

Minutes of the Finance and Performance Committee

Date Wednesday 22nd April 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
Gwen Nuttall	Chief Operating Officer
Kevin Stringer	Chief Financial Officer

In Attendance:

<u>Name</u>	<u>Role</u>
Elaine Williams	Deputy Chief Financial Officer
Simon Evans	Head of Performance
Julie Shillingford	Head of HR Advisory

34/2015	Apologies for Absence Apologies were given by Maxine Espley, Angela Adimora and Jeremy Vanes.	
35/2015	Minutes of Meeting Held on 25th March 2015 The minutes were agreed.	
36/2015	<p><u>Matters Arising from the Minutes of the Finance and Performance Committee Meeting Held on 25TH March 2015</u></p> <p><u>Action 104.1 HR Information</u> – M Martin agreed that the HR Report would be discussed at item 8 on the agenda. Further discussion needs to take place to look to integrate the HR information into the existing reports.</p> <p><u>Action 126.5 Pathology Benefits Realisation Report</u> – M Martin had met and had discussions with Lewis Grant and a report will be provided in May. M Martin to liaise with M Goodwin re the capital section of the report prior to this.</p> <p><u>Action 140.3 Finance Reporting Pack</u> – M Martin will email comments to E Williams.</p> <p><u>15/2015 Locum/Agency Consultant Spend</u> – M Martin asked if a budget had been agreed for Locum/Agency Consultant spend. K Stringer stated that a budget was in place for bank nursing but that locum cover was an additional cost. E Williams confirmed that the Trust had non-recurrently funded some locum costs in specific specialities that had experienced recruitment difficulties. K Stringer has requested a medical manpower plan from the operational team before any funding is formally agreed</p>	<p>MM/AR</p> <p>GN/MM</p> <p>MM</p>

	<p>for the Emergency Department. G Nuttall to present a summary of the plan to the Finance & Performance Committee.</p> <p>15/2015 Divisional Accountability Agreement – S Evans confirmed that the DAA had been presented to Directors. M Martin agreed to liaise with J Vanes and A Sargent in regards to discussing the DAA at a board development session. S Evans stated that he would be in a position to update on the DAA process and governance, however, more in-depth discussions would be better placed post July (Q1).</p> <p>15/2015 Debtors – K Stringer provided a report which indicated that there had been some progress in decreasing private patient debt. The Finance Report shows a total of £296k at the end of March 2015 and that £122k debt has been raised in month. A total of 200 invoices are outstanding and action has been taken to reclaim the debt owing by providing dedicated resources. M Martin expressed concerns and felt that there was a need for the private patient team to look at processes in place. G Nuttall to liaise with K Stringer/E Williams and feedback to L Grant.</p> <p>6.1 Appraisals – The TMT reporting figure was showing as green but it was felt that the text did not accurately reflect the figure. J Shillingford to review before the Trust Board and report back to A Adimora.</p> <p>23/2015 P7 Trust Finance Report for Period 11 – Action completed.</p> <p>23/2015 P8 Trust Finance Report for Period 11 – Action completed.</p> <p>24/2015 Transformational CIP Report – G Nuttall to circulate the paper regarding transformational best practice to the Committee.</p> <p>25/2015 25.1 Integrated Quality and Performance Report – The Intensive Support Team visited the Trust to review systems around emergency flow pathways and check best practice in place regarding placements. No substantial issues were expected to be highlighted except for social services. G Nuttall to provide the Committee with a copy of the report.</p> <p>28/2015 Annual Income and Expenditure Plan – Action completed.</p> <p>32/2015 Easter Planning 2015 Joint Acute & Community Assurance Template – Action completed.</p>	<p>GN</p> <p>MM</p> <p>GN</p> <p>JS/AA</p> <p>GN</p> <p>GN</p>
37/2015	<p>Declaration of Interest No interests were declared at this meeting.</p>	
38/2015	<p>Quarterly LCRN Research Network Report E Williams presented the Quarterly LCRN Research Network Report. S Rawlings asked if fewer acronyms would be used in future reports. M Martin asked why the budget is overspent by 10% and why there hasn't been an increase in next year's budget to reflect this. E Williams stated that she would raise the concerns with K Middlemiss and ask for an update via email.</p>	<p>KM EW/KM</p>
39/2015	<p>Financial Performance</p>	
39.1	<p>Trust Finance Report for Period 12 K Stringer provided highlights from the above report. The Trusts Income and Expenditure position as at Month 12 is a surplus of £3,218k or £3,600k after technical adjustments.</p>	

	<p>M Martin requested an updated on the progress with the CCG in relation to fines and emergency threshold with Cannock/Stafford. K Stringer stated that a deal had been reached, the Trust gave £180k and received £680k, all other activity was paid. K Stringer detailed that he held an important principle that emergency activity was 100% funded.</p> <p>M Martin asked for an update on Cardiothoracic/Cardiology activity. G Nuttall stated that the department had been busy but activity was affected due to lack of bed spaces.</p> <p>M Martin requested an update on Gynaecology activity. G Nuttall reported that there had been an increase in the number of cancelled operations due to a number of medical outliers that were based on their ward. The ward, however, was currently being refurbished and would have additional capacity when complete.</p> <p>S Rawlings queried the sudden increase in elective and outpatient activity figures in March. E Williams stated that this had been noted, further checks are being carried out and that she would report back on the findings. G Nuttall felt that this may be due to the recording of activity on PAS.</p> <p>A discussion took place regarding capacity management overspend due to costs for stepdown beds. The CCG had disputed the costs due to higher than agreed rates, which was due to availability. E Williams and G Nuttall to discuss funding for this.</p> <p>A total of £9.9m CIP savings were achieved in month.</p> <p>M Martin noted that the Emergency Centre build costs were showing slightly lower than planned and asked if the programme was on track. G Nuttall confirmed that it was on track.</p> <p>Charitable Funds have been re-evaluated and reduced to focus on a handful of keys funds, with a commitment to providing some money towards capital next year.</p> <p>M Martin remarked that the year-end position was an excellent achievement given the national financial position and thanked those involved in delivering the position.</p>	<p>EW</p> <p>EW/GN</p>
<p>39.2</p>	<p><u>Transformational CIP Report</u> S Evans provided highlights from the above report.</p> <p>The Trust's CIP plan for 2014/15 totals £28.2m, with £23.2m schemes identified, giving a shortfall of £4.9m. A total of 41% of the CIP savings were delivered through the Transformation Programme. As at month 12 a sum of £1.9m has been identified for removal from budgets. This gives a total for the year of £3.9m, which equates to 42% of the plan.</p> <p>There has been good progress on a number of the clinical transformation programmes. The Transformation Programme Group Meeting agreed a system of change in 2015/16. A Clinical Transformation Steering Group will formed to have oversight of commissioning and partnerships. All procurement schemes will be formally monitored in 2015/16.</p> <p>M Martin requested an update on the secondment of staff to assist the Transformation Team. G Nuttall confirmed that discussions had taken place in relation to operational leads to take the work forward, however further discussions were still required in relation to secondment.</p>	

<p>40/2015 40.1</p>	<p>Performance <u>Integrated Quality and Performance Report (National & Contracting Standards)</u> G Nuttall provided an update on the above report.</p> <p>Cancelled operations were quite high in March (73), 63% of the cancellations in month were due to bed pressures.</p> <p>RTT figures were discussed, the Trust have less people waiting over 18 weeks for admittance compared to 2 years ago.</p> <p>The national programme reviewed the number of patients awaiting treatment (27,000) and identified a total of 400 patients who may require to be removed. From the 400 patients who were identified the Trust's data validation team had already identified that 393 patients were not on the correct pathway, which gave a total of 7 patients who had not been picked up through the processes in place. A report will be presented at the Divisional Managers Meeting this week to clearly show that there are no concerns regarding the validation of this data. The Trust was shown to be the second best in the Midlands with regards to RTT data validation. M Martin felt that the Data Validation Team should be congratulated. S Rawlings asked if this could be feedback to R Radcliffe in terms of marketing.</p> <p>The Emergency Department only managed to achieve the 95% target once during Q1 last year and are 73rd out of 143 Trusts. Emergency Department attendances have increased 6.7%, ambulance turnover times are the best in the Black Country/West Midlands in terms of handover times, despite showing as red. Emergency Department activity for April 2015 has increased by 4% in comparison to April 2014 (which in itself had been the busiest month ever for the Trust).</p> <p>The 2 week wait and breast symptomatic targets continue to struggle due to an ongoing increase in referrals. S Evans stated that the Trust had received the equivalent of 4 months of referrals over the last 3 months. The breast symptomatic department were operating at 30%, new equipment is now in place, bringing them back up to 90% compliant and a new member of staff is due to be in post in May. An action plan and recovery plan are in place. G Nuttall stated that there had been a number of difficulties in recruiting breast radiologists. The Trust continues to receive late referrals from other organisations, the Trust had formally escalated our concerns and the TDA are in discussions with Monitor regarding this.</p> <p>G Nuttall stated that there are still challenges due to social care issues which had resulted in the increase in delayed transfers of care.</p> <p>The discharge summary showed a slight deterioration in month and the Trust has failed to achieve the target in March (fine of £10,000). S Evans stated that assessment areas struggle to complete the current comprehensive discharge document. An alternative quick-disch form has been developed which should alleviate this problem. The form will be trialled in assessment areas and if successful rolled out across the Trust, following further clinical and GP engagement.</p>	
<p>40.2</p>	<p><u>HR Report</u> M Martin asked for this report to be integrated with other reports on performance. J Shillingford provided an update on the HR Workforce Indicator Report.</p> <p>The Trust headcount has increased to 7,972 members of staff. The most recent increase is mainly due to transfers from Cannock.</p>	

	<p>Staff turnover for March was 11.29%, which is just below Trust target and national benchmarks. J Shillingford felt that this was due to people retiring and new staff joining the Trust. M Martin asked if a benchmark comparison could be made against non-NHS and other NHS organisations and if this could be fed back at the next meeting.</p> <p>There has been a slight increase in sickness reporting figures. However, this year the Trust has experienced continued increase in high levels of activity and Norovirus.</p> <p>The Chat Back Survey is being launched today and high level feedback will be available in time for the CQC visit in June.</p>	AA
40.3	<p><u>Performance against Contractual Standards (Fines)</u> There have been no fines for RTT in Q4 and fine figures were in line with what was anticipated.</p> <p>K Stringer stated that we are not expecting fines to be refunded at this level next financial year and asked if contingencies were in place to mitigate these levels of fines and the increase from the new NHS contract.</p> <p>S Evans stated that there were a number of fines that were unavoidable such as ambulance handovers, however it is hoped that the new E-Disch process, use of recovery plans and purchasing of new cancer equipment would help to reduce fines.</p> <p>S Evans gave a brief update on NHS contract changes in relation to fines, a number of fines had increased, some caps had changed etc.</p>	
40.4	<p><u>Contracting Report</u> S Evans gave an update on the Contracting Report.</p> <p>The majority of the contact has been resolved and agreed with Wolverhampton CCG and other local CCGs as Collaborative Commissioners. Three items remained unresolved and were discussed at mediation on 16th April, BCF was resolved at mediation. Two areas remain unresolved and have been progressed into formal arbitration to seek resolution (7 day working and supernumary nursing £2m and Nursing workforce £2m). Arbitration will take place tomorrow, 23rd April.</p> <p>The Trust has received the Specialised Services Contract but it has not yet been agreed. There is a current issue between Specialist and CCG Commissioners in relation to where some activity lies. NHS England has put a proposal to the CCG and Specialised Services have asked Wolverhampton CCG to liaise with Collaborative Commissioners and agree today. The Trust is unable to sign the contract until this has been resolved.</p>	
41/2015 41.1	<p>Financial Planning <u>Procurement Strategy</u> M Martin met with N Simmonds to discuss the new Procurement Strategy. The first draft of the Strategy has been circulated for discussion.</p> <p>K Stringer has asked N Simmonds to produce a proposed KPI for each of the categories. M Martin asked if the Committee could have a copy of the Appendices with KPI's for discussion in May. N Simmonds will then produce quarterly procurement reports from July onwards.</p>	KS

42/2015	<p><u>Training & Development</u> <u>Budget Training Report</u> The training figures now include Cannock Chase Hospital Managers. Training continues to be on-going and positive feedback has been received. Charitable training is currently being delivered separately but will be merged in the new financial year.</p>	
43/2015	<p><u>Items For Information</u></p>	
43.1	<p><u>TDA Return for Period 12</u> The TDA return was noted.</p>	
43.2	<p><u>Annual Work Plan</u> The work plan was noted and amended to show that the next SLR Report would be due in July 2015.</p>	
43.3	<p><u>Finance Minutes</u> K Stringer provided some highlights from the minutes:</p> <ul style="list-style-type: none"> • Net surplus after technical changes £3.6m as previously estimated and notified to TDA and Board. These were subject to audit. • Cash £42m formally covered by external finance limit (EFL) after an agreed target charge. • Performance against CRL is 100k under. • Capital cost absorption rate at required 3.5%. Therefore all key statutory targets are achieved. • Continuity of Risk Rating (liquidity) is green, however Efficiency (CIP) still red, alongside the detrimental impact of the actual reduction in net surplus to Plan, continues to mean a red TDA rating overall for the Trust. • PSPP achieved only circa 93% at year end. • Impact of MSFT with Absorption (Part) Accounting, providing various significant figures which would need clear and comprehensive explanation in Accounts and in the narrative paper on the Accounts provided to both F&P and Audit Committee in the next month. • Meeting with PWC 22nd April 2015 to confirm entries for MSFT. • All balance sheet entries for both MSFT and Pendeford specifically led and agreed by the DH. • NHS Agreement of Balances finalised. • Provisions agreed internally, only outstanding issue was a TDA £1m letter to back up the provision for external audit. S Ness actively is discussion with TDA. KS mailed Neil Chapman also. 	
43.4	<p><u>Capital Report</u> The Capital Report was noted.</p>	
44/2015	<p><u>Any Other Business</u></p>	
44.1	<p><u>Reference Costing 2014/15</u> E Williams stated that there was a need to inform the Committee of the Department of Health's Reference Cost guidance, that the Trust is applying national standards and using the costing as we should. The Reference Costing report was noted and approval granted.</p>	
45/2015	<p><u>Date and Time of Next Meeting</u> Wednesday 27th May at 8.30am in the Conference Room, Hollybush House.</p>	