspection reports; • Board perfromance reviews of IPR • Board Assurance Framework report	Confirmed	• Maintain by effecting agreed governance structures • Monitor through IPR and Board Assurance Framework report
(d) for effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern);	• The Accounting Officer prepared the financial statements for 2019/20 on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group or the Trust without the transfer of its services to another public sector entity. • They concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period") • The Trust has a comprehensive system of financial management and decision making in place, receiving significant assurance from the Internal Auditor that a sound system of financial control is in place and from the External Auditors Opinion that the Trust is a Going Concern . The Trust has a comprehensive and continuous Business Planning process in place that is overseen by a Steering Group with regular progress reports to the Trust Executive Committee and scrutiny by the Strategy and Finance Committee	Confirmed	• Maintain by effecting agreed governance structures
(e) to obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;	• Data Quality Assessment conducted for IPR, Finance Report, Use of Resources, and Well-led assessment • Forward Planner for Board and Committees • Adoption of digital governance solutions in support of the Board and Committees (e.g. iBabs) • Ongoing review of Corporate Affairs resourcing	Confirmed	• Maintain by effecting agreed governance structures •appointment of substantive Associate Director of Corporate Affairs

(f) to identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence;	• Risk Strategy • Board Assurance Framework Report • support resources for risk and compliance • This exercise	Confirmed	• Maintain by effecting agreed governance structures
(g) to generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and	• Directorate of Strategy and Improvement business planning and monitoring function • Trust Investment Group • Trust Executive Committee • Finance and Performance Committee • NHSI review of wholly owned subsidiaries	Confirmed	• Maintain by effecting agreed governance structures
(h) to ensure compliance with all applicable legal requirements.	• Existing legal resources and outsourced legal specialisms where required	Confirmed	• Maintain by effecting agreed governance structures
FT4 - 6. The systems and/or processes referred to in paragraph 5 should include but not be restricted to systems and/or processes to ensure:		Confirmed	
(a) that there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;	The Board includes a Chief Executive Officer, two clinical Non-executive Directors, a medical Director, and a Director of Nursing. • The Trust was inspected by the Care Quality Commission (CQC) in December 2018 to assess performance in respect of the Well-Led Framework which is the standard measure for leadership across NHS providers. The CQC rated the Trust's standards of leadership overall as 'good' with some areas of outstanding practice.	Confirmed	• Maintain by effecting agreed governance structures
(b) that the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;	The Board deploys a Quality Committee, chaired by a non-executive director. This committee has been established to explore, scrutinise, and gain a deeper understanding of clinical quality on behalf of the Board. The committee provides assurance to the Board on patient safety, patient experience and clinical effectiveness and routinely considers performance against a broad range of qualitative indicators.	Confirmed	• Maintain by effecting agreed governance structures
(c) the collection of accurate, comprehensive, timely and up to date information on quality of care;	The Board considered quality-assured data on (including, but not limited to: • Access performance (including emergency department and referral to treatment); • Delayed transfers of care; • Never events/serious untoward incidents; • Complaints; • Emergency re-admissions; • Clinical outcomes; and, • Hospital standardised mortality rate.	Confirmed	• Maintain by effecting agreed governance structures
(d) that the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;	As per (b) and (c) above. Additionally, the Board begins each of its public Board meetings with an interview with a patient, carer, family member or staff to hear first-hand about how the Trust's services are experienced. These include both favourable scenarios as well as patient stories where the Trust could have done better. • CQC Inspection Report April 2019: "Our inspectors found a strong patient-centred culture with staff committed to keeping their people safe, and encouraging them to be independent. Patients' needs came first and staff worked hard to deliver the best possible care with compassion and respect. Inspectors saw many areas of outstanding practice, with care delivered by compassionate and knowledgeable staff. Several teams led by example with a continuous focus on quality improvement."	Confirmed	• Maintain by effecting agreed governance structures

(e) that the Licensee including its Board actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and	We are committed to the sharing of good practice and learning from incidents, complaints and patient feedback and we achieve this through: • The prompt dissemination of safety alerts, recommendations and guidelines made by central bodies such as NHS England, the Medical Healthcare Regulatory Authority (MHRA) and the National Institute for Health and Care Excellence (NICE); • Root cause analysis of serious incidents; • Policies that encourage timely and transparent reporting and investigation of adverse incidents and complaints; • Feedback on learning and good practice through 'Safety Matters' communications and updates provided to Quality Governance Steering Group and divisional and care group governance meetings; • Clinical audit; and, • Staff appraisal and development.	Confirmed	• Maintain by effecting agreed governance structures
(f) that there is clear accountability for quality of care throughout the Licensee's organisation including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.	Professional and functional reporting lines are established throughout the organisation to enable effective two-way communication between the Board and our wards. These reporting lines are interspersed with specialist management, scrutiny, and governance groups that serve to support staff, test, and capture intelligence throughout the operational care cycle. The Chief Executive maintains an Executive Performance Management Group that meets monthly to assess performance, quality, finance, and HR matters in detail. This groups is fed by the Quality Governance Steering Group which oversees several specialist quality assurance groups, including: patient safety, patient experience, outcomes and effectiveness, regulatory assurance, adult and children safeguarding, health and safety, infection prevention, education, and Divisional Governance Groups. All the sub-groups submit reports regularly. The Trust operates a Clinical Accreditation Scheme, a process where wards or departments are required to demonstrate adherence to standards of care to become accredited. The Trust monitors ward standards through the clinical quality dashboard which focuses performance against key metrics including patient safety, effectiveness, patient experience and outcomes from matron peer walkabouts. The Trust's Quality Improvement Framework (QIF) underpins our quality governance and is updated and reviewed annually and outlines the Trust's 'Ward to Board' approach to escalation of quality matters to the Board, and dissemination of direction from the Board.	Confirmed	• Maintain by effecting agreed governance structures
FT4 - 7. The Licensee shall ensure the existence and effective operation of systems to ensure that it has in place personnel on the Board, reporting to the Board and within the rest of the Licensee's organisation who are sufficient in number and appropriately qualified to ensure compliance with the Conditions of this Licence.	Succession planning for the Board of Directors is conducted by the Remuneration and Appointment Committee to ensure the continuity and suitability of resourcing for the Board. This includes skill-mix assessments, consideration of current operating environment challenges (for example, Board-level skills for digital transformation), committee chairing skills, clinical and quality insight, and other applicable experience such as HR and governance. The Board is supported by specialist in key areas such as strategy, governance, HR management, data analytics, performance management, quality assurance, and business administration.	Confirmed	• Maintain by effecting agreed governance structures

FT4 - 8. The Licensee shall submit to Monitor within three months of the end of each financial year a corporate governance statement by and on behalf of its Board confirming compliance with this Condition as at the date of the statement and anticipated compliance with this Condition for the next financial year, specifying any risks to compliance with this Condition in the next financial year and any actions it proposes to take to manage such risks.	The Board is cognisant of potential risk to continued compliance with the FT Provider Licence and has established systems of risk management and internal control to identify, quantify, manage, and mitigate such risk. These systems include a revised risk management system supported by improved risk systems; a revised Corporate Risk Register; a revised and strengthened Board Assurance Framework report; several revisions to Board governance arrangements; revised Executive portfolios, and an ongoing revision of the resources required to support and enable the Board to discharge its duties effectively (FT4 - 7).	Confirmed	• Maintain by effecting agreed governance structures

<table>
<tr><td colspan="5">Report to the Trust Board of Directors dated 30 June 2020</td></tr>
<tr><td>Title:</td><td colspan="4">Corporate Objectives and Quarterly Milestones 2020/21</td></tr>
<tr><td>Agenda item:</td><td colspan="4">6</td></tr>
<tr><td>Sponsor:</td><td colspan="4">Chief Executive</td></tr>
<tr><td>Date:</td><td colspan="4">30 June 2020</td></tr>
<tr><td>Purpose:</td><td>Assurance or reassurance</td><td>Approval</td><td>Ratification</td><td>Information

X</td></tr>
<tr><td>Issue to be addressed:</td><td colspan="4">Each year our corporate objectives are reviewed to ensure that they reflect both our strategy and our operating environment.

In 2020, this exercise was deferred as the organisation responded to the Covid-19 pandemic. Covid-19 is also expected to have a significant impact on our operating environment across 2020/21.</td></tr>
<tr><td>Response to the issue:</td><td colspan="4">This paper is presented, outlining UHS Corporate Objectives for the period 2020/21, with quarterly milestones aligned to these objectives (Appendix 1).

The quarterly milestones will be updated and extended every 6 months, such that there is always a 6-12 month future plan as to how the corporate objectives will be accomplished.</td></tr>
<tr><td>Implications:
(Clinical, Organisational, Governance, Legal?)</td><td colspan="4">Corporate Objectives are intended to help us to achieve our strategic goals. Determining and achieving appropriate objectives which are aligned to our values, goals, environment, legal and regulatory requirements will have a range of positive impacts.</td></tr>
<tr><td>Risks: (Top 3) of carrying out the change / or not:</td><td colspan="4">Failure to achieve the corporate objectives would be likely to delay achievement of our strategic goals, and ultimately compromise our vision “University Hospital Southampton: World Class Care for Everyone”</td></tr>
<tr><td>Summary: Conclusion and/or recommendation</td><td colspan="4">The paper presents UHS Corporate Objectives for the period 2020/21, and the corresponding quarterly milestones aligned to these objectives (Appendix 1).</td></tr>
</table>

Introduction

This paper outlines UHSFT's corporate objectives for 2020/21, and the quarterly milestones aligned to these objectives (Appendix 1).

Analysis and Discussion

17 objectives have been agreed.

The following matrix summarises the principal alignment between agreed objectives and our goals.

	Proposed Corporate Objectives 2020/2021/2022																
	Local System Pathway Integration	Improve Discharge Pathways	Efficient and Timely Services for Cancer	Restore capacity to meet elective care needs	Achieve financial balance	Improve quality of care environment and capacity	Meet assessment criteria for outstanding	Patients to receive best outcomes, treatment and care	Improve and protect the health of the population	Support the physical and mental health and well-being of our staff	Strategy to ensure we employ the numbers and expertise of staff required	Outstanding employer and one people want to work for	Allocation of UHS capacity and facilities across our clinical services	Collaboration through which partner organisations can better meet needs	Research focuses on the most urgent and strategically important needs	Deliver NIHR Biomedical Research Centre and Clinical Research Facility portfolios	Improvements in UHS education and training
1. Improve patient journeys (system focus, integration)	YY	YY	YY	YY		Y	Y						Y	YY			
2. Value based health and care (value = quality in relation to cost, includes financial sustainability)		YY			YY	Y	Y	YY	Y		Y						
3. Healthy lives (prevention, wellbeing inequalities, outcomes and experience)	Y	Y	Y	Y			YY	Y	YY	YY					Y	Y	
4. An expert and inclusive workforce (diversity, engagement, leadership)					Y	Y	Y			Y	YY	YY					Y
5. Being agile in meeting people’s needs (organisational elegance/design/flexibility)	Y						Y					Y	YY	YY	Y		
6. Leading edge research, education and innovation (research and outcomes)								YY	Y		YY	Y			YY	YY	YY

The 17 agreed objectives are as follows:

Improve patient journeys (system focus, integration)

Non elective journeys

- Improve local system pathway integration, by implementing a Single Point of Access for community referrers to UHS, developing the concept of the emergency care village to improve flow from our emergency department as well as embedding the new and improved pathways initiated due to covid-19 including – minor injuries and illness and mental health.
- Improve discharge pathways, by embedding the Always Improving Inpatients work commenced in 2019-20 and implementing 'Discharge to Assess' and 'Trusted Assessment' for patients who require further support once medically optimised for transfer out of acute hospital. Support our community colleagues to develop and sustain additional capacity for intermediate care (step up and down)

Elective journeys

- Restore the capacity to meet 'elective' care needs to at least pre-covid-19 levels in 2020/21, and achieve an increase in 2021/22, by providing an increased proportion of outpatient care through non face-to-face methods including video consultation, telephone clinics and advice and further roll out of 'My Medical Record', securing ongoing use of private sector capacity, and improving the productivity of our operating theatres.

Networks

- Support efficient and timely services for patients with possible cancer by implementing a 'Surgical hub' for the Wessex Cancer Alliance, develop a clear plan for the future of cancer services and maintaining the time taken to achieve diagnosis, and offering increased capacity for surgical treatment in Covid-19 protected environments. In addition implement the rapid diagnostic service (RDS) for the alliance.

Value based health and care (value = quality in relation to cost, includes financial sustainability)

- Achieve financial balance in the context of new national financial architecture and contractual terms, by prioritising expenditure to reflect the clinical priorities in the context of Covid-19, maintaining effective recruitment activities, and continuing to implement efficiency projects with the greatest impact. UHS ability to generate cash through surpluses will be limited so we will secure new sources of capital (central funding and possibly commercial borrowing) to enable continuation of our ambitious capital expenditure programme (£62m in 20/21) to improve the hospital.
- Improve the quality of our care environment and capacity to meet current and future needs, by refurbishing 5 theatres, opening an additional inpatient ward and intensive care unit, and completing construction of the 'Vertical Extension'. Refresh the site 'master plan' and review the framework for governance and assurance of the Estates function.

- Continue our focus on ensuring that our services are safe, caring, effective, responsive and well-led, such that we can be confident that our organisation meets the standards expected of 'Outstanding' organisations in the CQC inspection framework. This will be within the context of Covid-19, with a key tenet being stringent infection prevention and control. Our approach to achieving these standards sustainably will incorporate quality improvement, innovation, culture and good governance.
- Ensure patients receive the best outcomes, treatments and care by robust measurement of outcomes, ensuring that treatment is aligned to patient wishes (for example through the realistic medicine program), and expanding patient reported measures of outcomes and care.

Healthy lives (prevention, wellbeing inequalities, outcomes and experience)

- Improve and protect the health of our population by resuming the screening programmes impacted by Covid 19, introducing lung health checks, and vaccinating vulnerable patients for influenza (and if possible Covid 19). We will work to understand key drivers of inequality of access in our communities, and adapt service provision to meet specific needs – focussing initially on health screening and cardiovascular disease.
- Support the physical and mental health and well-being of our staff, including responding to the additional challenges associated with Covid 19. Support our staff working in hospitals and the community, working from home, and those unable to work currently. Take action to reduce inequalities in health within our workforce, and create positive connections with our local community.

An expert and inclusive workforce (diversity, engagement, leadership)

- Design and implement a resourcing plan to ensure we employ the numbers and expertise of staff required to meet our strategic objectives for care and research, including improving our retention of staff to 10% turnover, and reducing our registered nurse vacancy position to 13%.
- Continue our drive to be an outstanding employer and one people want to work for, by communicating clearly, listening to the views and ideas of our staff, ensuring that everyone has the opportunity to contribute to improvement in the Trust, promoting a culture of kindness and civility, and inclusivity.

Being agile in meeting people's needs (organisational elegance/design/flexibility)

- Review the allocation of UHS capacity and facilities including wards theatres and clinics, across our clinical services, in order to better align them with the challenges, responses and priorities related to Covid 19 and our clinical strategy. Develop a process and culture of flexibility in this allocation which optimises the outcome achieved, by responding dynamically to service pressures, infection prevention needs and strategic opportunities.

- Enhance collaboration through which partner organisations can better meet people's needs by co-designing and leading local Integrated Care Provision (ICP), strengthening collaboration with community providers to focus on seamless patient care and pathways, creating a forum for clinical leaders including those in Primary Care, and jointly delivering initiatives where strategies of UHS and the Integrated Care System (ICS) converge.

Leading edge research, education and innovation (research and outcomes)

- Ensure that UHS research focuses on the most urgent and strategically important needs whilst capacity is constrained, including the portfolio of research into Covid 19 vaccines, diagnosis and treatment, research which supports the 'standard of care' for patients in our region, and key strategic areas such as cancer surgery. Restore the full portfolio of research in clinical services.
- Deliver our NIHR Southampton Biomedical Research Centre and NIHR Southampton Clinical Research Facility experimental research portfolios, and secure future NIHR BRC and CRF awards focussed on areas of strategic priority to the local health need.
- Deliver improvements in UHS education and training, delivering the joint undergraduate education strategy in partnership with education institutions, improving post-graduate education focusing on hot spots identified in Deanery and GMC assessments, and reviewing arrangements for the delivery of education in clinical settings to reflect the risks of Covid 19.

Conclusion

Corporate objectives and quarterly milestones have been identified which will move us towards our goals, and reflect the priorities, opportunities and challenges influenced by Covid-19.

Recommendation

The paper presents UHS Corporate Objectives for the period 2020/21, and the corresponding quarterly milestones aligned to these objectives (Appendix 1).

End.

Appendix 1: UHS Strategic Objectives
Quarterly Milestones

	2020/21			
Objective (short titles, see full document for detailed purpose and scope)	**Q1**	**Q2**	**Q3**	**Q4**
Local System Pathway Integration	Covid 19 Peak Response	• Trial 'SW Connect' running for virtual front door for non-elective patients. • Agreement with South Central Ambulance Service regarding the near future of minor injuries and illness pathways, undertake audit to ensure patients are being treated in the right place at the right time.	• Establish 'SW Connect' as the routine service. • Implement new Respiratory Pathway. • Agreement with Southern Health, and implementation of, the mental health pathways that will be operational for winter 2020/21 and beyond.	High volume specialties SDEC model in place for winter 2020-21 with direct admissions from Primary Care.
Improve Discharge Pathways	Covid 19 Peak Response	• Ensure robust use of 'electronic patient status at a glance' across the Trust. • Create inpatient ward performance framework to review agreed KPIs e.g. 'Medically Optimised for Discharge', Length of Stay. • Implement clear 'Discharge to Assess' pathways for patients requiring support levels 2 & 3, with the aim to have no long term decisions made whilst patients are in UHS beds.	• Agree system winter capacity plan, which is demonstrated to meet likely need for D2A and Integrated Discharge Bureau pathways. • Review UHS Discharge team and implement recommendations. • Agree with system partners capacity for winter 2020/21 to enable us to safely navigate through winter and ensure clear framework is in place for monitoring and overseeing delivery of all partners commitments.	Medically optimised patients to occupy no more than 3.5% of available UHS level 1 bed capacity
Efficient and Timely Services for Cancer	Covid 19 Peak Response	Implement cancer hub for the Wessex Alliance with UHS as lead provider	Cancer Strategy for UHS approved by Trust Board.	Full roll of Rapid Diagnostic Service out achieved across region HIOW

Appendix 1: UHS Strategic Objectives
Quarterly Milestones

	2020/21			
Objective (short titles, see full document for detailed purpose and scope)	**Q1**	**Q2**	**Q3**	**Q4**
Restore capacity to meet elective care needs	Covid 19 Peak Response	• Evaluate potential for Independent Sector capacity to support recovery. July 2020. • Consider contracting with Independent Sector if national agreement isn't extended beyond August 2020.	• Implement electronic referral review tool. Oct 2020. • Implement product upgrade and new User Interface to My Medical Record. • Implement theatre productivity plan with quarterly review. Focus on appropriate scheduling, using revised timings for procedures reflecting infection prevention measures.	• Implement room booking solution to commence January 2021. • Agree new Outpatient templates with Care Groups.
Achieve financial balance	Covid 19 Peak Response.	Develop and commence productivity improvement programme to improve underlying financial performance during period of financial protection which is aligned to emerging post-protection national financial architecture.	Implementation of productivity plans (eg theatres, LoS, activity levels etc) with quarterly review/update to execs on progress against actions and targets.	Deliver a year-end financial positon of at least break-even, with a top quartile 'underlying surplus' metric compared to peers.
Improve quality of the care environment and capacity	Covid 19 Peak Response	• Review governance within Estates, Facilities and Capital Development (EFCD) and identify key improvement opportunities • Construction of appropriate isolation facilities for winter 2020/21, including inpatient wards and children’s wards, G Level and PICU (subject to review of Capital plan)	Propose and obtain approval for a new EFCD governance framework to include reporting/meetings/ Service Level Agreement & KPI's/ escalation of incidents and issues.	• Produce final Estate MasterPlan for TEC, TIG and Board approval • Agreement of ongoing strategy, and plan, for Children's Hospital Estate which is linked to Trustwide expansion plans

Appendix 1: UHS Strategic Objectives
Quarterly Milestones

	2020/21			
Objective (short titles, see full document for detailed purpose and scope)	**Q1**	**Q2**	**Q3**	**Q4**
Meet assessment criteria for outstanding	Covid 19 Peak Response	• Agree transformation strategy and improvement approach. • Undertake and report self-assessment against CQC Framework. • Implement assurance framework for infection control including audit. • Review 'Virtual Visiting' and expand, to improve safety by reducing visitors to the hospital building. • Agree Patient Safety Campaign • Agree Patient Experience Strategy	• Agree resources for transformation strategy. • Respond to CQC self-assessment, and prepare for external assessment including 'well-led' review.	• Implement transformation strategy • Achievement of Healthcare Information and Management Systems Society Level 5 • Implement Patient Safety Campaign • Implement Patient Experience Strategy
Patients to receive best outcomes, treatment and care	Covid 19 Peak Response	• Review Shared Decision Making Plan in context of COVID 19 • Review Patient Reported Outcome Measures (PROMS) Plan with Informatics/MyMR, and scope resourcing.	• Relaunch shared decision making plan • Relaunch PROMS plan	• Deliver Shared Decision Making Pathways, framework and supporting materials • Deliver PROMS plan
Improve and protect the health of the population	Covid 19 Peak Response	• Recommence screening programmes as per national guidance. • Review Integrated Care System plans to reduce health inequalities of ischemic heart disease.	• Provide influenza vaccine for vulnerable patients. • Assess health inequalities of poor screening uptake with public health, and agree priorities.	• Implement plans to reduce health inequalities with public health and Integrated Care System.
Support the physical and mental health and well-being of our staff	Covid 19 Peak Response	•Implement 'phase 2' of wellbeing support to staff for COVID 19 •Specific support will be provided for leaders during phase 2 of COVID •All staff at health risk will be reviewed and engaged in appropriate roles	•Delivery of improvements in estate, to support staff wellbeing, through charitable donations	•Deliver 2020 Flu Campaign vaccinating at least 75% of staff
Plan to ensure we employ the numbers and expertise of staff required	Covid 19 Peak Response	•Resourcing plan for nurse and other shortage specialities agreed	• Recruit 3rd Cohort of graduate management trainees • Recruit new cohort of nurse apprentices	• Implementation of system Collaborative Bank • Delivery of resourcing plan

Appendix 1: UHS Strategic Objectives
Quarterly Milestones

	2020/21			
Objective (short titles, see full document for detailed purpose and scope)	**Q1**	**Q2**	**Q3**	**Q4**
Outstanding employer and one people want to work for	Covid 19 Peak Response	•Implementation of specific support programmes for BAME and disabled staff during COVID •Specific programme to increase representation of BAME medics in leadership positions •Communications launch of UHS vision, mission, and clinical strategy	•Inclusive leaders programme re-launch •Increase the return rate from the NHS annual staff survey to above 52% •Development of a legacy of remembrance and thanks in relation to Covid 19	•Refresh the UHS people strategy •Redevelopment of internal communication channels including staffnet
Allocation of UHS capacity and facilities across our clinical services	Covid 19 Peak Response	• COVID & non-COVID bed plan for 3-6months including ICU • Clinic room plan for 3-6months • Theatre plan / speciality allocation for 3-6months based on predicted ICU demand	• COVID & non-COVID bed plan for 18months including ICU • Medium term outpatient department strategy, based on job planning for increased non face-to-face appointments • Medium term theatre plan / allocation including E Level vertical extension	Move to model of wards where specialities flex seasonally
Collaboration through which partner organisations can better meet needs	Covid 19 Peak Response	• Agree Top 5 'Triumvirate' Priorities for Winter • Support ICP partners to develop system winter plan • Refresh clinical strategy for cancer to support Wessex Cancer Hub	• Refresh clinical strategy in response to COVID • Engage partners in UHS clinical strategic objectives • Participate in Integrate Care System Strategy Refresh	• Implement Triumvirate Priorities (e.g. bed strategy; care home support; End of Life; staff passports; Home First) for winter 2020 • Identify priority hospital networks to support delivery of clinical strategy

Appendix 1: UHS Strategic Objectives
Quarterly Milestones

Objective (short titles, see full document for detailed purpose and scope)	2020/21 Q1	Q2	Q3	Q4
Research focuses on the most urgent and strategically important needs	Covid 19 Peak Response	• Deliver priority (Urgent Public Health) COVID19 research, including vaccine studies and Phase II platform study (ACCORD2) • Determine priority order for restarting studies and restart prioritised non-COVID research • Appoint Divisional R&D Leads to vacant posts (3/4) and form team	• Deliver priority (Urgent Public Health) COVID19 research, including vaccine studies and Phase II platform study (ACCORD2) • Restart/start rest of viable research portfolio in priority order • Deliver academic workforce priorities	• Deliver priority (Urgent Public Health, UPH) COVID19 research, including vaccine studies • Deliver academic workforce priorities
Deliver NIHR Biomedical Research Centre and Clinical Research Facility portfolios	Covid 19 Peak Response	• Appoint BRC Director Designate and theme leads • Deliver COVID19 experimental medicine studies (BRC/CRF) esp. vaccine studies including ACCORD2 • BRC support delivery of COVID-ZeRO campaign	• New BRC leadership team, agree and action response to external review • Incorporate new Antimicrobial Resistance (AMR) lab in BRC/CRF research • Re-start non-COVID BRC/CRF research	• Address findings of BRC External Review • Construct draft structure for next BRC application • Agree framework for accessing clinical data for research and innovation
Improvements in UHS education and training	Covid 19 Peak Response	•Restart for students completed in partnership with Higher Education Institutions •Review of CPD funding and allocation and plans for distribution	•Restoration of UHS education and development to our staff •Run 3rd Cohort of nurse apprentice programme	Respond to the GMC survey results