

Minutes of the Finance and Performance Committee

Date Wednesday, 22nd January 2014
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
Elaine Williams	Deputy Chief Financial Officer
Claire Richards	PA to Director of Planning and Contracting (minute taker)
Simon Evans	

Item No		Action
45/2014	<u>Apologies for Absence</u> There were no apologies for absence.	
46/2014	<u>Minutes of the Meeting held on 18 December 2013</u> The committee approved the minutes of the meeting held on the 18 December 2013, as a correct record.	
47/2014	<u>Matters arising from the Minutes of the Meeting of the Finance and Performance Committee held on 18 December 2013</u> <u>02/2013 Terms of References – Responsibilities Point 18 (page 3)</u> G Nuttall had agreed to submit a brief detailed report regarding two consultants returning to work for the Trust following retirement.	GN
	<u>28/2013 – Trust Board Report October 2013 Point 2</u> Point 2 – G Nuttall stated that she would circulate the addendum which clarifies the understanding	GN

Item No		Action
	<p>of contractual values. The Chair asked for clarification around the percentages of staff absences. The percentages were clear but the data did not display the amount that the percentages were against ie the total number of staff against those absent. G Nuttall stated that she would ensure that this information was included in future reports</p> <p>Point 8 – E Williams stated that actions had been completed and were included in the report under agenda item 8.9. Action complete.</p> <p><u>33/2013 Any Other Business – Integration Transformation Fund/Better Care Fund</u> M Espley had provided a report as requested, see agenda item 6.8. Action complete.</p> <p>M Espley stated that there was an all en-compassing risk on the risk register that included any changes to contracting and commissioning. However, M Espley has included some text regarding the Better Care Fund. Action complete.</p> <p><u>39/2013 Trust Board Report November 2013</u> M Espley stated that the sustaining of services in the interim and long term plan for Mid Staffs had been included on the risk register. Action complete.</p> <p>K Stringer has requested an action plan to accompany the exception report generated by Div1. The report will be circulated as soon as the plan is available.</p> <p>K Stringer stated that he has spoken to J Vanes re the aesthetic look of the car park. This has been passed onto M Goodwin for consideration. K Stringer confirmed that the first 2 levels of the car park will be ready to open on 8 February 2014. Action complete.</p> <p><u>Cost Improvement Programme (CIP) Report</u> M Espley stated that the front page summary of the report now includes a division total. Action complete.</p>	KS
48/2014	<p><u>Declaration of Interest</u> No interests were declared at this meeting.</p>	
49/2014	<p><u>Financial Performance</u> K Stringer outlined the highlights of the report and referred to the ‘Executive Summary’ on page 3 drawing members ‘ attention to the income and expenditure at month 9 – surplus of £3,151k, which is £1,800k below the month 8 plan. K Stringer stated that Div2 are able to recover losses from month 8 to 9, however, Div1 are unable to recover the losses.</p> <p>A number of discussions had been held with Clinical Divisions on their year-end projections. This information and discussions with D Loughton and G Nuttall had been the basis for the Trust leaving the forecast year position of £8million surplus unchanged, but have made mention of specific risks in the narrative. K Stringer emphasised the need to ensure that the Divisions deliver exactly what they have forecast at year end and that CCG contract negotiations would need to be as tight as possible.</p>	

Item No		Action
	<p>G Nuttall arrived at 8.50am.</p> <p>A discussion took place regarding the dip in performance in December. K Stringer stated that the Trust had planned for lower activity in December and that the budget is phased, however, nearly half of the variance (£0.8million of the £1.8million) was due to lack of beds, the Trust has a 95/97% bed occupancy on a daily basis. All additional and winter capacity was open in December. G Nuttall stated that the Trust had difficulties coping with the increased surgical procedures through trauma and emergency admissions and that a total of 50% of cases over the Christmas period were admitted against the current calculation of 18 – 20%. There was an admission rate of 33% in A&E on Christmas Day. Length of stay has increased due to the age range and complexity of patients, which has had an effect on the projected winter plans.</p> <p>S Rawlings asked when the Trust would be able to revisit bed modelling. G Nuttall responded stating that there is little capacity left and that the biggest challenge would be around recruitment. M Martin was concerned about the outturn for the financial year and felt it would be difficult to recoup some of the overspend. G Nuttall stated that a discussion has taken place with Divisional Managers regarding robust forecasting, income and expenditure. There is a clear need to ensure that flash reporting is in place when Managers are aware of the impact of significant changes. K Stringer and G Nuttall to discuss with Divisional Managers</p> <p>Page 6 ‘risks’ was examined and M Martin asked for an update on risk 3 – contract income issues, penalties, fines etc. Discussions are in place with contractors to retrieve fines, this will be discussed at the CQRM in February. S Rawlings asked if CIP should read as an A4 risk. E Williams to update the risk rating.</p> <p>M Martin asked for some clarification regarding the Community contract. G Nuttall and E Williams stated that it is a block contract and when rebasing on cost and value our quantum is maintained.</p> <p>J Vanes arrived at 9.00am.</p> <p>Page 12 ‘expenditure’ was examined. M Martin expressed concerns regarding the underspend on the budget against manpower and asked whether this was due to being unable to recruit or deciding not to recruit. G Nuttall stated that this was due to a little of both. M Martin asked for clarification regarding the Net Trading Position table. E Williams agreed to amend the page and recirculate with some notes.</p>	<p>KS/GN</p> <p>EW</p> <p>EW</p>
50/2014	<p><u>Current Issues</u></p> <p>50.1 <u>Cost Improvement Programme (CIP) Report (page 25)</u> M Martin felt that progress with CIP savings were slow. K Stringer stated that there was a need to ensure submissions that were added to the savings were robust, had detailed milestones in plan and included thorough assumptions regarding finances. S Evans confirmed that a further 3 suggestions had been provided, one of which was recurrent, and would be discussed at the Change Programme Board meeting tomorrow. A discussion took place regarding lessons learnt and it was</p>	

Item No		Action
	<p>felt that a more robust system will be in place for 14/15. There was further discussion regarding the resources required to lead the larger transformational projects. M Martin asked to be kept apprised of who will be lead the major projects.</p> <p>S Evans stated that KPMG proposals will be included in the planning assumptions for 14/15 and 15/16 but they will need to be worked through. As the proposals are based on KPMG's assumptions we will need to ensure that the proposals are viable. S Evans clarified that the stretch figure is based on best in class and does not align to year 1 and 2. A lot of the proposals will require consultation and significant work. A further discussion will take place at the Change Programme Board Meeting tomorrow regarding what resources will be required to deliver this.</p> <p>J Vanes asked for some clarity around the quality impact assessment process. M Espley stated that this formed part of the PID and was signed off at local level within divisional teams and by Directors.</p> <p>M Espley confirmed that the KPMG proposals are included in the CIP plan for next year that will be signed off through the Change Programme Group. A total of £4.6million from the KPMG plan has been included in the 14/15 CIP following scrutiny and challenge by Directors, Divisions and Finance.</p>	
50.2	<p><u>Investment Proposal Emergency Centre</u> The investment proposal for the Emergency Centre is still awaiting TDA approval and is on the agenda for discussion at the TDA Board today. K Stringer will provide a full report at the next meeting. D Loughton has expressed a desire for the Emergency Centre to be built by November 2015, which will require an additional £7million capital.</p>	KS
50.3	<p><u>Mid-Staffs</u> A bid has been submitted for £56million capital funds as part of the RWT proposal for Cannock and to increase capacity at New Cross. ME confirmed the Secretary of State announcement is due by 26th February 2014.</p> <p>G Nuttall and M Espley have met with Kate Brady who is developing a proposal to support the programme arrangements.</p>	
50.4	<p><u>Long Term Financial Model</u> K Stringer stated that the CCG had declined the funding for nursing. D Loughton will be liaising with the TDA to determine whether the decision can be challenged. A further discussion will take place at the Executive Directors meeting today. The TDA are asking Boards to ensure that when making decisions about safety it is financially affordable and to ensure that the appropriate tool is used to calculate staffing and finances. M Martin stated that the Board will need to have a discussion about nurse staffing and consequences for the budget in February, ready for sign off in March.</p>	
50.5	<p><u>Trust Development Authority (TDA) Returns</u> The report was circulated with the papers. M Martin asked the Committee to forward any questions to the lead.</p>	All

Item No		Action
50.6	<u>Potential Fines Report</u> The report was circulated with the papers. M Martin asked the Committee to forward any questions to the lead.	All
50.7	<u>Performance Element of the Integrated Quality and Performance Report</u> G Nuttall reported 2 x 12 hour breaches on Saturday. The breaches resulted in a poor experience to the patients waiting in the A&E Department. Concerns were expressed regarding the management of the breach as beds were available and the escalation process, which is well documented, failed. Interviews have taken place with the people concerned this morning. Further discussion will take place during the private section of the Trust Board.	
50.8	<u>Better Care Fund</u> The report was circulated with the papers. M Martin asked the Committee to forward any questions to the lead.	All
50.9	<u>NHS Number Compliance Report</u> The report was circulated with the papers. M Martin asked the Committee to forward any questions to the lead.	All
51/2014	<u>Items For Information</u>	
51.1	<u>Capital Report</u> The report was circulated with the papers. M Martin asked the Committee to forward any questions to the lead.	All
51.2	<u>Finance Committee Minutes</u> The minutes were circulated with the papers. M Martin asked the Committee to forward any questions to the lead.	All
52/2014	<u>Any Other Business</u> No further business.	
53/2014	<u>Date and Time of Next Meeting</u> The next meeting of the Finance and Performance Committee will be held on 19 th February 2014 at 8.30 am – 10.30 am in the Conference Room, Hollybush House.	