

# ASSURANCE/ESCALATION Report of the Finance and Performance Committee

<b>PREPARED BY</b>	Chairman of the Finance and Performance Committee	
<b>DATE PREPARED</b>	28th July 2014	
<b>SUBJECT</b>	Chairman's Summary Report	
<b>PURPOSE</b>	To provide assurance to the Board in relation to all delegated responsibilities of the Finance and Performance Committee	
<b>STRATEGIC OBJECTIVE</b>		
<b>OVERVIEW OF ASSURANCE THEMES/INDICATORS HIGHLIGHTED IN THE REPORT</b>	CQC STANDARDS	
	NHSLA	
	OTHER REGULATORY STANDARDS – Statutory Financial Duties	X
	NATIONAL GUIDANCE/NATIONAL AUDITS	X
	EXTERNAL REVIEWS	X
	INTERNAL REVIEWS	X
	CLINICAL OUTCOMES	
	TRENDS/RECURRENT THEMES	
	CLINICAL EFFECTIVENESS	
	BAF/RISK REGISTERS	X

## 1. Current report - Emerging issues for report (summarise issues or information impacting on the area/compliance/indicator)

Assurance Theme/Indicator	Specific Item/issue Reviewed	Summary of Assurance (internal or External)		Outcome and any on-going risk
		Positive	Negative	
Risk register	Cost Improvement Programme achievement		Given the scale of challenge this remains high risk.	This risk to remain as red rated.
Risk register	Mid Staffordshire		The short term sustainability of services and impact upon RWT. The resources required to support the delivery of the longer term plans. A business case has been submitted and approval awaited.	This risk is amber rated.
Clinical outcomes	None identified			

Provide Details of further actions for mitigation of above issues/risks:

See updated progress report

Additional Items:

Specific item/Issue	Action	Lead	Due Date	Status *
<p>The Committee will examine in more detail future potential significant changes for:</p> <ul style="list-style-type: none"> <li>- The feedback and issues raised by the TDA on Acquisition Business Case</li> <li>- Ongoing understanding of the hosting and network arrangements for R&amp;D</li> <li>- The detailed implementation of the pathology direct access workstream</li> </ul>	To receive future reports on the impact of each transaction.	Director of Planning and Contracting/ Chief Financial Officer/ Chief Operating Officer	<p>Acquisition Business Case feedback – August 2014</p> <p>Report on R&amp;D –August 2014.</p> <p>Report on the benefits of the new pathology centre – August 2014</p>	

**Status \***

Action not yet initiated	Action In Progress but not on target or target has expired	Action in progress and on target	Action Completed
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**2. Previous report progress update:**

Specific item/Issue	Action	Lead	Due Date	Status *
Cost Improvement Programme In Year	- CIP programme to be reviewed fortnightly to ensure delivery and any gap closed with identified schemes	Director of Planning & Contracting/Chief Operating Office /Chief Financial Officer	Update to each Trust Board and Finance and Performance Committee	
Integrated Transformation Fund – now 'Better Care' Fund	- To understand and work closely with Health Economy partners in mitigation of this financial and operational risk	Director of Planning & Contracting /Chief Operating Office /Chief Financial Officer	Update to Finance and Performance Committee - September 2014	

### 3. Chairman final summary/conclusion/recommendation

1. The Committee scrutinised the period 3 position. The key issues that were explored were:

- The activity shortfall resulting in an income loss in Division 1 is beginning to recover. However Consultant vacancies in some specialties continues to impact on activity levels, these include cardiothoracic and urology. A recovery plan with associated monthly activity plan has been requested.

- The income over performance in Division 2 particularly relating to emergency activity continues. The Division is experiencing financial pressures as a result of premium costs relating to medical locums required to respond to the increased activity. A negotiation with SSCCG is underway in connection with the ambulance diverts from MSFT.

- The impact of the CIP on the I&E plan was discussed given the phasing of the delivery of the plan throughout the year. There is a danger that I&E will stay in deficit if the CIP programme does not start to deliver cost savings as the programme was back loaded into the budget.

- Spend on medical locums running higher than this time last year. Queried vacancy levels, ie total vacancies compared to total number of consultants in the plan.

a) Cost Improvement Programme. The Committee examined performance in more detail and in particular the transformation schemes.

- The transformational schemes were discussed in detail. It was noted that Programmes A & B (relating to clinical and operational schemes) were progressing well and there was a good level of engagement across the Trust. There was slippage against the Programme C particularly relating to the Back Office review and this was being re-phased. A detailed paper on the Programme D , workforce proposals was to be discussed in more detail at the Trust Board. The Mutually Agreed Resignation Scheme (MARS) had been launched and a panel to review the applications has been established.

- The Chief Finance Officer confirmed that the wording of the risk relating to CIP had been revised following discussion at the last Committee meeting.

- A detailed paper was to be presented to the Trust Board outlining the workforce programme for further discussion

b) The Committee reviewed the month 3 operational performance report.

- The Committee noted the progress against the recovery plan in respect of the non-achievement of the diagnostic test compliance performance indicator.

- The Committee noted the achievement of the A&E performance. The increase in ambulances was discussed in some detail and specifically the impact of the recent boundary changes resulting from the pressures at MSFT.

- The delivery against cancer targets remained challenging. The Chief Operating Officer updated the Committee on the correspondence with other Acute Trusts regarding late referrals to RWT impacting on the Trusts ability to meet the cancer targets in some cases.

- The Committee noted the expected fines from commissioners relating to the performance of the Trust at month 3. It was particularly noted that there had been an increase against the RTT fines partly due to changes to the national fine criteria.
  - The Committee was informed that the Wolverhampton CCG had issued an over performance notice to the Trust which in part related to patients' first visit outpatient activity. The potential impact of this was discussed and the Committee was assured that the Trust was working through the detail of the notice with the CCG and responding as required.
- c) The Committee received a contracting report and noted the number of tenders and business development opportunities being considered and/or pursued. A restructure has taken place to identify specific resource to support the completion of tenders. A paper will be presented to the Trust Board for further discussion.
- d) The Committee requested a Board Development session to review community services in more detail and provide NEDs with a greater understanding of the strategic issues including finance, activity levels, profile of services and potential opportunities and risks (including competition risk).

**Chairman of Finance and Performance Committee**

**28th July 2014**