

ASSURANCE/ESCALATION Report of the Finance and Performance Committee

PREPARED BY	Chairman of the Finance and Performance Committee	
DATE PREPARED	3 rd September 2014	
SUBJECT	Chairman's Summary Report	
PURPOSE	To provide assurance to the Board in relation to all delegated responsibilities of the Finance and Performance Committee	
STRATEGIC OBJECTIVE		
OVERVIEW OF ASSURANCE THEMES/INDICATORS HIGHLIGHTED IN THE REPORT	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		The level of performance at Month 4 was £1.3million against a plan of £3.9million. 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 prepared and has been submitted. The Trust is waiting for a response from the Department of Health/TDA.	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"> - The feedback and issues raised by the TDA on Acquisition Business Case - Ongoing understanding of the hosting and network arrangements for R&D - The detailed implementation of the pathology direct access workstream 	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 – Sept 2014</p> <p>Report on R&D –Sept 2014.</p> <p>Report on the benefits of the new pathology centre – Sept 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
--------------------------	--	----------------------------------	------------------

2. Previous report progress update:

Specific item/Issue	Action	Lead	Due Date	Status *
Cost Improvement Programme In Year	- CIP programme to be reviewed monthly to ensure delivery and any gap closed with identified schemes	Director of Planning/Contracting	Update to Trust Board and next 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 next Finance and Performance Committee	

3. Chairman final summary/conclusion/recommendation

- a) The Committee reviewed a report on **hosting the Local Clinical Research Network (LCRN)** for the West Midlands. It was noted that some hosting costs had in agreement with the National Team been re-defined such that the £400k hosting budget was now felt to be adequate.

Regular updates have been requested to the Committee with the monthly budget report going to the WMLCRN Executive group.

- b) The Committee scrutinised the **financial position as at the end of July**. The following issues were reviewed:

- The Trust was broadly on plan being £70k adverse whilst showing a surplus of £0.5m.
- Income performance had continued to improve notably in Division 1 which had resulted in the net position improving by £0.6m. Unfortunately the Committee was made aware that in August Orthopaedics had been affected by the norovirus bug which would definitely impact on elective orthopaedic throughput.
- The Committee noted that the Trust was receiving a high number of queries/challenges from commissioners as to the Trust's activity. These were tying up significant manpower resources and was being escalated to Director level to manage and prioritise the issues with commissioners.
- It was noted that the report highlighted a number of comments of overspends on theatres and blood products. This was being investigated as a new computer system update had been made.
- It was noted that the Local Authority were still behind with their payments on contracts. This had been escalated and was closely being monitored.

- c) The Committee received a detailed report on the **transformational Cost Improvement Programme (CIP)** which identified a number of areas where they were not achieving original expectations. In particular:

- The Mutually Agreed Resignations Scheme (MARS) had not received the expected number of applications and therefore would not deliver the expected level of savings.
- The Trust Board had reviewed the scheme related to staff Terms and Conditions and given the lack of national support and other organisations being able to take forward similar proposals the Trust Board had agreed that the original assumptions would not be delivered.
- The Trust was now working through a forecast year end position and whether a recovery plan was now required.

- d) The Committee reviewed the **Performance element of the Integrated Quality and Performance Report** and discussed:

- That the 4hour A&E target had been achieved for July but just failed in August. July had proved

to be the busiest month the Trust has ever experienced and August attendances were significantly up on last year.

- The 31 day cancer target had failed due to Urology which was proving to be a challenged specialty due to recruitment difficulties. A network solution was being explored with other Trusts.

- Tertiary referrals from other Trust were continuing to prove problematic and would require escalation.

e) The Committee received a report on **performance against contractual standards** and noted that the dexa scan recovery plan had resulted in a potential fine of £88k being rescinded. Fines were however still being incurred for RTT targets and e-discharge.

f) The Chair of the Committee as the newly appointed NED for procurement had met with the procurement team and was satisfied there was a lot of constructive activity going on within the organisation to ensure the Trust was delivering against the new National Framework.

Chairman of Finance and Performance Committee

3rd September 2014