

Minutes of the Finance and Performance Committee

**Date**                **Wednesday, 18 September 2013**  
**Venue**                **Conference Room, Hollybush House**  
**Time**                 **9.00 am**

**Present:**

<u>Name</u>	<u>Role</u>
Mary Martin	Non-Executive Director (Chair)
Sue Rawlings	Non-Executive Director

  

**In Attendance:**

<u>Name</u>	<u>Role</u>
Richard Harris	Chairman
Kevin Stringer	Chief Financial Officer
David Loughton	Chief Executive
Cheryl Etches (part)	Chief Nurse
Maxine Espley	Director of Planning and Contracting
Simon Evans	Head of Performance
Anne-Louise Stirling	Personal Assistant to Chief Financial Officer (minute taker)

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1/2013	<p><b><u>Apologies for absence</u></b> Jeremy Vanes - Non-Executive Director, Gwen Nuttall - Chief Operating Officer and Jonathon Odum - Medical Director</p> <p>The Chair welcomed members to the inaugural meeting of the Finance and Performance Committee.</p>	
2/2013	<p><b><u>Terms of Reference</u></b> The Chair introduced the draft Terms of Reference for the Finance and Performance Committee and addressed each section in turn.</p>	

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	<p><u>Trust Strategic Objectives</u> Members noted that only the Trust objectives that pertained to the committee had been detailed and, therefore, the numbering was not sequential.</p> <p>The Chair queried the text in point no 10 relating to the ‘Trust’s position as a leading healthcare provider in a commercial sense’ and how this reflected as Trust business. M Espley advised that this related to how the Trust conducted and dealt with its commercial environment and how it responded to it.</p> <p><u>Board Assurance Framework (BAF) Risks</u> Members noted that five risks related to the business of the Finance and Performance Committee.</p> <p><b>Risk No 3354</b> - the Chair asked how far reaching the remit of the committee would be. K Stringer advised that this particular risk related to the ‘Capital Programme – Scheme of Works’. It was, therefore, necessary for members to decide on the cost of investments that would be presented for review. It was agreed that any schemes above £0.5 m would be presented to the committee for review and consideration followed by approval by the Board.</p> <p>Members also agreed that going forward that the Annual Plan detailing schemes for consideration for the year should be presented in February.</p> <p>M Espley advised that to avoid duplication of the Finance and the Change Programme Board Reports a review would be undertaken to establish what detail could be consolidated. The Chair agreed that there was a need to ensure that the right information was presented and to avoid any duplication of detail. K Stringer concurred that the content of the Finance Report had, indeed, grown over the years and there was a need to agree with members the scope and amount of detail presented.</p> <p>D Loughton joined the meeting at 9.15 am.</p> <p>R Harris advised that with the introduction of the five new Divisional Medical Directors it was no longer clear as to how they sat within the organisation and queried whether it would be beneficial to hold a one hour session attached to the Board Development session to gain a better understanding. D Loughton agreed and said the new Divisional Medical Directors should present their roles to the Board.</p> <p><b>Risk No 1734 and 2508</b> – K Stringer advised that these two risks related to bids/tenders. The detail of which would be escalated through M Espley and the Contracting and Commissioning Forum. M Espley informed members that a quarterly report was presented to the Board and that the next report was due at the end of Quarter 2.</p>	<p><b>K Stringer</b></p> <p><b>M Espley/ K Stringer</b></p>

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	<p><b>Risk No 2927 and 2928</b> – M Espley advised members that the Trust has a target to deliver QIPP savings as part of the NHS £20 billion for Commissioners and will, therefore, be reviewing various schemes to reduce money for example, outpatient services. She advised that Commissioner save money from current activity levels to cope with costs in the future.</p> <p>C Etches joined the meeting at 9.30 am.</p> <p>Members noted that all BAF risks are split by relevance between committees only ones pertaining to the Finance and Performance Committee appear on the Terms of Reference. S Rawlings queried whether Risk No 514 on the Trust Risk Register relating to CIP should also be included on the Terms of Reference. C Etches agreed to pick this up outside of the meeting.</p> <p>R Harris noted that there was a requirement to review the Terms of Reference annually, however, the BAF risks could be reviewed more frequently. The Chair enquired as to how any future risks identified and added to the BAF would be shared with the relevant committees. C Etches concurred that as and when any new risks were agreed at Board level it would be agreed then as to which committee would capture the new risk as part of their Terms of Reference.</p> <p><u>Meeting Purpose/Remit</u> K Stringer advised that the text under this heading needed to be revised , in order that all performance management areas were captured.</p> <p><u>Responsibilities</u> <b>Point 18</b> - S Rawlings advised that this particular point should be detailed on both the terms of reference for this committee and also the Charities Committee. She explained there was dual responsibility as there were two types of funds - exchequer and charities.</p> <p>D Loughton referred to the Trust’s recent successful bid to be the Host for the West Midlands Local Clinical Research Network (LCRN ) and asked M Espley about the mapping arrangements. M Espley advised that she was looking at the overall arrangements to facilitate the delivery of the host arrangements for R&amp;D by the 1 April 2014. K Stringer advised that there was a need to demonstrate to the Department of Health that R&amp;D was a separate entity. It was noted by members that although the contract would not be signed until the end of March 2014 the Trust was responsible from now. The Chair advised that it would be reassuring to see the financial detail and requested a separate monthly report on R&amp;D.</p> <p>Point 6 - S Evans advised that Cost Improvement Programme (CIP) should be included.</p> <p><u>Membership</u> Members agreed that both J Odum (Medical Director) and C Etches (Chief Nurse) would not be members of the committee, but would be invited as appropriate.</p>	<p><b>C Etches</b></p> <p><b>K Stringer</b></p> <p><b>M Espley</b></p> <p><b>K Stringer</b></p>

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	<p>Following discussion the following membership was agreed:-</p> <p><b>MEMBERSHIP</b>  Mary Martin (Non-Executive Director) Chairman  Sue Rawlings (Non-Executive Director)  Jeremy Vanes (Non-Executive Director)  Gwen Nuttall, Chief Operating Officer  Kevin Stringer, Chief Financial Officer  Maxine Espley, Director of Planning and Contracting</p> <p><b>IN ATTENDANCE (at the request of the committee)</b>  Richard Harris (Chairman)  David Loughton, Chief Executive  Lewis Grant, Deputy Chief Operating Officer – Surgical Division  Tim Powell, Deputy Chief Operating Officer - Emergency, Medical and Community Service Division  Graham Argent, Divisional Manager – Estates and Facilities  Sandra Ness and Elaine Williams – Deputy Chief Financial Officer  Simon Evans, Head of Performance</p> <p><u>Frequency of Meetings</u>  It was agreed that the committee would meet on a monthly basis on a Wednesday prior to the Trust Board meeting the following Monday. The agenda and supporting papers will be circulated the Friday before the meeting, although it was noted that some reports may have to follow on the Monday. The Chair agreed that the minutes will be produced in draft format and presented to the following month’s committee meeting for approval. A Chair’s summary report will be presented to the Board.</p> <p>C Etches left the meeting at 10 am.</p>	
3/2013	<p><b><u>Structure of Report to Board</u></b>  The Chair referred to the ‘summary report’ presented for discussion.</p> <p>It was agreed that in view of the tight timescale between the committee meeting and the Trust Board meeting (two days) it was not feasible that the draft minutes would be produced, therefore, K Stringer undertook to produce a summary of the meeting to be presented to the Board.</p> <p>It was agreed that the draft minutes would be circulated to members and would be presented to the Board once approved by the committee at its monthly meeting.</p>	K Stringer

Item No		Action
4/2013	<p><b><u>Financial Performance</u></b></p> <p><u>Trust Board Report August 2013</u></p> <p>K Stringer referred to the Executive Summary on page 3 of the finance report and drew members attention to the income and expenditure position at month 5 - surplus of £1,662k. It was noted activity levels for electives during August were lower than last year's, therefore, income was slightly lower.</p> <p>K Stringer advised that it was highly unlikely that the £14m CIP remaining was going to be achieved in the remaining seven months of the financial year. R Harris asked how the Trust was going to define plans for CIP to the TDA and Monitor. D Loughton advised that the Trust needed to focus on the 'Amber Schemes'.</p> <p>M Espley advised that KPMG had been commissioned to undertake a review of CIP during October and would be reviewing schemes and presenting new ideas of work. In addition, the Trust will be looking at other organisations CIP plans. D Loughton advised that a possible way forward for the Trust would be to review and reschedule clinical working patterns to optimise maximum use of areas such as theatres and outpatients.</p> <p>The Chair queried the number of temporary staff employed by the Trust particularly in clinical areas, thus causing a cost pressure. It was noted that this related mainly to medical staff and not nurses as the Trust had its own dedicated nurse bank. D Loughton suggested that D Harnin (Director of HR) was asked to attend the October meeting to explain the detail behind the costs of using temporary staff.</p>	K Stringer
5/2013	<p><b><u>Current Issues</u></b></p> <p><u>Cost Improvement Programme (CIP) - Report of the Change Programme Board</u></p> <p>The Committee noted the report on the progress of the Change Programme Board for month 5.</p> <p>The Chair noted that a total of £7.14m had been removed from budgets set against the 2013/14 target of £21.28m.</p> <p>Turning to section 1.4 on 'Financial Risk' members noted that the 'Amber Risk' schemes totalled £5.1m. S Evans advised that the schemes were significant(Appendix B) and would be the focus of the Change Programme Board meeting taking place tomorrow. He reassured members that each scheme would be reviewed in detail.</p> <p>The Chair requested that for future meetings of the committee the top ten 'Amber Risk' schemes be presented for monitoring purposes.</p>	S Evans/ M Espley

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	<p><u>Investment Proposal Emergency Centre</u> K Stringer advised members that a presentation to the October Board on the new Emergency Centre had been arranged.</p> <p>R Harris left the meeting at 10.55 am.</p> <p><u>Mid-Staffs</u> The Chair enquired as to what information would be presented to the committee with regard to progress with Mid Staffs. K Stringer advised that going forward he would provide a monthly progress report.</p> <p><u>LTFM</u> K Stringer reported that a reworked LTFM would be presented to the Board in October and would, therefore, be an agenda item for the October meeting of the committee.</p> <p><u>Trust Development Authority (TDA) Returns</u> K Stringer advised members that the TDA returns will be presented on a monthly basis as a matter of routine business.</p> <p><u>Commissioning for Quality and Innovation (CQUIN) Report</u> S Evans presented the CQUIN monthly update report to the committee. He explained that the CQUIN payment framework enables Commissioners to reward excellence, by linking a proportion of providers' income to the achievement of local quality improvement goals. There was potential for a £6.5m payment per annum with additional payment if all eleven projects were achieved.</p> <p>It was noted that this detail does get presented to other sub-committees on a monthly basis. The Chair concluded that the committee should receive this detail on a quarterly basis.</p> <p><u>Potential Fines Report</u> S Evans presented the 'potential fines report'. It was noted that the report detailed everything that the Trust could potentially get fined for. K Stringer reported that the detail showed the payment made for actual fines in April and May and then the other figures were projections on what the Trust could get fined for (2 months actual the remaining 10 estimates). The Chair concurred that this item should be presented monthly to the committee.</p> <p><u>Performance Element of the Integrated Quality and Performance Report</u> S Evans presented the Integrated Quality and Performance Report – Performance Element.</p> <p>He advised that the detail of the report provided an update on the performance against national and local quality and performance indicators. It was noted that this reported mainly related to performance and was, therefore, the remit of G Nuttall.</p>	<p></p> <p><b>K Stringer</b></p> <p><b>K Stringer</b></p> <p></p> <p><b>K Stringer</b></p> <p></p> <p><b>S Evans/ M Espley</b></p>

Item No		Action
	<p>It was agreed that for future meetings of the committee only page 18 'National and Contractual Standards' would be required.</p> <p>D Loughton and M Espley left the meeting at 11.10 am.</p> <p>S Rawlings proposed that to avoid duplication of discussions held by the committee at Board level, that a bullet point summary sheet be produced advising on what issues have been dealt with and if appropriate if an action plan has been drawn up. Thus, providing assurance to the Board on what issues have been dealt with by the committee.</p>	<p><b>S Evans/ M Espley</b></p> <p><b>K Stringer</b></p>
6/2013	<p><b><u>Operational Performance</u></b> Following discussion it was agreed that this item could be removed from the agenda.</p>	<b>K Stringer</b>
7/2013	<p><b><u>Other Finance and Performance Issues</u></b> The Chair asked K Stringer to produce an annual workplan for the committee.</p>	<b>K Stringer</b>
8/2013	<p><b><u>Annual Timetable, Budgets, Review of Standing Financial Instructions, Contractual Performance</u></b> It was agreed that this item would remain as a monthly agenda item.</p>	
9/2013	<p><b><u>Items for Information</u></b></p> <p><u>Capital Report</u> Noted by the committee.</p> <p><u>CIP Report</u> This item was discussed in detail earlier in the meeting. It was agreed that this heading could be removed for future meetings.</p> <p><u>Finance Committee Report</u> K Stringer presented the detail of the Finance Committee report for the period upto July 2013. He advised members that the Financial Accounting section of the Finance Department meet on a monthly basis to go through any technical accounting issues.</p> <p>The Chair raised the issue of the Trust moving to electronic expense claim forms rather than paper. K Stringer agreed to discuss this with S Withers (Head of Employee Payroll Shared Services).</p>	<p><b>K Stringer</b></p> <p><b>K Stringer</b></p>
10/2013	<p><b><u>Any Other Business</u></b> No additional business was raised by members of the committee.</p> <p>The meeting concluded at 11.45 pm.</p>	

Item No		Action
11/2013	<p><b><u>Date and Time of Next Meeting</u></b></p> <p>October 23rd            November 20<sup>th</sup>            December 18<sup>th</sup></p> <p>January 22<sup>nd</sup>            February 19<sup>th</sup>            March 19<sup>th</sup></p> <p>All meetings will take place at 8.30 am – 10.30 am and will be held in the Conference Room, Hollybush House.</p>	

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