

Minutes of the Finance and Performance Committee

Date Wednesday 23rd March 2016
Venue Conference Room, RWT
Time 8.30am

Present:

<u>Name</u>	<u>Role</u>
Mary Martin	Non-Executive Director (Chair)
Jeremy Vanes	Chairman (part attendance)
Sue Rawlings	Non-Executive Director
Junior Hemans	Non-Executive Director
Kevin Stringer	Chief Financial Officer
Linda Holland	Director of HR
Michael Sharon	Director of Strategic Planning & Performance

In Attendance:

<u>Name</u>	<u>Role</u>
Elaine Williams	Deputy Chief Financial Officer
Baljinder Chanian	CRN: WM Finance Accountant(part attendance)
Lesley Burrows	Performance Manager (part attendance)

23/2016	<u>Apologies for Absence</u> Apologies were received from Simon Evans and Gwen Nuttall	
24/2016	<u>Minutes of Meeting Held on 24th February 2016</u> The minutes were agreed.	
25/2016	<u>Matters Arising from the Minutes of the Finance and Performance Committee Meeting Held on 24th February 2016</u>	
25.01	<u>National Reference Cost Audit Report (PWC)</u> – E Williams stated that the Trust had still not received the National Reference Cost Audit report from PWC. E Williams will continue to chase the report.	EW
25.02	<u>Cancer Intensive Support Team Report (Visit on 8th and 9th March)</u> . M Martin asked if G Nuttall could present a copy of the Cancer Intensive Support Team report at April's Finance & Performance Committee Meeting. K Stringer stated that G Nuttall had given positive verbal feedback at the Executive Directors Meeting. Report to be added to the agenda.	GN
25.03	<u>CQUIN</u> – S Evans and E Williams continue to liaise and compile figures for the 2016/17 budget. J Vanes entered the meeting.	

<p>25.04</p> <p>25.05</p>	<p><u>E-Discharge</u> – S Evans to discuss two specific issues that have been identified in relation to e-discharge procedures in assessment areas with G Nuttall. Repeat action.</p> <p><u>BAF Update SR1</u> – SR1 risk was updated from Amber to Red. Further discussion took place at agenda item 27.1.</p>	<p>SE/GN</p>
<p>26/2016</p>	<p><u>Declaration of Interest</u> No interests were declared at the meeting.</p>	
<p>27/2016</p> <p>27.1</p>	<p><u>Governance</u></p> <p><u>BAF Update</u> A discussion took place regarding the strategic objectives for all risks.</p> <p>SR1 Maintain RAG status as red. M Martin expressed concerns that the Trust may fail to meet certain targets due to the failure to recruit specialist staff to certain performance areas.</p> <p>M Sharon suggested horizon scanning the Vertical Integration Risk Register. K Stringer stated that he had planned to bring the Business Case and Risk Register to this month's Finance & Performance Committee Meeting but now that the transaction had been delayed it will be added to the agenda to be presented during April's Finance & Performance Committee Meeting. S Mahmud will be asked to attend the meeting to present.</p> <p>SR4 Maintain risk of Amber. Further discussion took place and it was felt that the description of the risk should be updated and transferred to K Stringer as assurance lead. K Stringer to liaise with G Nuttall.</p> <p>SR5 Current risk is Amber. Following further discussion it was felt that this risk was less of a threat than in the previous 12 months but that it may increase in risk as tender opportunities arise. M Martin felt that this risk should be removed from the BAF and added to the Risk Register. All were agreed. M Sharon to advise S Khunkhuna of the change in risk status.</p> <p>SR6 Maintain risk status as Amber. It was felt that this was still a risk to the Trust due to continued negotiations with Commissioners.</p> <p>M Martin asked if the A&E target should be added to the BAF as a specific risk. M Sharon stated that there were discussions regarding this during the contract negotiation meetings. Some transfer of activity from A&E to UCC may help to achieve the target. K Stringer informed the Committee that work has started to examine the original assumptions and amount of investment put in the Emergency Department. M Martin asked T Powell and J Round to present a post business case review at the Finance & Performance Committee in May. The business case will be presented as the first agenda item.</p> <p>SR7 Current risk is Amber. Following further discussion it was felt that this risk could be removed from the BAF and added to the Risk Register. K Stringer to advise S Khunkhuna of the change in risk status.</p>	<p>KS/SM</p> <p>KS/GN</p> <p>MS</p> <p>KS/GN</p> <p>KS</p>

	<p>SR8 Maintain current risk status as Red.</p> <p>SR9 Maintain current risk status of Amber. K Stringer said that it is likely the RAG rating will escalate to Red during the next financial year.</p> <p>SR10 Current risk status Amber. M Martin felt that lack of cash may affect the Trusts ability to meet performance targets and suggested escalating the RAG rating to Red.</p> <p>SR11 Current risk status Amber. Increase risk rating to Red.</p> <p>SR12 Maintain current risk status of Red.</p> <p>Directors were asked to update their risk on the BAF Register and to forward a revised copy to the Committee so that actions can be discussed.</p> <p>The BAF return that had been circulated made reference to Q1 and Q2 in the risk matrix table. C Richards to liaise with S Khunghuna to find out if this is a typing error or if the page requires an update.</p> <p>J Vanes left the meeting.</p>	<p>KS</p> <p>KS</p> <p>All</p> <p>CR</p>
<p>28/2016</p> <p>28.01</p> <p>28.01.1</p> <p>28.01.2</p>	<p><u>Financial Performance</u></p> <p><u>Trust Finance Report for Period 11</u> K Stringer gave an overview of the report. At month 11 the Trust has a net deficit of (£4.37m), after TDA technical adjustments. In Month 11 the position is now £3.23m adverse to the stretch forecast.</p> <p>As at Month 11, patient contract income is showing a year to date deficit of (£3.01m), with an in-month adverse variance of £560k. This will provide significant challenge in Month 12 to bring the Trust back to the revised figure.</p> <p>Further discussion took place regarding the impact of the Easter Bank Holiday and Junior Doctor strike action on patient contract income.</p> <p><u>Pay</u> – K Stringer stated that pay costs are underspent year to date by £2.24m against the stretch plan. In month pay budgets are £0.2m overspent against the Month 11 stretch plan. January and February 2016 pay against plan costs are reported as the highest for the year and Locum agency costs have increased. L Holland stated that the Trust had recruited a further 20 Nurses in January 2016.</p> <p><u>Cash</u> – The cash balance of £25,391k at Month 11 is £9,167k higher than the plan of £16,224k. This improvement in the cash position versus plan is mainly due to a higher level of creditors £14,248k offset by a higher level of receivables than planned £7,434k, alongside underspend on capital offset by higher deficit. The Finance team have worked hard to increase pressure on NHS colleagues to ensure that cash is being paid where possible. K Stringer confirmed that Capital Resource Limit (CRL) and External Financing Limit (EFL) should be achieved for 2015/16. There are concerns regarding the £4m surplus</p>	

28.01.3	<p>required in March and discussions are ongoing with Commissioners. E Williams informed the Committee that she was in the process of finalising a year end agreement with Specialised Services.</p> <p>K Stringer informed the Committee that the Ops/Finance Committee had highlighted some counting discrepancies in relation to recording of maternity births, reconciliation with their clinical sub system and SLAM. There were 50+ births missing from SLAM, further work is progressing to reconcile the systems. K Stringer stated that he will be meeting with S Evans to look into the possibility of an audit of systems to provide additional assurance. K Stringer agreed to provide the Committee with a copy of the report once it has been completed.</p> <p>B Chanian entered the meeting.</p>	KS/SE
28.02	<p><u>Supplementary Finance Report</u> The supplementary Finance Report was noted and approved.</p> <p><u>Cannock CCG/UHNM</u> – S Rawlings expressed concerns regarding Cannock CCG not engaging with the Trust and making payment. K Stringer and E Williams stated that the UHNM have been very professional and that following discussions with them payment has been made relatively quickly. Further face to face meetings are helping to build relationships during a difficult financial time.</p> <p><u>Estates & Facilities</u> – S Rawlings drew attention to the Directorate income variance continuing due to a shortfall in car parking income and asked if the work had been completed to rectify this. K Stringer believed that the business case had been completed and that work is now taking place but that he was unsure why there had been a delay to completing the work initially. M Martin asked that G Nuttall request a timeline of what work has been completed, when it will be operational and lessons learnt to be presented at the next Finance & Performance Committee Meeting.</p>	GN
29/2016 29.01	<p>The following agenda item was discussed out of order.</p> <p><u>Performance</u></p> <p><u>LCRN Network Report</u> – M Martin welcomed B Chanian to the meeting and explained that she was attending to present the LCRN Network Report on behalf of K Middlemiss.</p> <p>B Chanian stated that the CRN have been notified that the Core Allocation for 2016/17 is £28,529k; this represents a decrease of £1.2m on 2015/16 which had been anticipated. This was due to the performance of Partner Organisations (PO's) which includes Primary Care in the first 6 months of the Activity based funding (ABF) year (01/10/14 to 30/09/15).</p> <p>As agreed at the Partnership Group an ABF model has been used to allocate core funding to PO's. This used a median ABF of 3 years, with a 15% cap on funding change, after which a 2.5% top slice was applied to create a £1.048m Strategic Fund (SF).</p> <p>PO's were asked to submit SF bids in December 2015; circa £5m of bid were received. The bids were assessed against an agreed set of principles with £1.373m of bids approved; this was considered low risk due to the high level of slippage experienced in 2015/16.</p> <p>Based on an initial plan drawn up before final allocations were notified, CRN estimated a requirement of £28,667k, if CRN honours the initial indicative allocations this would indicate a shortfall of £137k in the funding. In addition NIHR have asked that an element of funding is ring fenced to support Commercial Studies (£208k) and this would mean CRN are potentially at risk by £346k. Contingency arrangements</p>	

	<p>are in place in case slippage does not occur to ensure that the budget remains on target. M Martin asked about progress with the 2015/16 budget. B Chanian confirmed that the budget was on target. The Committee signed off the report to go to Trust Board for approval.</p> <p>M Martin thanked B Chanian for presenting the report, no further questions were raised.</p> <p>B Chanian left the meeting.</p>	
<p>28/2016</p> <p>28.03</p>	<p><u>Financial Performance Continued</u></p> <p><u>Transactional CIP Report</u> As at month 11 a total of £15.2m (Annual Budget) has been removed from budgets (£14.6m at month 10) against the 2015/16 target of £20.6m, this represents 73.59% of the total annual amount. The recurrent element achieved is £8.4m, representing 40.83% of the annual target.</p> <p>M Martin asked if work continued to identify CIP savings throughout the month. E Williams confirmed that this was the case. M Martin asked if an estimated year-end figure was available. E Williams stated that further meetings are due to take place with Divisional Managers and that a final figure would not be available until they had taken place.</p>	
<p>28.04</p>	<p><u>Trust Efficiency Programme Report</u> M Sharon presented the above report and stated that following on from Lord Carter's recommendations the Trust have developed a revised programme of work to deliver the efficiency agenda. The programme is comprised of the following four work streams:</p> <ul style="list-style-type: none"> • Procurement • Clinical • Estates • Medicines Management <p><u>Procurement</u> M Sharon drew attention to the Aggregated Sourcing (Commitment) Workplan and stated that the model will enable Trusts to collaborate and agree a commitment of spend/volume to a limited number of suppliers.</p> <p>L Burrows entered the meeting.</p> <p><u>Clinical</u> A clear leadership reporting process has been set up to support work groups. The clinical operational leadership will require support from the Finance and Transformation team. The team are tackling this by focusing on a limited number of areas at one time.</p> <p>M Sharon stated that he would expect to see a revised set of benchmarks by June 2016 with will give a slightly better basis for comparison.</p> <p>M Martin asked if the programme had been built into next year's budget. E Williams confirmed that this was still taking place. M Martin queried the target date for completion. M Sharon stated that the financial information would be available at the next Trust Efficiency Programme Group Meeting. E Williams confirmed that the information would need to go into plan by 11th April but that there would be an element of non-identified areas. M Martin asked for the non-identified areas to be highlighted in next month's Finance & Performance Committee report. K Stringer confirmed that this information would be made available for Trust Board.</p>	

29/2016	<u>Performance Continued</u>	
	M Martin introduced L Burrows and stated that she would present the following report for G Nuttall.	
29.02	<u>Integrated Quality and Performance Report (National & Contracting Standards)</u> L Burrows gave a brief overview of the report.	
29.02.1	<u>Referral to Treatment</u> – L Burrows reported no real concerns, apart from at speciality level and stated that fines increased in October from £150 per patient to £350 per patient. The 5 areas that did not meet the target were in general surgery, orthopaedics, maxi facial, urology and gynaecology. L Burrows stated that the figure improves monthly, however there had been a massive increase in referrals in orthopaedics. M Martin asked if the theatres were working at capacity. M Sharon stated that the transfer of UHNM Consultants had been delayed due to pressure from the Commissioners, which will impact on theatre availability. G Nuttall to provide an update to the Committee.	GN
29.02.2	<u>Urgent Care</u> – L Burrows reported that A&E are still seeing a significant increase in attendance, with a 20% increase on last year's attendance. Ambulance conveyances in February were high, with the Trust received 154 ambulances on 8 th February 2016. L Burrows noted deterioration in both 30 – 60 minute waits and over 60 minute waits. There was a 4% increase in ambulance conveyances for the Trust in February and 1-2% difference for other Trusts. K Stringer asked if a postcode analysis had been completed. L Burrows stated that it had and that admittances were predominately Wolverhampton patients. M Martin asked if any work had been completed to look at reasons for admission. L Burrows confirmed that work is being completed by the Division. The report noted that Vocare began streaming patients to the Urgent Care Centre on 9 th March 2016. M Martin asked G Nuttall to provide an update on the work completed behind reasons for increased admission.	GN
29.02.3	<u>Cancer Waiting Times</u> – There were 22 patient breaches during the month of February, 11 tertiary referrals were received between days 28 and 83 of the patient pathway, 5 were due to capacity issues, 3 patient initiated, 1 further investigation and 2 complex pathways. Of the tertiary referrals received in month 63.64% were received after day 42 of the pathway and 45.45% of the total tertiary referrals were received after day 62 of the pathway. A lot of work is being done to look at the pathways. S Rawlings asked if there were any trends. G Nuttall to provide an update at the April Finance & Performance Committee Meeting.	GN
	The breaches for the 62 day screening were found to be due to 5 patient breaches, 3 capacity issues, 1 patient not fit on day of surgery and 1 patient initiated.	
29.02.4	<u>Choose & Book</u> – L Burrows stated that the information had not been published at the time of generating the report. However, data has now been published but is being queried. The Trust is expecting a response within 10 working days.	
29.02.5	<u>Sickness</u> – L Holland reported that sickness has slightly reduced and that there have been discussions about whether the Trust should revisit the target, however, the overall trend seems to indicate a slight increase.	
	M Martin thanked L Burrows for her assistance, there were no further questions.	
	L Burrows left the meeting.	

29.02.6	<u>Patient Lists</u> – K Stringer briefed the Finance & Performance Committee on an incident that occurred within the Trust in relation to the use of patient lists in Orthodontics and stated that further investigation would need to be carried out to determine the full impact. K Stringer confirmed that he has reported the incident and numbers involved to the TDA. G Nuttall will provide an update to Trust Board, including discussions around recovery plans and potential impact financially. M Martin asked how long it would take to resolve. M Sharon confirmed that it would take a considerable amount of time.	GN
29.03	<u>Performance against Contractual Standards (Fines)</u> The fines report was noted. M Martin queried how the Trust received fines for E-discharge and Safeguarding Children Training. S Evans to provide the Committee with an update.	SE
29.04	<u>Contracting Negotiation Update</u> M Sharon presented the report and stated that further escalation meetings are taking place with Wolverhampton CCG with the intention of reaching an agreement by 31 st March, both the Trust and Wolverhampton CCG are keen to reach an agreement to ensure that we do not enter into arbitration. The Trust has not reached an agreement with Wolverhampton City Council as yet and they have only just received notification of their allocation. The report was noted.	
30/2016	<u>Financial Planning</u>	
30.1	<u>Annual Income and Expenditure Plan (I&E)</u> K Stringer presented the above report and highlighted that despite all the hard work in Finance the I&E is not fully completed. Discussions are ongoing with Divisions and Directorates in relation to the level of cost pressures and developments requested (£28m) and the ability to fund this level within the overall income quantum. The requirement is to reduce the cost pressures/business cases and developments by £15m and in response to a QIPP loss of £9m. K Stringer stated that he has had a brief discussion with G Nuttall regarding this and that further discussions will take place when she returns. All discussions will need to be concluded prior to the submission of the full and final plan to the TDA on 11 th April 2016. Whilst these discussions are not yet completed the Committee were requested to agree the I&E plan and the actions in the report. The I&E plan report was agreed.	
31/2016	<u>Financial Returns for Information</u>	
31.1	<u>TDA Monthly Return</u> The TDA monthly return was noted.	
31.02	<u>Annual Work Plan</u> The annual work plan was noted and updated.	
31.03	<u>Finance Minutes</u> The Finance minutes were noted, no further questions.	
31.04	<u>Capital Report</u> The Capital report was noted, no further questions.	
32/2016	<u>Any Other Business</u>	
32.01	<u>2015/16 Capital Plan and Revised 5 Year Capital Plan</u> The report was withdrawn and will be presented next month.	

33/2016	Date and Time of Next Meeting The next Finance & Performance Committee Meeting will take place on Wednesday 20 th April 2016 at 8.30am, Conference Room, Hollybush House. Reports will be required by 12.00 midday on Friday 15 th April 2016.	
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