

Minutes of the Finance and Performance Committee

Date Wednesday 25th March 2015
Venue Boardroom, Clinical Skills Building
Time 2.00pm

Present:

<u>Name</u>	<u>Role</u>
Mary Martin	Non-Executive Director (Chair)
Sue Rawlings	Non-Executive Director
Maxine Espley	Director of Planning & Contracting
Gwen Nuttall	Chief Operating Officer
Kevin Stringer	Chief Financial Officer

In Attendance:

<u>Name</u>	<u>Role</u>
Elaine Williams	Deputy Chief Financial Officer
Daniela Locke	Head of Workforce

19/2015	<u>Apologies for Absence</u> Apologies were given by Jeremy Vanes, Angela Adimora and Simon Evans.	
20/2015	<u>Minutes of Meeting Held on 18th February 2015</u> The minutes were agreed.	
21/2015	<p><u>Matters Arising from the Minutes of the Finance and Performance Committee Meeting Held on 18th February 2015</u></p> <p><u>Action 104.1 HR Information</u> – M Martin had met with A Adimora to discuss the requirements of the HR reporting information for the Finance and Performance Committee Meeting. A Adimora and G Nuttall will work on integrating the HR information into the Integrated Quality and Performance Report over the next 2 weeks. M Martin stated that they may need to incorporate some of the information into the Finance Report.</p> <p><u>Action 126.5 Pathology Benefits Realisation Report</u> – The report has been deferred to April. K Stringer stated that M Goodwin is also assisting with the compilation of the report. M Martin agreed to contact M Goodwin to discuss requirements.</p> <p><u>Action 140.3 Finance Reporting Pack</u> – E Williams had not received any comments about the new report format. S Rawlings requested further information in terms of contribution. A discussion took place and it was felt that this information should be added as a supplementary part B pack that would be shared with the Finance & Performance Committee only.</p>	<p>AA/GN</p> <p>MM</p> <p>EW</p>

	<p>Action 156.2 Risk Register – Action completed, the CIP has been escalated on the board assurance framework.</p> <p>Action 15/2015 Contracting – Action point removed as discussed as part of the agenda.</p> <p>15/2015 Locum Consultant/Agency Spend – G Nuttall stated that she would be attending a management meeting to discuss the possibility of increasing the existing budget. The current budget does not cover the extended consultant cover and as a result costs have been incurred. G Nuttall reiterated that there is a need to agree the model of budget and to ensure controls are right and appropriate. It was agreed that there was not a need for a separate transformational project. M Martin asked G Nuttall to provide the Committee with an update once the budget has been agreed.</p> <p>15/2015 Divisional Accountability Agreement – A DAA is in place and has been signed. However, further discussion needs to take place to ensure a mechanism is in place to monitor delivery against it. A paper has been drawn up for further discussion at the Executive Directors Meeting. M Martin suggested a board development session take place regarding this once systems have been put into place. K Stringer, G Nuttall, M Espley to action.</p> <p>15/2015 Debtors – K Stringer stated that he still had concerns regarding private patient debt and would like more focus in this area. Action to be held so that K Stringer can provide positive reassurance at the next meeting with suggestions on the Trust we can decrease the debt.</p> <p>15/2015 Bright Ideas Campaign – M Espley presented a paper at the Executive Directors Meeting last week with a range of ideas from the Bright Ideas Campaign that would be incorporated into the CIP 2015/16 Plan. A second cohort of ideas from the campaign are being presented at a further Executive Directors Meeting for decision making. All suggestions have been responded to and it was decided that the web page would remain open in case of further suggestions.</p> <p>5.2 Lessons learnt Cancelled Ops – G Nuttall investigated the concerns and was pleased to report that nothing sinister had occurred for the procedure packs to be opened.</p> <p>6.1 Appraisals – K Stringer queried the TMT reporting figure (53%) and provided D Locke with a breakdown of appraisals, from the KITE system, indicating appraisals that had been completed. D Locke to feedback to HR.</p>	<p>GN</p> <p>KS/GN/ME</p> <p>KS</p> <p>DL</p>
22/2015	<p>Declaration of Interest No interests were declared at this meeting.</p>	
23/2015	<p>Financial Performance</p> <p><u>Trust Finance Report for Period 11</u> The Trusts Income and Expenditure position as at Month 11 is a surplus of £4,644k which is adverse by £758k to the Month 11 Revised Plan.</p> <p>Year-end agreements have been established with Wolverhampton, Walsall and Seisdon. However, there are significant outstanding payments for fines and threshold monies from Cannock and Stafford Surrounds. K Stringer stated that he has a telephone conversation booked with the CFO today to discuss a way forward. It should be noted that the CEO of Cannock and Stafford Surrounds had responded to a letter from the Trust’s CEO refuting payment of any of the fines/threshold monies. These figures had</p>	

	<p>been put into the revised year end forecast.</p> <p>K Stringer has provided the TDA Director of Finance with a written update on the Trusts position, which shows £0.5m improvement to a surplus of £3.6m. The TDA have noted this and actions in place but are reiterating that the Trust are still off plan.</p> <p>M Martin asked if the RWT/Cannock split figures were accurate. E Williams stated that a large piece of work took place each month to split the information and that whilst it was as accurate as possible it was difficult to have a completely accurate figure due to the movement of work across the sites. The figure would only be split until the end of the financial year. The Trust have provided the TSA with on plan figures.</p> <p>The Committee examined page 10, SLA and Income Actual vs Plan by Speciality. M Martin noted that Cardiothoracic figures had not improved. G Nuttall stated that an action plan is in place which is built on the fact that growth in activity has now stopped. There is a need to agree numbers for next year's contract with specialist services and to review the cost base as some items/devices that are used in treatment provide a difference in price.</p> <p>S Rawlings asked how the Trust was able to capture the difference the elective work at Cannock was making and the impact of this. G Nuttall stated that a forecast activity plan is in place and that it should be clearer from April onwards.</p> <p>The Committee examined page 28, Pay Reporting. Concerns were expressed regarding the agency/locum £6m YTD spend. G Nuttall stated that the future plan is to allocate a budget against this and recruit to plan, rather than using agency. E Williams was asked to ensure that the agency/locum cost on page 28 is consistent with table on page 29.</p> <p>S Rawlings asked about costs incurred under the finance director heading of £687k. K Stringer responded that this was all within budget and was for a number of departments but the largest spend was for the IT function. Some of the agency costs were to fill vacant posts and the aim was to recruit into those posts but in some cases it was a deliberate cost effective solution to use temporary staff. He explained that when rolling out software updates for example given the number of PCs/Laptops extra temporary resource was required. K Stringer would provide further detail outside of the meeting.</p>	<p>EW</p> <p>KS</p>
<p>24/2015</p>	<p><u>Transformational CIP Report</u></p> <p>M Espley outlined the content of the Transformational CIP Report. M Espley stated that there has been some difference from implementing the schemes, however, work is still required to validate CIP savings.</p> <p>The overall CIP target for this year was £15.3m with £12.905m brought forward from 2013/14, concerns remain around the carry forward figure.</p> <p>The position for February shows a withdrawal of CIP from annual budget of £11.665m. Actual CIP achieved in month was £3.326m. M Espley reported that throughout the year the Trust Board had decided to withdraw some higher value schemes from the plan, example terms and conditions, which has impacted on savings.</p> <p>S Evans is currently working on a year-end review of the Transformational Programme which will be discussed and presented to the Transformational Programme Group Meeting next month.</p>	

	<p>A total of £8m has been identified so far for transformational schemes for 2015/16.</p> <p>M Espley provided an update on staffing levels within the Transformation Team. The team consisted of 2 substantive staff, one of which is currently on maternity leave. A proposal has been submitted to fund this post via non-recurrent funding. Staff were recruited via fixed term contracts last year to complete specific areas of work, all but one of the members of staff have now completed their contract. This year it is hoped that internal staff via secondment opportunities can be recruited to the team, subject to funding agreement.</p> <p>G Nuttall agreed to circulate a document she had received regarding transformation best practice to the Committee.</p>	GN
<p>25/2015 25.1</p>	<p><u>Performance</u> <u>Integrated Quality and Performance Report (National & Contracting Standards)</u></p> <p>G Nuttall provided an update on the above report. The reduction of cancelled operations for bed reasons in Orthopaedics in February was related to the transfer to Cannock.</p> <p>The RTT figure for 18 weeks admitted is showing as red, this is an agreed breach position for February/March to reduce numbers of 18 week waits. This has been a significant area of success, given existing pressures. K Stringer stated that the TDA were pleased with the RTT results.</p> <p>Emergency Department issues and challenges have not changed. G Nuttall will be participating in a tel-conference today to discuss the Easter Plan.</p> <p>The Intensive Support Team (a national group of Emergency Care Support Team) have been invited to the Trust next Tuesday. The multi-disciplinary team will act as trouble shooters who review systems around emergency flow pathways and check best practice in place regarding placements. The 20 man team will review every person in the organisation, do a stock take and will report back to the Trust. F&P requested sight of the report once finalised.</p> <p>There has been a significant increase in the number of referrals for 2 week waiting and breast symptomatic. Additional equipment has been purchased to catch up with the number of referrals made and it is anticipated that figures will show as green in April. Concerns were expressed that a further campaign will take place in July/August, plans will be put in place to anticipate this.</p> <p>G Nuttall expressed concerns regarding the 62 day wait for first treatment figures. There are a number of tertiary referrals still being sent after day 42 of the pathway. Both the Trust and TDA have tried to escalate this.</p> <p>The Minor Injury Unit activity will count towards our overall Emergency Department performance, which improves our figures by half a percent.</p>	GN
<p>26/2015</p>	<p><u>Performance against Contractual Standards (Fines)</u> The Committee felt that the cost of fines was not as high as the previous month. Report noted.</p>	
<p>27/2015</p>	<p><u>Contracting Report</u> Negotiation Meetings continue with the CCG. A further meeting will take place next Tuesday where the Trust will have to exchange correspondence with Wolverhampton CCG to outline the areas not yet agreed. These will have to go into formal dispute and the Trust will inform the TDA. Following a meeting today M Espley has been approached to meet next week to discuss a way forward in relation to the 2</p>	

	<p>outstanding items to be agreed (ie the quality and BCF block). M Espley and another Director have agreed to attend the meeting. The two key areas of disagreement are the block value £4.68m which incorporates 7 day working, supernumary ward, nurses, CQQ nursing workforce and dementia services and better care fund (£1.9m).</p> <p>E Williams confirmed that the Trust have still not received anything from Specialised Services. However, work continues on the formation of a counter offer.</p>	
28/2015	<p><u>Annual Income and Expenditure Plan</u></p> <p>K Stringer outlined the Annual Income and Expenditure Plan that would be presented to the Trust Board on Monday. Setting the plan has been challenging due to some very material issues. In particular:</p> <ul style="list-style-type: none"> - CIP. The cumulative CIP with the bring forward and efficiency within the tariff was c£32.6m. This was thought to be undeliverable and therefore the plan proposed a target of £20m. - QUIPP. Commissioners were proposing to reduce contract income by c£11.4m and therefore the Trust had taken a view on deliverability of this and where it was not believed that the schemes would deliver anticipated income had been built into the I&E plan. There were however some areas such as Procedures of Limited Clinical Value, Musculoskeletal and dermatology services in the community which the Trust believed would reduce the activity. Here the plan had assumed a 50% cost saving of £2.3m in right sizing certain specialties. - Contract negotiations. These had proved to be protracted and difficult. The Trust was currently expecting to be in mediation and arbitration with CCG commissioners for the block element of the contract worth £4.7m (for dementia, 7 day working, supernumery nursing and CQC staffing levels) and the Better Care Fund for £1.9m. - Divisional performance against expenditure budgets. Excluding CIP the Divisions were likely to overspend their budgets by c£9.8m. This would need to be taken into account in the budget setting round. - Cost pressures, developments and business cases. Bids totalling c£20.6m had been received and would need a detailed and thorough review as to the risk that is being managed if they were refused. <p>Built into the I&E plan was an assumption that c£3m would be taken out of cost pressures/developments and work was underway to achieve this albeit there was risk attached.</p> <p>K Stringer took the committee through the reserves and key risks noting that the Trust would go further into deficit if the £4.7m of income built in from Wolverhampton CCG was lost.</p> <p>The proposed 2015/16 Income and Expenditure position as a result is a deficit of £2.4m.</p> <p>K Stringer will be informing the Trust Board that as this is potentially a deficit plan further work will be needed to deliver year on year break even targets and ensure financial sustainability.</p> <p>Committee members were asked if there were any further questions to send them to K Stringer prior to the Board.</p>	ALL
29/2015	<p><u>Service Line Reporting</u></p> <p>Division 1 and 2 contributions were examined and discussed. Report noted.</p>	

30/2015	<u>Procurement Strategy</u> The new Procurement Strategy is being written for 1 st April 2015. The Procurement Report has been deferred to April. Reports will be required on a quarterly basis from April onwards.	
31/2015	<u>Items For Information</u>	
31.1	<u>Capital Report</u> The capital report was noted.	
31.2	<u>Five Year Capital Programme 2015/16 to 2019/20</u> K Stringer outlined the contents of the Five Year Capital Programme. Discussion took place regarding programmes that had been pushed out, such as Linacs replacement, in order to facilitate other projects. K Stringer stated that he had asked M Goodwin to provide an estimate of what projects would be lost or deferred if the Trust was to reduce the budget by £3m. S Rawlings stated that there had been some discussion at the Charity Committee to provide Capital with some funding.	
31.3	<u>Finance Minutes</u> The minutes of this meeting were noted.	
31.4	<u>Annual Work Plan</u> The date of the Procurement Report was changed to April 2015 and quarterly thereafter. The annual work plan was noted.	
31.5	<u>TDA Return for Period 11</u> The TDA return was noted.	
32/2015	<u>Any Other Business</u>	
32.1	<u>Easter Planning 2015 Joint Acute & Community Assurance Template</u> The Committee recognised the Easter Planning template and noted it for the minutes. G Nuttall asked for comments to be fed back to her as soon as possible.	ALL
33/2015	<u>Date and Time of Next Meeting</u> Wednesday 22 nd April at 8.30am in the Conference Room, Hollybush House.	