

Minutes of the Finance and Performance Committee

**Date** Wednesday 23<sup>rd</sup> September 2015

**Venue** Conference Room, RWT

**Time** 8.30am

**Present:**

<u>Name</u>	<u>Role</u>
Mary Martin	Non-Executive Director (Chair)
Sue Rawlings	Non-Executive Director
Jeremy Vanes	Chairman
Angela Adimora	Director of Human Resources
Gwen Nuttall	Chief Operating Officer
Kevin Stringer	Chief Financial Officer

**In Attendance:**

<u>Name</u>	<u>Role</u>
Jon Lear	Head of Contracting & Business Development

85/2015	<b><u>Apologies for Absence</u></b> Apologies were received from M Espley, S Evans and E Williams.	
86/2015	<b><u>Minutes of Meeting Held on 4<sup>th</sup> September 2015</u></b> The minutes were agreed.	
87/2015	<b><u>Matters Arising from the Minutes of the Finance and Performance Committee Meeting Held on 4<sup>th</sup> September 2015</u></b>	
87.1	<u>Step Down Beds 80.1</u> – E Williams had previously stated she would continue to pursue the payments for those patients that were in step down beds costing greater than £600 per week. K Stringer stated that the provisions have been put in place to ensure that Commissioner approval is sought before using step down beds that cost more than £600 per week. Action closed.	
87.2	<u>Trust Vacancies 80.1</u> – A Adimora confirmed that she had provided a breakdown list of vacancies and that the report had been submitted to Trust Board. A Adimora to circulate a copy of the report to the Finance & Performance Committee. K Stringer believed that a large percentage of the vacancies were in relation to the LCRN network.	LH
87.3	<u>Trade Receivables 80.2</u> – K Stringer continued to meet with the team to resolve outstanding debt but emphasised that a number of Trusts are having cash problems. K Stringer was due to meet with Walsall’s Finance Director to discuss ways forward, this meeting has now been rescheduled at Walsall’s request. K Stringer to provide feedback following the meeting.	KS

<p>87.4</p> <p>87.5</p> <p>87.6</p>	<p><u>Board Assurance Framework 80.4</u> – BAF has now been added to the agenda as a standard item. <b>Action closed.</b></p> <p><u>Trust Asset Life Policy</u> – K Stringer agreed to circulate a full detailed proposal of cost impact, including dividend for the 5 year impact, as soon as the report is available.</p> <p><u>TDA Framework Response</u> – K Stringer confirmed that a revised financial plan/stretch plan has been returned to the TDA. The plan clearly shows a forecast year end £0.3m deficit from the plan of £2.4m deficit, the plan indicates key risks which will require TDA input to deliver. The TDA are requesting a copy of the framework document and are seeking assurance regarding CIP savings and activity figures.</p> <p>M Martin suggested that Board should consider writing to the TDA formally to ask for help/support in relation to the risks identified.</p> <p>Further discussions took place regarding the Government Spending Review. K Stringer stated that he believed this had been delayed at National level and would possibly take place at some point between November and January. This would have a knock on impact on the planning and negotiation round for 2016/17.</p>	<p>KS</p>
<p>88/2015</p>	<p><b><u>Declaration of Interest</u></b> No interests were declared at this meeting.</p>	
<p>89/2015</p> <p>89.1</p>	<p><b><u>Financial Performance</u></b></p> <p><u>Trust Finance Report for Period 5</u> – The Trusts Income and Expenditure position as at Month 5 is a deficit of £7,245k which is a surplus by £522k to the plan. The Trust’s operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is below plan by £229k.</p> <p>Page 12 – The Trust has lost its gain from the previous month due to reduction in patient activity levels. The Trust had seasonally profiled less activity but the activity delivered was lower than anticipated, attributable to a range of specialities.</p> <p>K Stringer reported an adverse variance due to double counting in Ophthalmology, identified as Lucentis as being £274k under plan.</p> <p>Orthopaedics income was also lower due to some short-term consultant staffing issues and the seasonal reduction. M Martin asked if any provisionally arrangements could have been put in place to address the staffing issues. K Stringer stated that the issues occurred at short notice and that the department were going through a TUPE process at the time which resulted in difficulties providing cover. The TUPE process and staffing issue has since been resolved. M Martin asked if additional sessions could be arranged to catch up. G Nuttall to confirm whether this is possible.</p> <p>The cash balance of £28,337k is £14,904k higher than plan of £13,433k. Cash increased by £238k in month. The main reasons for the higher than Plan Cash balance at Month 5 are the levels of Revenue Payables (Creditors) being £11,380k higher, the majority of which is due to Clinical Research Network payments. The other main contribute is that Capital Programme Cash is also underspent by £2,007k.</p> <p>S Rawlings asked if the Clinical Research Network payments were being delayed due to problems with the Trusts processes. K Stringer stated that all the required elements are in place and Trusts have</p>	<p>GN</p>

	<p>received the required payment, however, other areas such as Universities and Primary Care take longer to bill the Trust.</p> <p>G Nuttall entered the meeting.</p> <p>K Stringer stated that he would be meeting with the Directorate and Finance Team to discuss private and overseas patients.</p> <p>J Vanes asked if there had been any progress in regards to Linear Accelerator replacements. K Stringer confirmed that D Loughton had written to the Medical Director of NHS England and that the Trust was awaiting a response.</p> <p>Division 1 has achieved £1.8m (29%), against the annual Cost Improvement target of £8.8m, leaving a balance of £7m. Recurrently the Division has achieved £693k. S Rawlings noted that Division 1's underspend is at risk during future months if CIP plans are not achieved as the CIP target have been phased to deliver in later months.</p>	
89.2	<p><u>Supplementary Finance Report</u> The supplementary Finance Report was noted.</p>	
89.3	<p><u>Transactional CIP Report</u> As at month 5 a total of £3.4m (Annual Budget) has been removed from budgets against the 2015/16 target of £20.6m, this represents 16.3% of the total annual amount. The recurrent element achieved is £2m, representing 9.77% of the annual target.</p> <p>Actual in month savings expected to date was 8.5% of the annual plan, 8.25% has been realised, this results in a shortfall against plan of £52k. In month transactional schemes achieved £36k against a plan of £104k.</p> <p>Concerns were noted that the number of not identified or red rated schemes totalled £10m. Work continued with the Divisions and PMO Transformational Team to identify savings and ensure action is taken to release savings on agreed projects. G Nuttall stated that Gaynor Maddams had been employed to provide assistance with writing of PIDs and the QA process.</p>	
89.4	<p><u>Transformational CIP Report</u> The Trust's CIP plan for 2015/16 totals £20.6m, with £13.9m schemes currently identified giving a current shortfall of £6.7m.</p> <p>As at month 5 a total of £118k has been identified for removal from budgets against a target of £203k. The year to date achieved totals 906k equating to 13.6% of plan.</p> <p>G Nuttall stated that the theatre project had provided £50k of savings to date.</p> <p>G Nuttall reported a delay in the implementation of the e-reminder/text system. The system went live on 14<sup>th</sup> September and approximately over 10,000 texts have been sent. The system has highlighted some concerns regarding failed texts due to incorrect mobile telephone numbers and this is now being rectified. A total of 53 appointments have been cancelled and 123 appointments have been re-booked since the system was implemented. The system also notifies new patients as well as follow-up patients. Further discussions have taken place at the Transformation Programme Group (TPG) to ensure that a</p>	

	<p>matrix is in place to monitor the DNA rate. The matrix will be discussed at TPG in October. G Nuttall will provide an update following the October meeting.</p> <p>K Stringer stated that there had not been any feedback regarding the Carter Report but that any changes/adjustments would need careful management if the safe hands project was to develop in the way the Carter Team were thinking.</p> <p>The TDA and DH are currently re-negotiating the national contract with NHS Supplies, work is underway to try to standardise and minimise the number of ordering lines available. G Nuttall stated that the Trust has recently completed a standardisation exercise across the procurement lines and that this will be enforced from October 2015 onwards.</p>	GN
89.5	<p><u>Agency Spend Report</u> – A Adimora gave a brief update.</p> <p>Locums on long-term contracts have been approached to transfer to a Trust contract – all have declined (see commentary below as to why).</p> <p>We do not hold individual terms and conditions for each agency but will provide the over-arching HTE framework document in due course; provided we give at least 4 weeks’ notice there is no fee to transfer from agency to a Trust contract.</p> <p>As mentioned at the last meeting, it is highly unlikely any agency locum would transfer to a Trust contract. The vast majority of locums are employed on a Limited Company basis and paid via agencies or umbrella bodies, so it is preferable from a tax perspective – The Trust does not offer this and therefore it would result in locums paying more tax. They are also paid weekly, some daily, in full, whereas we offer weekly pay but only a % of the entitlement is paid (akin to an advance) with a balancing adjustment being made at the end of the month. Many of our own internal locums prefer to be paid monthly as weekly pay can adversely affect their tax as they also hold a substantive post either at RWT or elsewhere.</p> <p>G Nuttall stated that The Trust has formed an Alliance with Dudley Group and Sandwell &amp; West Birmingham in a bid to reduce and standardise locum fees. The rates will vary by speciality however the consortium should assist with the standardising of rates across the 3 Trusts. The consortium will be in place November/December 2015. The locum management system will also be a further enabler to driving down costs in the longer term.</p>	
90/2015 90.1	<p><b><u>Performance</u></b> <u>Integrated Quality and Performance Report (National &amp; Contracting Standards)</u></p> <p>Cancelled Operations – G Nuttall stated that the number of cancelled operations had reduced in August.</p> <p>Referral to Treatment – The Trust now monitors the number of incomplete pathways for the 18 week target. Predicted fines at speciality level will increase as the Trust is trying to reduce as many incomplete pathways as possible before fines increase in October. G Nuttall highlighted 4 challenging specialities which have incomplete pathways; General Surgery, Urology, Max Fax and Orthopaedics. Clear plans are in place to address the concerns regarding Max Fax and Orthopaedics, however recovery plans for General Surgery and Urology will not materialise until February 2016.</p> <p>G Nuttall stated that the TDA and Monitor have written nationally to all Trusts asking if they can provide capacity in certain specialities and diagnostics and asking if Trusts would like assistance with tackling</p>	

	<p>waiting lists. G Nuttall has confirmed that the Trust would like assistance with general surgery procedures as we have capacity difficulties in theatres and has offered Trust assistance with Endoscopy procedures. The Trust is also having discussions with Walsall Healthcare NHS Trust in relation to assisting with their Endoscopy procedures.</p> <p>Emergency Department – G Nuttall reported that overall performance was achieved in August. However performance has reduced in September due to a 5% increase in activity.</p> <p>Cancer Waiting Times – Still experiencing challenges around the 62 day wait. G Nuttall stated that following the Baker-Tilly report it had been decided to break down the figures by speciality so that we could accurately identify which areas had breaches. The report highlighted that the speciality which had the highest number of breaches was predominately Urology.</p> <p>Choose &amp; Book – There had been no published performance figures on the National Choose and Book website since May 2015 due to a system fault. The Trust continues to monitor the Choose and Book system.</p> <p>Delayed Transfers of Care – This has now been split into 2 indicators, delayed transfers and the measure against our contractual obligations (excluding social care delays).</p> <p>E-discharge – Quick Dish has been introduced in the assessment wards and there has been some improved performance for wards but there are still difficulties with discharge summaries being completed in Assessment Unit areas. Information is circulated on a weekly basis to Clinical Directors by ward area. Ian Badger is leading on a group looking into this. Dr Cathy Higgins is helping to address the shortfall of discharge summary completions in Womens &amp; Childrens and Paediatrics.</p> <p>Sickness – A Adimora reported that meetings continue to take place with Divisions and that there had been a marked decrease in sickness figures for Division 1 and Estates &amp; Facilities. J Vanes asked if there was any correlation between staff sickness and Noro Virus. A Adimora stated that this did not show to be the case in the data. Sickness figures show that the majority of staff who report long-term sick are off work because of planned operations or a long-term illness. Long term sickness absence has decreased over the last 3 months. A Adimora stated that if a member of staff was capable to come back to work but not in their current role there was a need to find suitable alternative employment for them.</p> <p>The Sickness Policy has been submitted to JNC and is being reviewed with a view to revising triggers and stages to bring the Trust in line with other Trusts. The HR team will be circulating a one page aide memoir to Managers. Occupational Health Services will be more widely promoted and a poster campaign is due to commence shortly.</p> <p>Vacancies – A Adimora reported 25 fte Nursing vacancies but stated that this was due to an increased amount of internal movement through ED and ICCU. A total of 12 candidates were given offers of employment but chose to stay with their current employer. S Rawlings asked if we were aware of why the offers were declined. A Adimora stated that she would look into this.</p>	LH
90.2	<p><u>Performance against Contractual Standards (Fines)</u> G Nuttall gave a brief update on fines. M Martin asked if it would be possible to split the fines into two to accurately identify fines from Wolverhampton and Other Commissioners.</p>	SE
90.3	<p><u>BAF Update</u> M Martin and K Stringer have arranged to discuss the requirements via tel-conference.</p>	MM/KS

91/2015	<b><u>Governance</u></b>	
91.1	<u>Standing Financial Instructions</u> A discussion took place regarding the SFI process. K Stringer stated that SFI's are updated as required and submitted to the Audit Committee. M Martin asked that this be removed from the Annual Work Plan and Finance & Performance Committee Terms of Reference. Action completed.	
92/2015	<b><u>Items For Information</u></b>	
92.1	<u>TDA Returns</u> The TDA returns were noted.	
92.2	<u>Annual Work Plan</u> The Annual Work Plan was noted and will be adjusted to remove reference to Standing Financial Instructions as per item 91.1.	
92.3	<u>Finance Minutes</u> The Finances Minutes were noted.	
92.4	<u>Capital Report</u> The Capital Report was noted.	
93/2015	<b><u>Date and Time of Next Meeting</u></b> Wednesday 21 <sup>st</sup> October, 08.30am, Conference Room, Hollybush House	