

Minutes of the Finance and Performance Committee

Date Wednesday, 20 November 2013
Venue Conference Room, Hollybush House
Time 8.30 am

Present:

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

In Attendance:

<u>Name</u>	<u>Role</u>
Kevin Stringer	Chief Financial Officer
Gwen Nuttall	Chief Operating Officer
Maxine Espley	Director of Planning and Contracting
Simon Evans	Head of Performance
Elaine Williams	Deputy Chief Financial Officer
Kim Hickman	Contract Support Officer (minute taker)

Item No		Action
23/2013	<u>Apologies for absence</u> R Harris (Trust Chairman).	
24/2013	<u>Minutes of the Meeting held on the 23 October 2013</u> The committee approved the minutes of the meeting held on the 23 October 2013, as a correct record.	
25/2013	<u>Matters arising from the Minutes of the Meeting of the Finance and Performance Committee held on the 23 October</u> <u>02/2013 Terms of Reference – Responsibilities Point 18 (page 3)</u> M Espley confirmed that the R&D Work stream Report has been submitted to Trust Board as per R Harris' request. M Espley asked the Chair if a discussion was needed at this meeting and the Chair stated it would be beneficial to hold discussions around governance and due diligence as this is going to be a challenging area. M Espley suggested submitting a progress report to Trust Board with a specific paper on due diligence and governance issues to this committee.	M Espley

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	<p>E Williams confirmed she had looked into the consultant staff returning to work for the Trust after retirement and reported there is 1 consultant in Division 1 and 4 consultants in Division 2. K Stringer added that they would come back to work on their previous terms and conditions and suggested a discussion outside this committee with G Nuttall to understand the manpower plan around this.</p> <p>The chair noted that the update report on bank and locum spend promised at the last meeting was not available and suggested it was carried forward to the December committee meeting, but asked if G Nuttall could circulate her report as soon as this was available so that a discussion could be held at the next committee.</p> <p><u>17/2013 – Financial Performance (Ref no 107 – Outsourcing Outpatient Pharmacy)</u> K Stringer asked if this was now on target and S Evans confirmed he had received a progress update and would follow this through.</p>	<p>K Stringer</p> <p>G Nuttall</p> <p>S Evans</p>
26/2013	<p><u>Declaration of Interest</u> No interests were declared at this meeting.</p>	
27/2013	<p><u>Revised Terms of Reference</u> The Chair confirmed risk 514 had been added and the reference to the monthly TDA returns. The Chair stated these are now confirmed as final.</p>	
28/2013	<p><u>Financial Performance</u></p> <p><u>Trust Board Report October 2013</u> 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 7 - surplus of £2,966k which is £647k below the month 7 plan.</p> <p>K Stringer advised that the CIP position was still causing concern which was well below the expected profile.</p> <p>The Chair referred to page 7- point 1 referring to the underperformance in General Surgery and E Williams stated that this is linked to T&O under performance. E Williams added that there are currently 20 beds that are ring fenced for T&O and the action plan aims to be back at plan by year end. The Committee held a discussion around the ring fenced beds being vacant on weekends due to discharges taking place on Saturday mornings and then not being used until Monday and the Chair queried whether weekends had been considered in the plan to catch up.</p> <p>G Nuttall joined the meeting at 8.55am.</p> <p>M Espley confirmed that the CCG had signed off the T&O performance improvement plan, but the TDA had some queries around the possibility of this being achieved.</p>	

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	<p>S Evans stated that the last 2 months of the plan had been close to achievement with only 10 patients less on the activity plan which was scheduled to be caught up in November.</p> <p>The Chair asked for clarity on whether overtime payments were granted for weekend working and G Nuttall confirmed this was correct.</p> <p>Referring to point 2 the Chair stated that it was showing an adverse in month variance of £77k against plan which was an improvement on the previous month's performance. K Stringer clarified that was discussed at Operational Finance Committee and stated that some of this was due to operational challenges with difficulties in recruiting to a specialist vacancy. K Stringer suggested that this is managed through the Operational Finance Committee and an update brought back to this meeting.</p> <p>The Chair asked for clarity regarding point 4 in relation to Obstetrics. E Williams explained that this is in relation to the over performance with Stafford.</p> <p>Referring to point 6 the Chair asked why the number of patients had decreased. E Williams explained that it is normal to see dips and trends this way and the team is currently looking at the pre-dialysis pool to source what activity will be coming through in the future. K Stringer added that the costs incurred should be reduced to compensate in part for the reduction in income.</p> <p>K Stringer referred to point 7 and suggested the emergency threshold needed to be split onto a separate line and asked E Williams if this would be possible. E Williams confirmed it would be possible. The Chair suggested adding a note highlighting the biggest areas.</p> <p>Referring to point 8 the Chair asked how much loss was in relation to disputes due to data problems. E Williams stated she would source this information and share with the Chair. E Williams added that a lot of the queries are due to clinical coding/data, but there is currently on-going work with the data quality team around NHS numbers and patient details being corrected on the system. E Williams also stated that there is real time checking in place so that any problems can be dealt with at the time. S Rawlings asked if it was known how much of these errors were due to training problems and K Stringer also raised that continuity is being looked at as well as weekend and bank holidays.</p> <p>The Chair referred to page 8 and asked for an explanation in regards to 'block contracts'. E Williams responded that this is mainly around screening programmes and the block amount that we get in the contract. E Williams added that this amount includes QIPP which has not been split out yet. This is still under discussions with the commissioners.</p> <p>S Rawlings referred to page 9 and highlighted that the outpatient follow up activity seems lower than in previous years and asked if there is a reason for this. G Nuttall stated that there is a plan to reduce follow ups which is linked to a QIPP scheme the commissioners want to take forward next year. G Nuttall added that this will be a challenge for RWT as this may result in taking out resource and costs if we are doing fewer clinics which will result in a net financial impact.</p>	<p>G Nuttall</p> <p>E Williams</p> <p>E Williams</p>

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	<p>M Espley confirmed that there is a high number of our patients seen as follow ups and there is a need to work with specialities to reduce this. The Chair asked if there is any cross over with research and normal follow ups. M Espley responded that there may be some cross over and this will be included in the work we undergo to include in evidence to the commissioner. K Stringer expressed his concern that there needs to be a clear definition between research activity and normal NHS work.</p> <p>The Chair referred to page 10 and stated that if you compare current year to plan this looks like we are significantly down. E Williams explained that there have been a number of contract changes this year with activity moving to Public Health. The Chair asked if more detail could be included in next month's report and the possibility of removing the 2012/13 actual activity from the graphs.</p> <p>The Chair referred to page 11 and asked why there was a change in the Dudley activity. E Williams responded that this is due to reduced numbers coming through. E Williams stated that she will look at the numbers from the last 2 years to see if this is related to a specific specialty.</p> <p>The Chair confirmed that the new CDU table had been added to the bottom of page 17. E Williams stated that the table shows the real impact of CDU at month 7. The Chair asked why there was overspend in non pay in A&E and G Nuttall responded that this may be in relation to the pre-ordering of consumables for the new opening of the major cubicles. S Rawlings asked for clarity on why the maintenance non pay is overspent by so much and E Williams stated she would look into this. G Nuttall added that this may be in relation to the cases approved at the last CRG meeting.</p> <p>The committee held a discussion around the cumulative overtime to date and how this compares to pay reporting on page 22. G Nuttall stated that overtime reports are pulled together every month. G Nuttall added that there are long standing arrangements with the theatre team and we are currently challenging how much overtime we pay them. The Chair asked if overtime payment are premium for weekend working in theatres and G Nuttall confirmed this was correct. The committee discussed that there needs to a national debate around the terms and conditions and J Vanes asked where these types of discussions and debates need to be started. G Nuttall stated that Denise Harnin will be heavily involved with driving this. M Espley confirmed that as a starter we have put this into CIP plan discussions and a discussion can also be held at the Directors meeting to discuss and agree which areas we want to investigate next year. J Vanes suggested having a starter discussion at the next Trust Board meeting which may then result in a separate meeting being scheduled.</p> <p>J Vanes queried reference costing and asked if it would be possible for a report to be pulled together to show how we compare against other Trusts. E Williams confirmed she will do an analysis of the last 2-3 years and what is expected to come through this year and bring to the next meeting.</p> <p>RESOLVED: The committee noted the detail of the Trust Board Report for October 2013.</p>	<p>E Williams</p> <p>E Williams</p> <p>E Williams</p>
29/2013	<p>The Chair agreed that agenda item 9 could be brought forward on the agenda.</p> <p>M Goodwin joined the meeting at 9.50am.</p>	

Item No		Action
30/2013	<p><u>Items for Information</u></p> <p>30.1 <u>Capital Report</u> M Goodwin attended the meeting to present the Capital Programme 2013/14 report. M Goodwin reported that at month 7 the forecast outturn was showing an over commitment of £4,686,226 which relates mainly to the approval of the A&E/Paediatric extension; additional 2 storeys for the multi storey car park and the enabling scheme for the Emergency Centre. M Goodwin confirmed that a further report has been submitted to the Trust Management Committee and Trust Board explaining how the programme will be brought back to a break-even position.</p> <p>30.2 <u>Finance Committee Minutes</u> The committee noted the Finance Committee minutes for the month of November 2013.</p> <p>30.3 <u>Backlog Maintenance Report</u> M Goodwin presented the Backlog Maintenance Report to the Committee. M Goodwin expressed his concern that the five year profile (table 2) showed the back log maintenance increasing until year 5 when Wrekin House was demolished. The profile excluding Wrekin House (table 3) also shows the backlog continuing to increase. The committee expressed concern. M Goodwin added that there is a clear intent to continue to invest to ensure the liability is further minimised, but expressed his concerns around the demolition of Wrekin House and added that if this building is not demolished there is a clear trend that the backlog liability in the core estate will increase rather than decrease in the next 5 years. M Goodwin referred to table 2 and 3 in the report. The Chair asked what the £6m categorised as a high or significant risk related to. M Goodwin responded that this related to the steam main and replacement incinerator which are a total of £4m out of the £6m. M Goodwin confirmed he was working on a business case at the moment around the incinerator replacement, which will then go through internal processes. M Goodwin added that the problems with the steam main were previously identified and more work needed to be completed around efficiencies and a longer term strategy looking at low temperature water systems. The Chair asked if this was included in the capital programme and M Goodwin confirmed that because these were not funded they are not included at the moment. M Goodwin added that as these schemes will be revenue funded they are included in the backlog reduction programme. M Goodwin left the meeting at 10.10am.</p>	
31/2013	<p><u>Current Issues</u></p> <p>31.1 <u>Cost Improvement Programme (CIP) Report</u> M Espley tabled the latest CIP Programme report. She confirmed that Directors have been through all the schemes at a recent CIP meeting and stated that there is now a need to go through this report at Board level to agree if each scheme stays within the programme and if we agree with the QIA score, the confidence of delivery and the overall financial value would be achievable. M Espley added that next years target is set at £25m and the current financial calculation shows a</p>	

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	<p>shortfall of £8m with £3m-£5m of this being delivered through non recurrent schemes.</p> <p>M Espley advised members that at the planned CIP Programme Board meeting scheduled to take place tomorrow, 21st November, there will be a discussion held around the schemes KPMG have put forward. M Espley confirmed that the Trust was not in a position to accept the latest KPMG report as final and there was a need to bring KPMG back into the Trust to conclude this.</p> <p>RESOLVED: CIP Report to be discussed with the Board at the next Trust Board meeting</p> <p>31.2 <u>Investment Proposal Emergency Centre</u> K Stringer confirmed that a number of questions and queries have been received from the TDA.</p> <p>31.3 <u>Mid-Staffs</u> K Stringer advised members that work was currently underway with Stoke and a position statement would be shared once available.</p> <p>31.4 <u>LTFM</u> K Stringer confirmed that work on the LTFM was on hold. The Chair stated that she had received information from R Harris (Trust Chairman) confirming that our FT application had been deferred for a further 6 months until the Trust could complete the actions set out in the action plan from the CQC visit.</p> <p>31.5 <u>Trust Development Authority (TDA) Returns</u> This item was noted by the committee.</p> <p>31.6 <u>Potential Fines Report</u> This item was noted by the committee.</p> <p>31.7 <u>Performance Element of the Integrated Quality and Performance Report</u> The committee noted the detail of the report. G Nuttall confirmed that the 31 and 62 day cancer target was not achieved. G Nuttall added that this was due to a consultants sick leave in Urology and capacity issues in Gynaecology as a consultant is away re-training following a never event earlier in the year. G Nuttall advised the committee that regular reviews have been reinstated in these areas.</p> <p>31.8 <u>CQUIN – Quarter 2 Report</u> This item was noted by the committee.</p>	
32/2013	<p><u>Other Finance and Performance Issues</u></p> <p>32.1 <u>Annual Workplan</u> S Rawlings noted that Service Line Reporting which was scheduled for review in November was not on the Agenda. It was agreed this would be on the December agenda</p> <p>RESOLVED: SLR to be added onto the December Committee agenda.</p>	K Stringer

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32.2	<p><u>Contracting and Commissioning Report</u> This item was noted by the committee. M Espley stated that any tender opportunities were now being monitored and would be picked up and noted in this report. M Espley added that a list of the proposed commissioning intentions sent to the commissioners have also been included for information purposes.</p>	
33/2013 33.1	<p><u>Any Other Business</u></p> <p><u>Integration Transformation Fund</u> J Vanes raised his concern around an increasing pressure issue that was raised at a recent City Council meeting. G Nuttall confirmed this was linked to the Integration Transformation Fund. M Espley stated that the national proposal is to have a pooled budget for Health and Social Care commissioning. M Espley added that this is not new money as it was already commissioned within the Wolverhampton CCG contract and the plan is to identify through a transformation programme what could be moved from acute to community. M Espley confirmed that in February 2014 joint economy plans need to be set with these effectively starting in April 2015.</p> <p>M Espley advised the committee that there is a session scheduled to take place next week which G Nuttall and K Stringer are attending so more information would be available at the next committee meeting in December.</p> <p>The meeting concluded at 10.35 am</p>	
34/2013	<p><u>Date and Time of Next Meeting</u> The next meeting of the Finance and Performance Committee will be held on the 18 December 2013 at 8.30 am – 10.30 am in the Conference Room, Hollybush House.</p>	