

Approved Minutes of the Finance and Performance Committee of 20 February 2019 1 April 2019

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Agenda Item No: 12.9

Minutes of the Finance and Performance Committee

Date Wednesday 20th February 2019
Venue Conference Room, Hollybush House, The Royal Wolverhampton NHS Trust (RWT)
Time 8.30am

Present:

<u>Name</u>	<u>Role</u>
Mary Martin	Non-Executive Director (Chair)
Sue Rawlings	Non-Executive Director
Junior Hemans	Non-Executive Director
Mike Sharon	Director of Strategic Planning & Performance
Gwen Nuttall	Chief Operating Officer
Alan Duffell	Director of Workforce

In Attendance:

<u>Name</u>	<u>Role</u>
Helen Troalen	Deputy Chief Financial Officer
Lee Jones	Admin Officer to Strategic Planning & Performance Department (Minutes)

014/2019	<u>Apologies for Absence</u> Apologies were received from Kevin Stringer, Simon Evans and Claire Richards.	
015/2019	<u>Minutes of Meeting Held on 23rd January 2019</u> The minutes were agreed to be a true record.	
016/2019	<u>Action Points From Previous Meeting</u>	
016.01	<u>Finished Consultant Episodes</u> Helen Troalen advised that as we get to year end and agreeing numbers with CCG this creates an opportunity to examine why the average cost has fallen. Helen Troalen agreed to bring the final report to the next meeting.	HT
016.02	<u>Supplementary Finance Report (Pass Through Drug Costs/Income)</u> – Action 003.03 complete, to be removed from the action log.	LJ
016.03	<u>Trust Financial Report (MSFT Funding)</u> – The invoice for £5.8m relating to 2018/19 has now been paid by the DHSC but no explanation has been forthcoming about why £0.2m has been withheld. H Troalen will continue to chase NHSI. Including the value withheld in 2017/18 the Trust is now owed £0.4m in relation to this.	HT
016.04	<u>Division 1 Performance Update (Audit Report)</u> – Gwen Nuttall to report back on audit report when this is available. Gwen Nuttall/Lee Jones to liaise with Lewis Grant.	GN GN/LJ
016.05	<u>Division 1 Performance Update (Theatre Staff)</u> – Action closed.	
016.06	<u>Cash</u> – Action closed.	
016.07	<u>Cancer</u> – This item has been added to the agenda, see item 021.02.	

016.08	<u>Performance Element of the IQP Report (National & Contractual Standards)</u> – This item has been added to the agenda, see item 021.01.	
016.09	<u>Control Total</u> – M Martin confirmed that the paper was taken to the private board meeting. A further meeting took place with Kevin Stringer and Gwen Nuttall on 12 th January. The submitted response was to agree to the controlled total with caveats. Outline only at this stage.	
017/2019	<u>Declarations of Interest</u> There were no declarations of interest.	
018/2019	<u>Radiology Report</u> Gwen Nuttall presented the report on behalf of Kate Shaw. Gwen Nuttall advised that this brief summary highlights the challenges currently faced in regards to the increase in referrals, vacancies, and the recovery plan. The software recently used for the cancer diagnostics demand and capacity investigation will now be utilised for Radiology. Gwen Nuttall assured that there will be a more detailed paper available once when the business case is ready to go to TMC in March or April. Junior Hemans queried the commercial arrangement with Nuffield and Dudley. Gwen Nuttall advised that for Dudley referrals are being diverted at source so that income is allocated correctly, and added that not all radiological treatments generate a payment as not everything gets a direct access tariff. Nuffield is different as we send our referrals out to them. Sue Rawlings raised a query regarding the backlog of scans to which Gwen Nuttall responded that overall waiting times have been cleared. Mary Martin raised a query regarding a comment on page 2 relating to financial challenge and asked if all trusts deal with radiology in this way. Helen Troalen advised that it's reviewed annually through budget setting and added that some Trusts do have internal recharging mechanism. Helen Troalen suggested that the system needs to be reviewed in order for the directorate to be able to have the opportunity to regularly reflect on their cost pressures without creating a huge industry that has no value and only serves to create transactions within the organisation. This is being discussed with Deputy COOs. Gwen Nuttall advised that radiology would like more control over the volume and nature of referrals, demand management, and pathway changes. Mary Martin asked how radiology's efficiency is measured and how the Trust can be assured that the booking process is operating as efficiently as possible. Gwen Nuttall stated that Radiology monitor their own KPIs and that there are regular reviews of waiting lists. Datix reports show that there are some failures in our systems and controls but the error rate is marginal. A discussion took place regarding the standardisation of systems and processes. Mike Sharon advised that outpatient efficiency is being tackled but this is on a transactional basis rather than a transformational basis. Quite significant capital investment would be required in order to improve technology and implement alternatives to face-to-face contact.	
019/2019	<u>Governance</u>	

019.1	<u>BAF Update</u> – The Committee agreed that there were no changes to the BAF this month.																				
019.2	<p><u>Finance & Performance Self-Assessment Feedback</u> –</p> <p>Mary Martin advised of two recommendations:</p> <ul style="list-style-type: none"> Meeting reflection at end of each meeting – A Duffell felt that a quarterly review would be more effective. This was agreed by the Committee. The work plan will be updated to incorporate this change. The Trust needs to ensure all Terms of Reference for Committees reflect the need for a self-assessment every 2 years. 	<p>U</p> <p>KW</p>																			
020/2019	Financial Performance for Period 10																				
020.01	<p><u>Trust Financial Report and Forecast Outturn</u> – H Troalen provided an overview of the Finance Report and informed the Committee that trust is £3.8million behind plan across operational budgets, and £1.3million behind plan on PSF. We are not expecting to achieve any more on PSF in Quarter 4 and this has been reflected in the figures.</p> <table border="1" data-bbox="263 875 1305 1025"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Year to Date</th> </tr> <tr> <th>Plan £'000</th> <th>Actual £'000</th> <th>Variance £'000</th> </tr> </thead> <tbody> <tr> <td>Surplus/(Deficit)</td> <td>(1,245)</td> <td>(5,085)</td> <td>(3,841)</td> </tr> <tr> <td>Achieved PSF</td> <td>8,752</td> <td>7,421</td> <td>(1,332)</td> </tr> <tr> <td>Control Total Surplus/(Deficit)</td> <td>7,507</td> <td>2,335</td> <td>(5,172)</td> </tr> </tbody> </table> <p>020.01.01 Financial Plan: Helen Troalen advised that the biggest variance continues to be the pay overspend.</p> <p>020.01.02 Financial Risks: A risk has been added in regards to changing our assets lives policy which will give us I&E benefit of £1.3million per year. NHSI guidance on this policy came into effect on the 14th January. It is understood that NHSI are in discussion with RICS about the impact of the guidance on the NHS with a view to deferring or revising the guidance.</p> <p>020.01.03 Mary Martin stated that page six of the report shows that we are on budget, but expectancy was that income would have increased from December. Helen Troalen replied that income is more or less in line with the January plan that was set at the beginning of the year.</p> <p>Mary Martin stated that the committee need to have a discussion around pay, which has increased by £1million over the last three months. A discussion took place and the Committee noted that agency pay was high and accounted for about half of the increase. H Troalen informed the Committee that December enhancements are paid in January.</p> <p>Gwen Nuttall advised that some additional pay expenditure had either been funded or was recharged to other Trusts. For example, the cost for the 4 additional middle-grade junior Doctors have been funded through the A&E Delivery Board and pathology agency costs were recharged to other Trusts if they it supported other Trust’s services. Agency spend in Head and Neck is due to levels of sickness absence. Gwen Nuttall expected the February agency figure to reduce.</p> <p>Mary Martin queried Bank spend. Alan Duffell explained that as the Trust is speeding up the recruitment and induction process it should reduce bank expenditure. The Trust has employed an additional 90 doctors since the previous month.</p> <p>Helen Troalen advised on the forecast outturn. £13.4m is the forecast deficit without taking into account PSF money. Helen Troalen reported that there has been a reduction in depreciation. In</p>		Year to Date			Plan £'000	Actual £'000	Variance £'000	Surplus/(Deficit)	(1,245)	(5,085)	(3,841)	Achieved PSF	8,752	7,421	(1,332)	Control Total Surplus/(Deficit)	7,507	2,335	(5,172)	
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	<p>terms of operational budgets the forecast for patient income has increased since last month but so have pay, non-pay, and drugs. A full set of risks will be available once Kevin Stringer returns from leave.</p>	
020.02	<p><u>Supplementary Finance Report</u> – The supplementary report was read in conjunction with the Finance Report. The report was noted.</p>	
020.03	<p><u>Financial Recovery Board (FRB) Report</u> – M Sharon outlined the highlights from the FRB Report.</p> <p>The 2018/19 CIP Target is £25m. This is broken down into a £15m recurrent CIP Target and £10m non-recurrent CIP Target. At month 10, the Trust is forecasting to deliver £14.263m (an increase of £2.394m since month 9), leaving a shortfall of £10.737m against the CIP Target. The Trust’s recurrent YTD delivery is £1.496m with forecast outturn of £4.177m and the Trust’s non-recurrent YTD delivery is £9.987m with forecast outturn of £10.086m.</p> <p>The Trust has delivered £11.484m YTD against a YTD FRB Approved Plan of £11.232m. However, this only relates to schemes FRB has approved. The YTD Trust CIP Plan is £19.706m. As a result, the Trust has only delivered 58% of the YTD Trust Plan.</p> <p>Mike Sharon gave an overview of pages 5 to 7 which show the extent to which Trust Recovery Actions have been closed. On page 12 key changes in workforce spend trend have been highlighted and there is further work to be done around this. Mike Sharon added that further guidance has been received from NHSI and this will be discussed further at next FRB.</p> <p>Mary Martin raised a query around the summary pages for each division and asked for assurance that these are allocated into the budgets for the divisions as she is concerned that the budget for CIP doesn’t always tie into real schemes. Gwen Nuttall responded that the unidentified CIP allocations generally sit in the divisional corporate line and there is an expectation that the Divisional team has a discussion with all their Directorate teams about translating this into CIP.</p> <p>Mary Martin raised a query regarding the placement of pathology efficiency. M Sharon responded stating that pathology are tracking performance against the agreed numbers in the business case, and savings will not be identified until year 3.</p> <p>Mike Sharon advised that work is ongoing agreeing the terms of the agreement around specialist testing, which allocates income to Black Country Pathology Services (BCPS). Mike Sharon advised that this should be agreed by the end of March, after which he will update the Committee.</p>	
020.04	<p><u>Temporary Staffing Expenditure Dashboard</u> – Alan Duffell gave a brief update. Alan Duffell drew attention to graph B2L which shows an ongoing increase in consultant requests for shifts. The report was noted.</p>	
020.05	<p><u>Annual Budget</u> – H Troalen brought a copy of the Annual Budget to the meeting for information.</p> <p>Helen Troalen asked that the committee note the key dates for finalising budgets listed under paragraph 1.9. H Troalen added that NHSI requires the submission of Trust budgets by 31st March but stated that the Board meeting is not due to take place until 1st April. Mary Martin asked Helen Troalen to prepare a paper for the Trust Board meeting and Finance & Performance Committee Meeting as soon as the papers are issued and to organise a virtual Finance & Performance Committee sign-off via tele-conference before 31st March to get the budgets approved.</p>	HT

021/2018	<u>Performance</u>	
021.01	<u>Performance Element of the IQP Report (National & Contractual Standards)</u> – Gwen Nuttall gave an overview of the performance element of the IQPR.	
021.01.01	<u>Referral to Treatment Incomplete</u> – Performance saw deterioration during January. This is a knock on effect from reduced activity over the bank holiday period and patients choosing to prolong their waits until the new year. Head and Neck and Maxillo facial services have particular challenges but do not represent the largest numbers. RWT ranks 39/144 nationally. We continue to focus on reducing the backlog where possible and work closely with Directorates to use all available capacity effectively.	
021.01.02	<u>Diagnostics</u> – This target has shown slight improvement during January 2019. The endoscopy backlog will be cleared by the end of January. However, there has been an increase of cardiac referrals into Radiology for CT and MRI Heart. The Radiology Department is working closely with the Cardiac Directorate to utilise scan capacity and in addition to this extra capacity has been made available during February and March 2019 to help reduce the backlog. S Rawlings asked how performance will be maintained once this has been achieved. G Nuttall advised that it will be managed in-house, but dependant on the increasing amount of referrals being received we may need to continue to rely on outsourcing. A Business Case is currently in development to open a third room at Cannock for Endoscopy.	
021.01.03	<u>Emergency Department</u> – The Trust failed to achieve both Type 1 and the All Types target for the month. There was one patient who breached the 12 hour decision to admit target during the month of January. This was a child waiting for a PICU bed. RWT ranked 27/134 Trusts nationally.	
021.01.04	<u>Ambulance Handover</u> – Ambulance handover saw a deterioration during January 2019 for both the 30-60 minutes and the >60 minute target compared with the previous month. We continue to see a rise of ambulance conveyances into the Trust, receiving an additional 524 (11.17%) during January 2019 compared with the same period last year. This equates to an additional 17 ambulances per day or the equivalent of 3.5 days extra activity.	
021.01.05	<u>Cancer</u> – The Committee discussed the dashboard. Gwen Nuttall stated that referrals are at 1600 to 1700 in January. Nationally there has been a huge increase in breast referrals leading to most breaches. NHSI have stated that this is becoming a national issue. Specific immediate actions are:- <ul style="list-style-type: none"> • Model impact on RWT on the interactions of Gynae oncology service following transition from SWBH/UHB. • Improve quality and timeframe of tertiary referrals. • CCG to support GP's to improve referrals into the Trust. • Continued support from the Intensive Support Team. 	
021.01.06	<u>NHS E-Referral</u> – The Committee noted the report.	
021.02	<u>Cancer Action Plan Update</u> – Gwen Nuttall gave a brief update Projected trajectory for recovery has been changed from June 2019 to March 2020. This is in light of the increase in referrals. Gwen Nuttall pointed out that there are shortages of senior clinician and theatre and diagnostic capacity that affects most cancer pathways. Mary Martin queried what purpose the Cancer Intensive Support team serve. G Nuttall advised they are currently working on demand and capacity plans as well as reviewing and updating all	

	<p>the work completed last year.</p> <p>Gwen Nuttall advised that the plan gets updated monthly and is reviewed with the CCG, NHSI and NHSE.</p> <p>The Cancer Action Plan update will be added to the work plan as a standing agenda item.</p>	LJ
021.03	<u>Performance against Contractual Standards (Fines)</u> – The Committee noted the report.	
021.04	<p><u>Contracting Round Verbal Update</u> – Mike Sharon advised the Committee that the main issue is the £11m gap between RWT income assumptions and what we’re currently being offered. Information from all the CCGs regarding their proposed QIPPs are unavailable presently.</p> <p>A workshop with the Local Authority is taking place on the 26th February.</p> <p>Contracts should be signed by 21st March.</p>	
021.05	<p><u>STP Verbal Update</u> – Mike Sharon advised that In addition to contract negotiations the Trust are having to go through STP oversight of plans and the contracting position. This does not look to be problematic across the Black Country, apart from Sandwell and West Birmingham where there is a gap between CCG and Trust activity assumptions. The STP are developing a vulnerable services assessment.</p> <p>Staffordshire have implemented an ‘Intelligent Fixed Income Approach’. M Sharon advised that this means the commissioners are giving a lump sum of income to the Trust for them to distribute accordingly, RWT are not part of that arrangement.</p>	
022/2019	<u>Financial Planning</u>	
022.01	<p><u>Service Line Reporting</u> – The Committee noted that the bubble chart was missing from Appendix A.</p> <p>Helen Troalen advised that now HARBR has been purchased this gives CFMs and Directorates the ability to access data in a far more advanced way than previously available. Taster sessions are being arranged.</p> <p>Mary Martin, Sue Rawlings, and Junior Hemans agreed to attend a taster session following the next Committee Meeting.</p>	MM/SR/JH
023/2019	<u>Reports to Note for Period 10</u>	
023.01	<u>NHSI Monitoring Return</u> – The return was noted.	
023.02	<u>NHSI Monitoring Return Commentary Template</u> – The template was noted.	
023.03	<u>Annual Work Plan</u> – The work plan was noted.	
023.04	<u>Finance Minutes</u> – The minutes were noted.	
023.05	<u>Capital Report</u> – The report was noted. The Committee was concerned that neither the capital funding for Stroke nor Pathology had yet been received and noted the efforts to resolve this.	

<p>024/2019</p> <p>024.01</p>	<p><u>Any Other Business</u></p> <p><u>Meeting Reflection</u> – Sue Rawlings suggested that Performance be placed before Finance on next month’s agenda.</p> <p>Mike Sharon asked that update on the contracting round is first on the agenda at the next meeting.</p> <p>L Jones to ensure that next month’s agenda is amended to reflect the above changes.</p>	<p>U</p>
<p>025/2019</p>	<p><u>Date and Time of Next Meeting</u></p> <p>The next Finance & Performance meeting will take place on Wednesday 20th March 2019 at 8:30am, Conference Room, Hollybush House. Reports will be required by 12 midday on Friday 15th March 2019.</p>	