

Minutes of the Finance and Performance Committee

Date Wednesday 25th November 2015

Venue Conference Room, RWT

Time 8.30am

Present:

<u>Name</u>	<u>Role</u>
Jeremy Vanes	Chairman
Mary Martin	Non-Executive Director (Chair)
Sue Rawlings	Non-Executive Director
Junior Hemans	Non-Executive Director (Part Attendance)
Gwen Nuttall	Chief Operating Officer (Part Attendance)
Kevin Stringer	Chief Financial Officer

In Attendance:

<u>Name</u>	<u>Role</u>
Elaine Williams	Deputy Chief Financial officer
Simon Evans	Head of Planning & Performance
Debra Hickman	Deputy Chief Nursing Officer, Quality & Safety
Catherine Griffiths	Deputy Director, HR

106/2015	<u>Apologies for Absence</u> Apologies were received from Linda Holland.	
107/2015	<u>Minutes of Meeting Held on 21st October 2015</u> The minutes were agreed.	
108/2015	<u>Matters Arising from the Minutes of the Finance and Performance Committee Meeting Held on 21st October 2015</u>	
108.1	<u>Trust Vacancies 80.1</u> – C Griffiths confirmed that a review had taken place regarding the breakdown of corporate vacancies and clarified that the large percentage of vacancies were in relation to the LCRN network. Work has since taken place to reduce the number of vacancies and continues to progress. Action completed.	
108.2	<u>Trust Asset Life Policy 87.5</u> – The report is currently in draft format awaiting External Audit comment and will be circulated following the Audit Committee Meeting next week.	KS
108.3	<u>Performance Report – Vacancies 90.1</u> – A review is taking place in relation to the Trust’s exit procedure and reasons for declining job opportunities. The report will highlight any trends or concerns and will be submitted for discussion at the Finance & Performance Committee Meeting in December.	LH

108.4	<u>Fines Report 90.2</u> – M Martin requested a breakdown of fines to identify those from Wolverhampton and Other Commissioners. S Evans circulated the information prior to the meeting. Action completed.	
108.5	<u>Trust Finance Report Period 6</u> – K Stringer confirmed that the re-pricing of the new tariff had been added to the risk matrix. Action completed.	
108.6	<u>Trust Finance Report Period 6 (Agency)</u> – K Stringer confirmed that the agency cap is now in place. Action completed.	
108.7	<u>Transformational CIP Report (Text/E-reminder Project)</u> – See agenda item 5.2.2. Action completed.	
108.8	<u>Integrated Quality and Performance Report (National & Contracting Standards)</u> – A board development session has been arranged to discuss the new ambulatory care model. Action completed.	
108.9	<u>Performance Against Contractual Standards (Fines)</u> – K Stringer confirmed that potential for maximum fines has been added to the Risk Register. Action completed.	
108.10	<u>BAF Update</u> – M Martin, S Rawlings and K Stringer to discuss the BAF update via tel-conference. Repeat action.	MM/SR/KS
108.11	<u>Procurement Strategy</u> – Thanks have been passed onto Neil Simmonds. Action completed.	
108.12	<u>Budget Training Report</u> – Within Divisions the majority of untrained staff have been in post less than 12 months, these staff are being offered training on a one to one basis if necessary. Of the corporate posts 5 related to CRN staff, 4 of which have now undertaken training. Action completed.	
109/2015	<u>Declaration of Interest</u> No interests were declared at this meeting.	
110/2015	<u>Financial Performance</u>	
110.1	<u>Trust Finance Report for Period 7</u> <u>Income & Expenditure</u> – The Trust’s Income and Expenditure position as at month 7 is a deficit of (5,042k) which is adverse by (£230k) to the TDA stretch plan. The Trust’s operating position (earnings before interest, taxation, depreciation and amortisation – EBITDA) is below plan by (£308k). <u>Patient Activity</u> – Patient activity at month 7 is showing a year to date deficit of (£848k). The main areas of underperformance are Ophthalmology (£725k), Clinical Haematology/Oncology (£436k) and Community (£344k). This underperformance is partial offset by an over performance in T&O £727. However, patient income is better than it has been and is improving, which is positive. M Martin asked how patient activity would improve throughout the year when capacity was already full. K Stringer stated that 2 new theatres would come online at Cannock Chase Hospital in January which would allow the Trust to transfer additional activity to them. This activity would then be unaffected by emergency pressures or delayed discharges. <u>Income</u> – Directorate income has under-recovered by (£395k) year to date. In addition, Education, Training and Research income has under-recovered by (£463k) year to date.	

	<p>M Martin drew attention to the Community variance of (£64k). E Williams stated that vacancies were impacting on activity levels. M Martin asked if any recruitment initiatives were being put in place. E Williams and D Hickman confirmed that there wasn't a targeted recruitment exercise but that recruitment was taking place throughout the Trust. D Hickman felt that the national initiative for Community Nursing would drive significant change.</p> <p>S Evans stated that the Better Care Fund was currently working on developing a Rapid Response Team to assist patients with being able to obtain care at home rather than being admitted to hospital.</p> <p>M Martin asked for clarification regarding the 1% variance with Wolverhampton CCG. E Williams stated that the variance was a cumulative figure.</p> <p>S Rawlings queried the reduction in income in relation to parking. E Williams stated that this was due to repairs and changes to the system, parking income would improve next month.</p> <p><u>Pay</u> – Continues to underspend with a cumulative underspend of £1,812k. M Martin expressed concerns regarding the Division 1 and 2 variances due to continued vacancies. K Stringer confirmed that maintaining staffing levels was a continual challenge but that he believed Nurse Leaders and Managers were making decisions to maintain safe levels and whether to close capacity if needed. D Hickman stated that recruitment exercises have taken place in Europe and that the Trust is currently recruiting nursing staff from the Philippine Islands. A total of 160+ Nurses will be recruited with a phased implementation over a number of months.</p> <p><u>Cash</u> – The Cash balance of £21,057k is slightly higher, £323k, than the Plan of £20,734k. Cash reduced by (£6,944k) in month, in line with the forecast Cash position within the recent revised 2015/16 Plan submission to the TDA.</p> <p><u>Capital</u> – Capital spend to date is £6,265k less than the Plan, being £24,173k against the Plan of £30,538k. The Trust has reviewed its Capital Programme and is currently in discussions with the TDA regarding year end CRL.</p>	
110.2	<p><u>Supplementary Finance Report</u> The supplementary Finance Report was noted and approved.</p> <p>J Hemans left the meeting.</p>	
110.3	<p><u>Transactional CIP Report</u> M Martin and S Rawlings asked for an estimated year end figure in relation to CIP savings. E Williams and S Evans estimated a year end figure of £14m. K Stringer felt that there would be significant challenges to ensure transformational CIP savings remain on target.</p> <p>As at month 7 a total of £5.5m (Annual Budget) has been removed from budgets (£4.6m at month 6) against the 2015/16 target of £20.6m, this represents 26.81% of the total annual amount. The recurrent element achieved is £2.5m, representing 12.04% of the annual target.</p> <p>The phased plan (relating to actual in month savings rather than the annual budget) shows an actual saving to date of 26.02% of the annual plan, 20.45% has been realised, this results in an under achievement against plan of £1.1m. In month transactional schemes achieved £1,14m against a plan of £2.23m.</p>	

	G Nuttall entered the meeting.	
110.4	<p><u>Transformational CIP Report</u> S Evans discussed highlights of the Transformational CIP Report. The Trust's CIP plan for 2015/16 totals £20.6m, with £15.3m schemes currently identified, giving a shortfall of £5.3m. A number of new PIDS have been approved during month 7. In month transformational schemes achieved £92k against a target of £649k. The year to date achieved totals £962k which equates to 14.5% of plan. S Evans stated that a number of schemes around length of stay failed to deliver savings, the back office scheme was withdrawn and that whilst the procurement scheme has realised savings it is not at the level expected.</p> <p>Following discussions with the TDA regarding the Trust's financial position, a new stretched plan has been agreed by the Board. This delivers a deficit of £0.3m. To support this, the CIP target has been revised to reflect an accurate and up to date position. Consequently the CIP forecast has been amended to a target of £17.1m.</p> <p>S Rawlings asked if a percentage figure was withdrawn from projected CIP savings in line with trends from previous years to provide a realistic CIP figure. S Evans stated that this was the case and that each PID had a confidence factor percentage which assisted when compiling the data.</p> <p>S Evans informed the Committee that a CIP Network Meeting was due to commence in January 2016 and that he would be attending. The meeting would enable Trusts to share ideas and look at good practice.</p> <p><u>E-Reminder Report</u> – S Evans provided an update on the E-Reminder system. As of 17th November 2015 45,372 texts were activated, 5,065 texts were recorded as failed delivery and 111 patients opted out of the process. S Evans stated that the bulk of the patients who opted out of the process were carers and a request had been submitted asking if the Trust could specify the patient's name in the text. The Trust is unable to provide this information at present but it is being looked into. The E-Reminder system provides the Trust with a week to backfill appointments. Financial analysis will take place on a quarterly basis at the Transformation Programme Group Meeting. However, post implementation DNA's have reduced by 14% for month 1 with a net saving of £96k.</p> <p>S Evans stated that Transformation Programme Manager Dawn McCullough had led the project with lots of support from IT, Health Records, Information Governance etc. M Martin asked S Evans to thank Dawn McCullough and the implementation team for all their hard work on behalf of the Committee.</p>	SE
111/2015 111.1	<p><u>Performance</u> <u>Integrated Quality and Performance Report (National & Contracting Standards)</u></p> <p>G Nuttall gave a brief update on the opening of the Urgent and Emergency Care Centre (UECC). The new UECC opened at 4.00am today, 25th November 2015. The opening went very well and the old Emergency Department closed at 8.30am. The Head of Communications and Medical Illustrations were on site to conduct interviews and take photographs. There were some lessons learnt which will assist with the AMU move this weekend.</p> <p><u>Urgent Care</u> – G Nuttall reported poor ED performance in October due to increases in acuity of cases, first assessments admission rates and attendance. Fines for ambulances during October were £19k due to 75 patients arriving between 30 – 60 minutes and 4 arriving over 60 minutes. Emergency Department attendance in October was 10,689, an increase of 655 (6.13%) compared to last year. November is</p>	

	<p>showing a gradual improvement. The CCG have issued a contractual notice, a recovery plan has been provided.</p> <p>The winter plan proforma is currently being completed and will be circulated to the Board for sign-off prior to submission.</p> <p><u>Cancelled Operations</u> – 62 operations were cancelled during October, this is an improvement on the same period last year (69). A root cause analysis continues to be undertaken for every cancelled operation for non-medical reasons and reviewed weekly at the Divisional Managers Meeting.</p> <p><u>Cancer Waiting Times</u> – There were 22.5 patient breaches during the month of October for 62 day to first treatment, 4 breaches head and neck, 10 breaches Urology and 4 breaches Upper GI. All Trusts have been asked to review long waiting patients for cancer treatment (over 104 days). S Evans stated that the Trust already reviews this information at the weekly Performance Meeting. G Nuttall confirmed that the Trust has 26 long waiting patients for cancer treatment and that they were predominantly Urology cases. The clinical team are engaged and are working through the list of patients. The Trust had also received a contract notice for cancer performance and an action plan had been submitted.</p> <p>Further discussions took place regarding the potential impact from the proposed Junior Doctor strike action. G Nuttall stated that cancer surgery would be protected but that there would be an impact on outpatient treatments, surgery, waiting times and income.</p> <p><u>Delayed Transfers</u> – G Nuttall confirmed that an agreement had been reached with PWC who will be on site for 14 weeks from 30th November. The Trust's costs will be funded by the CCG.</p>	
111.2	<p><u>Performance against Contractual Standards (Fines)</u> S Evans stated that performance has deteriorated slightly but that the increase in costs in relation to fines was due to the new increased RTT fine which came into effect on 1st October. E-discharge has not received a fine for the first time in 2 years.</p> <p>S Evans stated that the Trust has submitted its remedial action plans and are awaiting a response. If the CCG were to invoke their fines system for failure of up to 2% of contract this would equate up to £4million.</p>	
111.3	<p><u>CQUIN Report</u> S Evans provided an update on the CQUIN Report. In total there are 18 CQUIN schemes which represent a total of £8,627,391. The Trust has achieved 100% compliance for Quarter 1 (£1,263,682). Quarter 2 Reconciliation meeting with WCCG has confirmed achievement of 5 of the milestones to a value of £460,658,07. No significant concerns were raised in regard to the remainder of the CCG CQUINS but formal confirmation is to be provided post meeting. The Trust has received a letter for payment of 100% of Specialised Services CQUINS to date.</p> <p>S Evans stated that a meeting was taking place with clinicians and the CCG to discuss paperwork in relation to the planned care process and that he would provide an update at the next meeting.</p> <p>A meeting will be taking place tomorrow, 26th November 2016, to discuss next year's CQUIN.</p>	SE
111.4	<p><u>LCRN Research Network Report</u> The LCRN Research Network report was noted.</p>	

112/2015	Governance	
112.1	<p><u>Board Risk Assurance Framework (BAF) Update</u> K Stringer confirmed that he had submitted a number of changes on the Board Risk Assurance Framework, which has been submitted as part of the agenda for the Trust Board Meeting. In addition he had added a number of risks to the Trust risk register:</p> <ul style="list-style-type: none"> • Cost of overseas recruitment (£1.5million). • Cost of contract performance notices (£4million). • Potential loss of income with the introduction of the 2016/17 tariff. • Wolverhampton CCG have refused to pay for winter pressures of £0.82m. 	
112.2	<p><u>Terms of Reference Update</u> The proposed changes to the Terms of Reference were agreed and have been submitted to Trust Board for approval.</p>	
113/2015	Items For Information	
113.1	<p><u>TDA Returns</u> The TDA return report was noted.</p>	
113.2	<p><u>Annual Work Plan</u> The Annual Work Plan was noted. M Martin suggested a broader discussion regarding the LTFM. A Sargent has arranged for further discussion regarding the LTFM at the next Board development session in December.</p>	
113.3	<p><u>Finance Minutes</u> The Finance Minutes were noted. M Martin expressed concerns regarding the number of vacancies outstanding. E Williams stated that further vacancies would be filled in January.</p>	
113.4	<p><u>Capital Report</u> M Martin noted the £950k underspend on the Urgent and Emergency Care Centre Project (UECC). This had been committed against other schemes.</p>	
114/2015	Any Other Business	
114.1	<p><u>Meeting Arrangements – 24th August 2016</u> Due to annual leave commitments the August Finance & Performance Committee Meeting will now take place on Wednesday 7th September 2016 at 8.30am in the Conference Room, Hollybush House.</p>	
115/2015	<p><u>Date and Time of Next Meeting</u> Please note the change of date for the December Meeting due to the holiday period. Tuesday 22nd December, 8.30am, Conference Room, Hollybush House. Apologies were received from S Rawlings.</p>	