The Royal Wolverhampton
NHS Trust

Minutes of the Finance and Performance Committee 21 November 2018 and 19 December 2018 4 February 2019

Agenda Item No: 12.9

The Royal Wolverhampton NHS Trust

Minutes of the Finance and Performance Committee

Date Wednesday 21st November 2018
Venue Conference Room, Hollybush House, The Royal Wolverhampton NHS Trust (RWT)
Time 8.30am

Present:	**Name**	**Role**
	Mary Martin	Non-Executive Director (Chair)
	Sue Rawlings	Non-Executive Director
	Mike Sharon	Director of Strategic Planning & Performance
	Gwen Nuttall	Chief Operating Officer
	Alan Duffell	Director of Workforce
	Kevin Stringer	Chief Financial Officer
	Junior Hemans	Non-Executive Director

In Attendance:	**Name**	**Role**
	Helen Troalen	Deputy Chief Financial Officer
	Mark Worton	Head of Financial Management (Observer)
	Keith Wilshere	Company Secretary
	Neil Simmonds	Head of Procurement (Guest Speaker
	Kate Shaw	Deputy Chief Operating Officer, Division 3 (Guest Speaker)
	Lynzi Agar	Clinical Finance Manager, Division 3 (Guest Speaker)
	Claire Richards	PA to Director & Deputy Director Strategic Planning & Performance (Minutes)

124/2018	**Apologies for Absence** Apologies were received from S Evans.	
125/2018	**Minutes of Meeting Held on 24th October 2018** The minutes were agreed to be a true record.	
126/2018	**Action Points From Previous Meeting**	
126.01	Overseas Patients – K Stringer provided an update stating that progress on overseas patients is going very well according to feedback from the national team and that policies and procedures are now in place. New national software to assist with management of overseas patients is due to be implemented December 2018. A report will be submitted to Division in December. Division to present to the Committee in December. The Trust is forecasting £30 – 40k deficit compared to last financial year. K Stringer assured the Committee that increasingly payment for treatment upfront will be required in advance of care, which will remove the need for Trusts to chase the debt. S Rawlings asked what proportion of the debt is due to emergency care, rather than elective treatment. K Stringer and H Troalen stated that they would look into this and report back.	**Ruth Horton/ Elaine Roberts**
126.02	Finished Consultant Episodes – H Troalen agreed to provide an update at December's meeting.	**HT**

126.03	Supplementary Finance Report (Pass Through Drug Costs/Income) – H Troalen informed the Committee that CFMs will be producing the information and that it would be available for the next financial year.	**HT**
126.04	Performance Element of the IQP Report (Cancer Waiting Times) – S Evans reported back that the CCG had confirmed that the cancer fines will not be raised during 2018/19. **Action closed.**	
126.05	Due Diligence – G Nuttall agreed to discuss the due diligence process with Kate Shaw to ensure sign off before being presented to Directors for review. Completed. **Action closed.**	
126.06	Radiographer Training Programme – A Duffell confirmed that he has been liaising with Wolverhampton University to see if they can provide Radiographer Training Programmes for local Trusts. J Hemans stated that he would forward a point of contact to A Duffell. **Action closed.**	
126.07	Clinical Haematology Day Case Investigation – G Nuttall stated that the report was discussed at the Ops/Finance Meeting. G Nuttall circulated a copy of the report to the Committee for information. **Action closed.**	
126.08	Division 3 Performance – See item 129/2018**. Action closed.**	
126.09	Bank Deep Dive (Medical Fellows) – A Duffell stated that he would discuss with H Troalen outside of the meeting and transfer with action to Workforce & Organisational Development Committee (WODC). **Action closed.**	
126.10	BAF (General) – All comments were fed back to K Wilshere. **Action closed.**	
126.11	BAF SR6b – Action closed.	
126.12	BAF SR8 – M Martin reiterated the need for Division 2 to be added to risk 4113. G Nuttall stated that she had addressed this and that it would be updated in time for the next meeting.	**GN**
126.13	Proposed Yearly Meeting Dates – M Martin asked S Rawlings and J Hemans to look into the possibility of Chairing the August Committee Meeting in her absence. S Rawlings and J Hemans stated that they would check availability and feedback.	**SR/JH**
126.14	Supplementary Finance Report (Division 3 Queries) – **Action closed.**	
126.15	Supplementary Finance Report (Forecast Outturn) – **Action closed.**	
126.16	Supplementary Finance Report (Division 1 Non-Pay Forecast) – **Action closed.**	
127/2018	**Declarations of Interest** There were no declarations of interest.	
128/2018	**Procurement Strategy** N Simmonds outlined the contents of the report. M Martin asked for an update on any changes since the production of the report. N Simmonds stated that the CIP position had changed and that the department are now above target in terms of full year impact, a revised forecast has been given to Finance.	

	The updated Procurement Model Hospital metrics and league table have recently been published. The original league table measures for 2016-17, which saw the Trust ranked 12th, have been revised for 17-18 to include more metrics with amended weightings for the original metrics. The new ranking position for the Trust against the updated measures for 17-18 has been revised to 52nd. M Martin asked for assurance that the Trust was looking into this and the reasons why. N Simmonds stated that the measures have fundamentally changed and that the Trust is currently attempting to align analytic teams with UHNM to determine what practices were used to significantly improve their ranking. Joint meetings are already in place with the Supply Chain account leads to identify the savings categories as the model will be in place from 1st April 2019. M Martin asked if the new electronic ledger would enable more opportunity for electronic interaction. H Troalen stated that there are better modules available that will encourage this, however, unfortunately the supplier mark is not always sophisticated enough to accommodate this. N Simmonds agreed stating that some smaller suppliers were unable to accommodate this. M Martin asked how the new flat fee for logistics was being accounted for, whether it would be an added percentage onto every item or whether it would be managed centrally. K Stringer stated that the business model was a hotly debated issue and that this was a cost pressure at the moment for 19/20. S Rawlings asked for an update on the EU Exit No Deal tool. N Simmonds stated that the department is progressing and liaising with relevant departments. The Department of Health is working nationally with suppliers in key supplier markets. M Sharon asked if the Trust was aware of the risk for disruption. N Simmonds stated that some suppliers are currently building UK stock to minimise disruption, this information is fed back to the centre for a national response. A discussion took place regarding the Deputy Head of Procurement vacancy. N Simmonds state that the position had not been advertised as there may be opportunity to share the role with UHNM as part of the integrated structure model. The report was noted.	
129/2018	**<u>Division 3 Performance Feedback</u>** K Shaw delivered a performance presentation to the Committee. The presentation provided a high level update and included key challenges and opportunities. Division 3 was formed from 2 Directorates/Groups from Division 1, 5 from Division 2 and one from Corporate Services. Since creating the Division work has progressed in a number of areas such as recruiting people into posts, standardising systems/processes, developing information and business intelligence. The Division use the Integrated Performance Dashboard to discuss live data during meetings. K Shaw outlined the following challenges and opportunities: • **Primary Care workforce and transition** M Martin asked how many GP vacancies there were. L Agar stated that she would look into this and report back. M Martin asked what work had been done to address the variance to plan. L Agar stated that some of the variance was due to pay and that the Directorate were using agency and	**LA**

back filling Nurse posts. A detailed piece of work is taking place to examine income. K Shaw stated that meetings were taking place with all Practice Managers/Directors next week to determine their challenges and assist with planning for next financial year.

- **Radiology capacity**
  K Shaw stated that here had been a significant shortfall in MRI and CT capacity, which was impacting on 62 day cancer performance. The division is working with other teams/specialities to reduce pathways and days patients are waiting. IST have completed a review of demand and capacity. The division is completing a piece of work with Procurement to develop a robust forward plan of future requirements. The division is liaising with HR regarding a recruitment exercise in the new year for radiologists, radiographers and sonographers.

  A discussion took place regarding the calculation of costs. L Agar stated that a piece of work had been completed to break demand down by area. The data gained would be analysed to try to determine the most efficient procurement process.

- **Community Services responsiveness and future delivery model**
  K Shaw stated that this would fall into the Community Transformation Programme. S Rawlings asked if the division was linking with groups in the community who can provide support. K Shaw confirmed that this was the case but that there was a need to link to primary care also.

- **Vulnerable Services – Dermatology**
  K Shaw stated that there were significant challenges within Dermatology. A recovery action plan is in place and discussions are taking place with other providers. Walsall Healthcare NHS Trust is providing the majority of support for the service.

- **Major Change Programmes – Children's 0-19 Service**
  K Shaw stated that recruitment of health visitors had seen vacancies reduce from 17 to 2 – 3. The Service is implementing an electronic record

- **Service Offers – Therapies and Pharmacy**
  K Shaw informed the Committee that Therapies are reducing their outpatient service to support inpatients. The division is looking to standardise services across therapies and produce drug bundles with Pharmacy.

- **Changing commissioning landscape – Sexual Health, 0-19 and Community**
  Due to reducing budgets there is a need to review what services the above offer. M Sharon stated that discussions need to take place with City of Wolverhampton Council in terms of contract management. M Sharon stated that public health ring fencing will also be removed in less than 18 months.

- **Rheumatology balance: activity – training – research**
  K Shaw stated that Rheumatology at the Trust has an excellent reputation, with high levels of trainees. A robust workforce plan needs to be in place to address some operational challenges. M Martin queried why Rheumatology had a negative plan. M Worton stated that this was due to pass through drug costs. H Troalen stated that this would be presented more clearly from April onwards.

M Martin asked K Shaw to provide an update on Radiology in February. M Martin thanked K Shaw and L Agar for the presentation.

	M Martin asked G Nuttall if the challenges highlighted throughout the presentation would be highlighted on the risk register. G Nuttall confirmed that risks were highlighted on the local and Trust risk register where appropriate.	
130/2018	**Governance**	
130.1	BAF Update – K Wilshere confirmed that it was possible to tie some of the strategic risks to more than one objective.	
130.1.1	SR8 – M Sharon provided an update regarding the new business case for the management of CIP and CQI at the Trust. The business case is being presented to TMC and Trust Board for approval. The proposal suggests splitting the team into CIP with a senior leader who reports to G Nuttall and a CQI team that reports to M Sharon. M Sharon has also suggested that the FRB Terms of Reference are altered so that one meeting per month focuses on delivery of plan with Executives and the second meeting of the month looks at long term CIP with a broader membership. The position of Head of Service Efficiency and Delivery will be advertised this week, with a view to interviews taking place on Tuesday 18th December 2018.	
130.1.2	SR9 – H Troalen confirmed that the Aligned Incentive Contract with Staffordshire had been signed and the Risk/Gain Share with Wolverhampton has been approved by trust Board and has now gone to Wolverhampton CCG's Governing Body for approval. M Martin expressed concern that the Agenda For Change Pay Award variance had increased to £0.8m. A Duffell stated that the variance will increase as further staff are recruited as they were not fixed term positions in post in January 2018. The Committee agreed to close the control regarding the risk/gain share. K Wilshere to action. M Martin asked whether the Trust had adequate assurance that it had control over the pay spend. G Nuttall stated that it had partial assurance but that further work needed to be completed on junior medical staffing. K Wilshere to add a gap in the control over the substantive junior medical staff pay spend.	**KW** **KW**
131/2018	**Financial Performance for Period 7**	
131.01	Trust Financial Report and Forecast Outturn – K Stringer provided an overview of the Finance Report. H Troalen provided an update on month 7 forecast outturn. See table below.	
131.01.01	**Financial Plan:** The Trust is behind the year to date financial plan at month 7 by £4.8m which is made up of £2.3m unachieved PSF and £2.4m adverse to plan on all other budgets. Income in October has been high at £42.0m. This figure includes £0.5m relating to a prior year settlement however in terms of patient care activity generated income October is the biggest income month that the Trust has delivered. The Trust has a favourable variance to plan of £5.9m year to date on income. However, expenditure is adverse to plan by £9.4m year to date which is predominately due to pay expenditure exceeding the budget and unachieved CIP. It is currently assumed that the Trust will not achieve either the financial or the A&E PSF in quarter 3.	

	Year to Date		
	Plan £'000	**Actual £'000**	**Variance £'000**
Surplus/(Deficit)	**7,766**	**7,754**	12
Achieved PSF	3,771	4,957	1,187

131.01.02	**Financial Risks:** K Stringer highlighted the financial risks: 1) A high activity and income plan - this appears to be delivering with very strong income figures and therefore will not be reported as a risk going forward. 2) A low contingency compared to previous years. 3) A £25m CIP target and a £9.8m vacancy factor, both of which have only been partially delivered in the first seven months of the year. 4) The nationally agreed pay award which is a cost pressure of c. £0.8m. 5) Agreeing funding for the AEC/frailty model of care and/or securing transition funding for the 2017/18 ward closure (£1.1m). 6) Confirmation of the £6.0m funding for MSFT support. 7) Potential additional cost pressures due to A&E department closure overnight at Princess Royal, Telford. This is subject to agreeing funding with Shropshire Commissioners.	
131.01.03	**CIP and Vacancy Factor:** In month 7 the CIP target moves up to c. £3m a month for the remainder of the financial year. In month there was a shortfall of £2.18m against the in-month CIP plan of £3.14m. Year to date shows an achievement of £5.92m against a plan of £10.62m. Of the CIP delivered to date, there is a £1.88m recurrent full year effect. The non-delivery of recurrent and cash releasing CIP continues to be an issue. The vacancy factor target for month seven is £0.9m (18/19 Factor only). There was an under recovery of £0.5m.	
131.01.04	**Cash:** At the 31st October 2018 the Trust had a cash balance of £8.1m which is £2.0m below the plan.	
131.01.05	**Income:** M Martin stated that there had been an increase in income of elective, non-elective and various specialties, but that pay/non-pay has outstripped this. M Sharon asked if the Pathology Service figures had been included in the report. K Stringer stated that all of the pay had been included but none of the non-pay for the other 3 Trusts. M Martin asked if the adjusted forecast could be added as a private paper to be discussed at Trust Board. K Stringer stated that he would do so. The report was noted.	**KS**
131.02	Supplementary Finance Report – The supplementary report was read in conjunction with the Finance Report. The report was noted.	
131.03	Financial Recovery Board (FRB) Report – M Sharon presented the FRB Report and stated that NHSI had still not approved the continuation of the Deloitte contract. However, a business case has been presented to TMC and Trust Board to look into an alternative arrangements for CIP and CQI. Interviews for a Head of Service Efficiency and Delivery are due to take place on Tuesday 18th December 2018. The 2018/19 CIP Target is £25m, broken down into a £15m recurrent CIP Target and £10m non-recurrent CIP Target. At month 7, the Trust is forecasting to deliver £10.232m (an increase of £1.789m since month 6 due to an increase in the recurrent forecast), leaving a shortfall of £14.768m against the CIP Target. The Trust's recurrent YTD delivery is £0.744m with forecast outturn of £4.040m and the Trust's non-recurrent YTD delivery is £5.176m with forecast outturn of £6.192m. The Trust has delivered £5.92m YTD against a YTD FRB Approved Plan of £5.928m. However, this only relates to schemes FRB has approved. The YTD Trust CIP Plan is £10.615m. As a result, the Trust has only delivered 56% of the YTD Trust Plan.	

	The report was noted.	
131.04	Temporary Staffing Expenditure Dashboard – A Duffell stated that the number of employees are increasing and that bank and agency use is reducing. H Troalen stated that Pathology staffing figures were now included in the report. The report was noted.	
132/2018	**Performance**	
132.01	Performance Element of the IQP Report (National & Contractual Standards) – G Nuttall gave an overview of the performance element of the IQPR. M Martin reiterated that she liked the new format of the report. A discussion took place regarding the recent media attention that the Trust had received due to not achieving operational targets within the last 12 months.	
132.01.01	Referral to Treatment Incomplete – Performance saw a slight improvement during October. This performance is now being affected by the significant rise in urgent referrals into cancer 2 week wait taking priority over routine appointments. The overall numbers of incompletes are still showing a positive reduction and the Trust continue to focus on reducing the backlog where possible and works closely with Directorates to use all available capacity effectively.	
132.01.02	Diagnostics – The Trust failed to achieve the target in October 2018, largely due to the knock on effect of a significant rise in urgent Gastroscopy referrals seen in the previous month and in addition to this a rise in Neurophysiology referrals. This in turn has had an adverse effect on the routine waiting times. G Nuttall stated that an action plan is in place for Gastroscopy and that this will involve the use of private sector. G Nuttall will be meeting with the Consultants on 23rd November to review their recovery plan.	
132.01.03	Emergency Department – The Trust failed to achieve both Type 1 and the All Types target for the month. A mental health patient, requiring a mental health inpatient bed breached the 12 hour decision to admit target during the month of October.	
132.01.04	Ambulance Handover – Deteriorated during October 2018 for both the 30-60 minutes and the >60 minute target compared with the previous month. In addition to this the Trust continues to see a significant rise of 419 (9.59%) ambulance conveyance numbers in month compared with the same period last year. G Nuttall expressed concerns regarding the increase in ambulance conveyances stating that they were due to local pressures and were not an impact from Shrewsbury and Telford Hospital (SATH). M Martin queried the report stating that it showed one breach but that the dashboard was green. G Nuttall stated that she would look into this. Discussions are taking place with Wolverhampton CCG regarding the increase in ambulance conveyances, the Trust was looking at a 20% increase from 5th December onwards.	**GN**
132.01.05	Cancer – The Trust is predicting a possible failure of the 2 week wait, 2 week wait Breast Symptomatic, 31 Day First Treatment, 31 Day Sub Surgery, 31 Day Sub Radiotherapy, 62 Day wait for First Treatment, 62 Day Screening and 62 Day Consultant Upgrade for October, validation is on-going. Final cancer data is uploaded nationally 6 weeks after month end. The Trust experienced the highest ever number of 2 week wait referrals during October 2018, receiving 1,705 referrals against a plan of 1,380 (23.6%). G Nuttall stated that performance remains a challenge but that Urology are treating over their numbers every month and are showing significant progress. A meeting is taking place with the national team to discuss the recovery plan in the near future. G Nuttall stressed that the number of referrals is presenting a challenge. A discussion took place regarding the Trust strategic objective of being in the top	

	25% for performance. The Committee noted the report.	
132.02	Performance against Contractual Standards (Fines) – M Martin expressed concerns regarding the electronic discharge summary fines. G Nuttall stated that work continues to progress and suggested S Evans provide an update on progress at the next meeting. The Committee noted the report.	**SE**
132.03	Contracting Update – M Sharon stated that there was nothing further to update at this time.	
132.04	STP Update – M Sharon informed the Committee that there is a substantial planning process for STPs that the Trust was engaged with and that a provider event was due to take place in Birmingham on 22nd November.	
133/2018 133.1	**Financial Planning** Long Term Financial Model – H Troalen presented the report. A discussion took place regarding the assumptions and it was felt that there was a need to re-present the report to the Committee in December and to Trust Board on 4th once the fine detail had been agreed. The Committee noted the report.	
133.2	Service Line Reporting Update – H Troalen presented the SLR update. The Committee noted and approved the next steps.	
134/2018 134.1	**Reports to Note for Period 7** Financial Monitoring NHSi Return – The return was noted.	
134.02	Financial Monitoring NHSi Template – The template was noted.	
134.03	Annual Work Plan – The work plan was noted. M Martin drew attention to the fact that the 2 year self-assessment was due to be completed in December.	
134.04	Finance Minutes – The minutes were noted.	
134.05	Capital Report – The report was noted.	
134.06	NIHR CRN: West Midlands Report – The report was noted. M Martin asked that P Boyle provide a view on national guidance regarding excess treatment costs at the next meeting.	**PB**
135/2018 135.01	**Any Other Business** There was no further business to discuss.	
136/2018	**Date and Time of Next Meeting** The next Finance & Performance meeting will take place on Wednesday 19th December 2018 at 8:30am, Conference Room, Hollybush House. Reports will be required by 2pm on Friday 14th December 2018.	

The Royal Wolverhampton NHS Trust

Minutes of the Finance and Performance Committee

Date Wednesday 19th December 2018
Venue Conference Room, Hollybush House, The Royal Wolverhampton NHS Trust (RWT)
Time 8.30am

Present:

Name	Role
Mary Martin	Non-Executive Director (Chair)
Sue Rawlings	Non-Executive Director
Mike Sharon	Director of Strategic Planning & Performance
Gwen Nuttall	Chief Operating Officer
Alan Duffell	Director of Workforce
Kevin Stringer	Chief Financial Officer
Junior Hemans	Non-Executive Director
Jeremy Vanes	Chairman (Part)

In Attendance:

Name	Role
Helen Troalen	Deputy Chief Financial Officer
Simon Evans	Deputy Director of Strategic Planning & Performance
Will Nabih	Head of Estates Development
Claire Richards	PA to Director & Deputy Director Strategic Planning & Performance (Minutes)

137/2018	**Apologies for Absence** No apologies were received.	
138/2018	**Minutes of Meeting Held on 21st November 2018** The minutes were agreed to be a true record.	
139/2018	**Action Points From Previous Meeting**	
139.01	Overseas Patients – A report will be submitted to Division in January. R Horton/E Roberts to present to the Committee in January.	**R Horton/ E Roberts**
139.02	Finished Consultant Episodes – H Troalen stated that the action was to identify if there was any financial impact around the change in the spell to FCE ratio. H Troalen informed the Committee that the Finance team had found several worked examples to demonstrate that the number of FCEs does not impact on income. However income per spell on non-electives is lower than planned and H Troalen felt that this required further investigation. H Troalen would circulate a copy of the final report within the next 2 – 3 weeks.	**HT**
139.03	Supplementary Finance Report (Pass Through Drug Costs/Income) – H Troalen to provide an update to the Committee in the next financial year.	**HT**
139.04	BAF SR8 – M Martin had previously asked that Division 2 and Division 1 risk 4113 be merged. G Nuttall confirmed that this would be completed for the next Finance & Performance Committee Meeting.	**GN**

139.05	Proposed Yearly Meeting Dates – M Martin confirmed that the August meeting would continue in her absence and that S Rawlings or J Hemans would Chair. **Action closed.**	
139.06	Division 3 Performance Feedback – L Agar provided an email update stating that there are 32 sessions per week in Primary Care that are vacant. A full time GP would do either 8 or 9 clinical sessions dependent on their job plan so this is around 3.5/4 full time vacancies, however the vacant sessions are across a number of practices. **Action closed.** M Martin asked for an update on the recruitment of GPs. G Nuttall stated that work was taking place to standardise job plans, recruit GPs and clinical fellowship posts.	
139.07	BAF SR9 – K Wilshere provided an update stating that the gap in control regarding the risk/gain share is now closed. The risk share agreement has been added to sources of assurance. **Action closed.**	
139.08	BAF SR9 – M Martin had previously asked whether the Trust had adequate assurance that it had control over the pay spend. G Nuttall had stated that it had partial assurance but that further work needed to be completed on junior medical staffing. K Wilshere provided an update stating that this has now been added as a gap in control. **Action closed.**	
139.09	Trust Financial Report and Forecast Outturn – K Stringer confirmed that the adjusted forecast was discussed as a private paper at the Trust Board Meeting as requested. **Action closed.**	
139.10	Performance Element of the IQP Report (Ambulance Handover) – M Martin had previously queried the report stating that it showed one breach but that the dashboard was green. G Nuttall had provided an update at Trust Board stating that there had been one breach in October and that the indicator should have been red. The report was updated. **Action closed.**	
139.11	Performance against Contractual Standards (Fines) – S Evans provided an update on e-discharge progress as requested and informed the Committee that this was the first month the Trust had achieved the Q3 target and avoided the fine. The total 'all assessment areas' in month showed that 80 patients were missing from well over 1,000 patients. S Evans reported that 3 out of the 5 areas were now fully compliant and that work continued to address the 2 areas that aren't. The Trust is on target to achieve the target in December. S Evans stated that if the Trust does not hit the target it does not mean that the patient information hasn't been passed to the GP, it means that the information has not been passed on within the 24 hour period. **Action closed.** K Stringer informed the Committee that during a recent audit of data PricewaterhouseCoopers identified concerns regarding the quality and content of e-discharge summaries and felt that improvement is required. M Martin asked if anything could be done to improve the system such as voice automation. S Evans stated that this could be a possibility but not one that the Trust has signed up to. M Martin asked what other Trust's did to meet the target. S Evans stated that some Trusts send an electronic record to say that the patient has been discharged and that documentation will follow. S Evans expressed concerns regarding this practice as it caused a delay to the GP receiving the information in a timely way and did not provide a positive patient experience.	
139.12	NIHR CRN: West Midlands Report – P Boyle circulated an email to the Committee providing a view on national guidance regarding excess treatment costs. **Action closed.**	
140/2018	**Declarations of Interest** There were no declarations of interest.	

141/2018	**NIHR CRN: West Midlands Report** The report was submitted for information and noted.	
142/2018	**Estates Strategy Update** W Nabih presented the above report outlining the progress the Estates Department have made and future plans. M Martin thanked W Nabih for the report and asked about the progress for the 5 year plan. W Nabih stated that the STP Estates Strategy would take a while to embed and that Trusts were continuing to develop their own local strategies in the interim. W Nabih and K Stringer agreed that the 5 year plan would be submitted to the Committee for comment in February and March for approval, as per the work plan. W Nabih and K Stringer agreed that there was also a need to update the local Estates Strategy by June 2019 but stressed that it would be difficult and that some assumptions would need to be made as central capital funding information was not clear at the present time. M Martin expressed concerns that the Trust had not been successful with the Black Country STP bids and that the bid for West Park and the Cancer Centre had not been approved. M Sharon confirmed that this was the case. M Martin asked how the lack of STP funding would impact on the West Park project. M Sharon stated that a meeting had taken place this week and it was decided that this would continue as it was felt that the financial shortfall would be minimised by the sale of the land. A business case will be submitted to Capital Review Group at the end of January 2019. M Martin asked when public consultation would begin. M Sharon informed the Committee that it was hoped public engagement would start January – March 2019, with formal public consultation taking place June 2019, assuming there was no slippage. A discussion took place regarding priority projects such as the incinerator, Linac planning, multi-storey parking, a number of electrical infrastructure projects and the Pathology extension. W Nabih confirmed that the incinerator project had experience slippage but that it was still within contingency and that costs were covered. M Martin asked if further capital was required as part of the development of Cannock Chase Hospital (CCH). G Nuttall confirmed that there was a back log of issues and that CCH would also be linked with the development of the West Park Neurological Rehabilitation centre. G Nuttall also stated that there was a need to review and develop Outpatients at CCH and RWT. A discussion took place regarding the Local Hub Project being led by the City of Wolverhampton Council. J Hemans asked what the impact would be to the current GP Practice if the hub did not go ahead. M Sharon stated the recent research had highlighted that developers would be interested in retaining the practice so that it was quite possible it would remain on site. A discussion took place regarding the possibility of selling Trust land. W Nabih stated that there was a need to re-visit the site plan to identify if any land was available to sell. M Martin informed the Committee that Model Hospital had indicated that the Trust was not utilising all redundant space. W Nabih stated that it was unclear whether the Model Hospital took into consideration clinical and non-clinical space but emphasised that the Trust was looking into agile working to try to improve this. G Nuttall queried whether Model Hospital was showing Wrekin House as an unutilised area. W Nabih stated that he would check this and report back. M Martin informed NEDs that they could request access to Model Hospital if they wished to do so. M Martin requested an update on fire cladding. W Nabih stated that funding had been secured to replace cladding on the Heart & Lung centre, a tender had taken place and a business case was submitted to Capital Review Group this week. Work will commence early in the new year.	**WN**

	M Martin stated that the NEDs were due to complete an Estates walkabout early in the new year and asked if W Nabih could provide a briefing prior to the walkabout. W Nabih stated that a briefing would be provided and that a deputy would be available to meet with the NEDs in his absence. The report was noted.	
143/2018	**Governance**	
143.1	BAF Update – The BAF report was noted and there were no further questions.	
143.2	**2 Yearly Finance & Performance Committee Self-Assessment** – M Martin stated that the 2 yearly self-assessment for the Finance & Performance Committee was due in January 2019. The self-assessment form has been circulated to all Committee members asking them to complete and return the forms to C Richards by 4th January. Responses will be collated and sent to Grant Thornton to collate and report on the findings. All committee members to ensure that responses are sent by the required deadline.	**All**
143.3	**Terms of Reference Review** – The Finance & Performance Committee Terms of Reference are due for review and submission to Trust Board February 2019. The draft Terms of Reference with suggested changes has been circulated to the Committee for discussion. The proposed changes were agreed to be submitted to Trust Board for final approval. C Richards to forward a copy to K Wilshere.	**CR**
144/2018	**Financial Performance for Period 8**	
144.01	Trust Financial Report and Forecast Outturn – K Stringer provided an overview of the Finance Report.	

	Year to Date		
	Plan £'000	**Actual £'000**	**Variance £'000**
Surplus/(Deficit)	**(1,981)**	**(8,587)**	**(6,606)**
Achieved PSF	**(6,279)**	**2,797**	**(3,483)**
Control Total Surplus/(Deficit)	**4,298**	**(5,790)**	**(10,089)**

144.01.01 **Financial Plan:** The Trust is behind the year to date financial plan at month eight by £10.1m which is made up of £3.5m unachieved PSF and £6.6m adverse to plan on all other budgets. The adverse variance to plan has increased significantly in month 8. All expenditure budgets continue to overspend, although it should be noted that the absolute overspend on pay and non-pay reduced in-month. The main drivers for the £5.4m worsening since month 7 are patient income adverse to plan (£1.3m), missed CIP target (£2.1m) and lost PSF (£1.1m). In terms of patient income, the in-month actual is worse than plan but the average daily income is in line with the high levels in October. It is currently assumed that the Trust will not achieve either the financial or the A&E PSF in quarter 3.

144.01.02 **Financial Risks:** K Stringer highlighted the financial risks:

1) A low contingency compared to previous years.
2) A £25m CIP target and a £9.8m vacancy factor, both of which have only been partially delivered in the first eight months of the year. This risk is now factored into the forecast outturn.
3) The nationally agreed pay award which is a cost pressure of c. £0.8m and in now factored into the forecast outturn.
4) Agreeing funding for the AEC/frailty model of care and/or securing transition funding for the 2017/18 ward closure (£1.1m).

	5) Confirmation of the £6.0m funding for MSFT support. K Stringer stated that he would write to the Department of Health to chase further.	**KS**
144.01.03	**CIP and Vacancy Factor:** In month 8 the CIP target continues at c. £3m a month and will remain so for the remainder of the financial year. In month there was a shortfall of £2.11m against the in-month CIP plan of £3.19m. Year to date shows an achievement of £7.06m against a plan of £13.81m. Of the CIP delivered to date, there is a £1.94m recurrent full year effect. The non-delivery of recurrent and cash releasing CIP continues to be an issue. The vacancy factor target for month eight is £0.9m (18/19 Factor only). There was an under recovery of £0.6m.	
144.01.04	**Cash:** At the 30th November 2018 the Trust had a cash balance of £6.3m which is £5.8m below the plan.	
144.01.05	**Month 8 Forecast Outturn:** H Troalen provided an update to the Committee. The Trust had informed NHSI that the expected YTD figure would be £14.8m, NHSI were expecting this to be nearer £10m. The Trust had not received any feedback since disclosing the YTD figure. H Troalen informed the Committee that the Trust cash position is becoming tighter and that a substantial amount of debt is owed and that the team actively pursue this. However, Walsall debt has once again increased despite chasing. H Troalen has now escalated this to K Stringer who will write to the Finance Director at Walsall Healthcare NHS Trust. K Stringer stated that the Trust continues to trade at 40 days, however, this will be carefully monitored throughout the financial year in case there is a need to review this arrangement. S Rawlings stated that expenditure is running quite high and asked if anything had been done to rationalise it. K Stringer informed the Committee that more data was being shared and that discussions were taking place with divisions. M Martin requested clarification regarding the vacancy factor in the budget that had been removed towards CIP. K Stringer provided clarification and stated the £9m set aside for this would have been sufficient in previous years but that due to the huge increase in the speed in which vacancies were filled the Trust had not achieved the vacancy factor anticipated. A discussion took place and it was felt that the use of bank staff required further investigation to ensure rostering across every speciality is aligned with areas recruited too. Further discussion took place regarding the utilisation of medical fellows. G Nuttall confirmed that a triangulation piece of work needed to take place around budgets and that it was key to ensure that this was correct for budget setting. A Duffell informed the Committee that the Trust was looking to merge the ESR and Ledger System to help align budget, pay, finance and the operational budget systems. HT circulated an updated copy of the forecast and outlined the assumptions: **Worst Case** **Best Case** Adjusted forecast 17,124 17,124 Risk adjusted FOT 19,024 13,724 Worst case FOT 25,024 0 K Stringer informed the Committee that the most likely scenario would be that £17m would reduce to £14.8m deficit. The Trust will have an opportunity adjust the control total by 14th January. A discussion took place and the Committee agreed that they would need to approve virtually as approval would be required before the next Committee meeting and Trust Board.	**KS**

	The report was noted.	
144.02	Supplementary Finance Report – The supplementary report was read in conjunction with the Finance Report. The report was noted.	
144.03	Financial Recovery Board (FRB) Report – M Sharon outlined the content of the FRB Report. The 2018/19 CIP Target is £25m, which is broken down into £15m recurrent CIP Target and £10m non-recurrent CIP Target. At month 8, the Trust is forecasting to deliver £11.013m (an increase of £0.781M since month 7 due to an increase in non-recurrent schemes), leaving a shortfall of £13.987m against the CIP Target. The Trust's recurrent YTD delivery is £0.922m with forecast outturn of £2.005m and the Trust's non-recurrent YTD delivery is £6.140m with forecast outturn of £9.008m. The Trust has delivered £7.061M YTD against a YTD FRB Approved Plan of £7.038M. However, this only relates to schemes FRB has approved. The YTD Trust CIP Plan is £13.805M. As a result, the Trust has only delivered 51% of the YTD Trust Plan. M Sharon stated that the workshops had been completed and had been well attended. A total of 150 ideas had been provided and split into divisions and themes. The team were currently working through the list and would submit a copy to Executive Directors by close of play today, 19th December 2018. The Executive Directors will prioritise the schemes and they will be fed back to the Financial Recovery Board Meeting in January, which in turn will report to Finance & Performance Committee. M Sharon highlighted the additional changes to the FRB Report, which includes Trust CIP recovery opportunities, NHSI recovery opportunities and model hospital data. M Sharon stated that the team were meeting with relevant leads for updates. Interviews took place for the Head of Service Efficiency and Delivery on Tuesday 18th December, the Trust has offered a candidate an appointment. The candidate has accepted and if all goes well should be in post within the next 3 months. The report was noted.	
144.04	Temporary Staffing Expenditure Dashboard – A Duffell gave a brief update. A discussion took place regarding the Waiting List Initiative (WLI) expenditure. A Duffell stat4ed that the WLI policy had been approved but that further consultation was required in order to identify the flat rate. The report was noted.	
145/2018	**Performance**	
145.01 145.01.01	Performance Element of the IQP Report (National & Contractual Standards) – G Nuttall gave an overview of the performance element of the IQPR. Referral to Treatment Incomplete – Performance saw a slight deterioration during November. The performance continues to be affected by the significant rise in urgent referrals into cancer 2 week wait taking priority over routine appointments. Overall numbers of incompletes are still showing a positive reduction and the Trust continues to focus on reducing the backlog where possible. G Nuttall stated that the report showed the percentage of patients on an incomplete	

	pathway as 90.66% but on close off this had changed to 90.8%.	
145.01.02	Diagnostics – The Trust failed to achieve the target in November 2018. This continues to be largely due to the knock on effect of a significant rise in urgent referrals for a few diagnostic tests, this is directly linked to the rise in cancer 2 week wait referrals. This in turn has had an adverse effect on the routine waiting times. G Nuttall informed the Committee that Diagnostics had signed off at 2.7% and that December performance was likely to be the same. There had been an improvement in Endoscopy and that the number of breaches should be cleared by the end of January 2019. Lots of additional work is taking place.	
145.01.03	Emergency Department – The Trust failed to achieve both Type 1 and the All Types target for the month. There were no patients who breached the 12 hour decision to admit target during the month of November.	
145.01.04	Ambulance Handover – There was a slight deterioration during November 2018 for both the 30-60 minutes and the >60 minute target compared with the previous month. In addition to this the Trust's continue to see a significant rise of 443 (10.15%) ambulance conveyance numbers in month compared with the same period last year. G Nuttall informed the Committee that the Trust was regularly receiving over 1,000 ambulances per week. The increase look to be coming from WV postcodes, however Wolverhampton CCG and RWT are investigating further.	
145.01.05	Cancer – We are currently predicting possible failure of the 2 week wait, 2 week wait Breast Symptomatic, 31 Day First Treatment, 31 Day Sub Anti-Cancer Drug, 31 Day Sub Surgery, 31 Day Sub Radiotherapy, 62 Day wait for First Treatment, 62 Day Screening and 62 Day Consultant Upgrade for October, validation is on-going. Final cancer data is uploaded nationally 6 weeks after month end. The Trust continues to experience a high number of referrals for 2 week wait appointments during November 2018, receiving 1,638 referrals against a plan of 1,380 (15.75%). G Nuttall stated that K Mclean (National Medical Director and Chief Operating Officer, NHSI), the Head of the Intensive Support team and other NHSI representatives visited the Trust on 14th December to gain some insight into the current issues and provide additional support. The visitors had a tour of the site and visited Deansley and the Radiology Department. G Nuttall stated that she would provide the Committee with a copy of the pack from the visit. G Nuttall informed the Committee that the visit went as well as it could have done and that she did not foresee any issues. A copy of the letter will be taken to Trust Board once it has been received. G Nuttall stated that the back log over 62 days stands at 78 and is reducing but that the number of increasing referrals remain a challenge.	
145.01.06	NHS E-Referral – This indicator measures RWT's ability to offer appointment slots via NHS e-Referral. The target is to achieve less than 10% failure rate for all directly bookable appointments. October 2018 performance has now been published and saw an overall increase, reported at 28.27%. The increase is a result of the paper switch off from 1st October 2018. The areas facing the biggest challenge during this period were Gynaecology, Paediatrics, Ear Nose and Throat and Rheumatology all issues are monitored weekly at the performance meeting. J Vanes asked if Stroke had improved, G Nuttall confirmed that this was the case. G Nuttall informed the Committee that WMQRS are going to complete a Stroke review in March 2019. The Committee noted the report.	
145.02	Performance against Contractual Standards (Fines) – The Committee noted the report.	

145.03	Contracting Round Update – M Sharon stated that the Trust continues to wait for planning guidance but has received some information regarding assumptions on activity increases next year. The Trust has received an offer from City of Wolverhampton Council to enter into a 10 year partnership to provide Healthy Child Programme and Sexual Health Services. The Executive Team support the request in principal but discussions need to take place regarding funding as it could have a potential 7% yearly reduction. M Sharon also informed the Committee that the Trust was successful in winning the tender for Specialising Commissioning.	
145.04	STP Update – M Sharon informed the Committee that Dr Odum had been appointed Vice Chair of the Clinical Referenced Group. Nothing further to report at this time.	
146/2018 146.1	**Reports to Note for Period 8** Financial Monitoring NHSi Return – The return was noted.	
146.02	Financial Monitoring NHSi Template – The template was noted.	
146.03	Annual Work Plan – The work plan was noted.	
146.04	Finance Minutes – The minutes were noted.	
146.05	Capital Report – The report was noted.	
147/2018 147.01	**Any Other Business** There was no further business to discuss.	
148/2018	**Date and Time of Next Meeting** The next Finance & Performance meeting will take place on Wednesday 23rd January 2019 at 8:30am, Conference Room, Hollybush House. Reports will be required by 2pm on Friday 18th January 2019.	