

Minutes of the Finance and Performance Committee

Date Wednesday 23rd July 2014
Venue Conference Room, Hollybush House
Time 8.30am

Present:

<u>Name</u>	<u>Role</u>
Mary Martin	Non-Executive Director (Chair)
Rosi Edwards	Non-Executive Director
Jeremy Vanes	Non-Executive Director, Acting Chairman

In Attendance:

<u>Name</u>	<u>Role</u>
Kevin Stringer	Chief Financial Officer
Elaine Williams	Deputy Chief Financial Officer
Gwen Nuttall	Chief Operating Officer
Maxine Espley	Director of Planning & Contracting

100/2014	<u>Apologies for Absence</u> Apologies were received from Simon Evans.	
101/2014	<u>Minutes of Meeting Held on 25th June 2014</u> The attendance list will be updated to include Jeremy Vanes and apologies removed. The minutes were agreed.	
102/2014	<p><u>Matters Arising from the Minutes of the Finance and Performance Committee Meeting Held on 25th June 2014</u></p> <p><u>85/2014 Trust Finance Report – Period 1</u> E Williams and K Stringer agreed to make some changes to:</p> <ul style="list-style-type: none"> • Clarify the annual budget line; • Include a table to display income/activity regarding the maternity pathway; • Report CIP on a monthly basis as per the TDA returns. <p>Action to be completed for the meeting on 24th September.</p> <p><u>85/2014 Trust Finance Report – Period 1 (Risk Register)</u> Action completed.</p> <p><u>86.5 LCRN Finance Report</u> K Stringer stated that further work would need to take place regarding:</p>	EW

	<ul style="list-style-type: none"> • Actual Host costs incurred by the Trust compared to the plan; • Understanding the implication of re-costing work with other organisations; • A proposal to allocate the £1.3M growth monies • K Middlemiss has been asked to provide an update on LCRN at the next meeting (3rd September). C Richards to add to the agenda. <p>A list of issues raised by organisations has been relayed to the NIHR in relation to the contract. However, the contract is a national document created by the Department of Health and it is unlikely that any further changes will occur. Contracts will need to be signed for each organisation to gain funding. K Stringer suggested a follow up call/email to each of the remaining organisations still to sign the contract.</p> <p><u>94.1 Job Planning</u> The Trust will be piloting a job planning module in September which may assist with job planning.</p> <p><u>94.2 Pay Inflation Reserves</u> K Stringer had stated previously that it was possible for reserves held for pay inflation and contract negotiations, totalling approx £2.5M, to be used to contribute toward CIP savings. G Nuttall confirmed that she had discussed this with Heads of Division and it was agreed that some of the funding would be given toward CIP savings and the remaining would be used toward incentive schemes.</p> <p><u>95.1 Dexa Recovery Plan</u> G Nuttall agreed to circulate the Dexa Recovery Plan to the Committee.</p> <p><u>95.3 Trends</u> R Edwards previously asked if the services providing greater profitability remained constant or fluctuated. E Williams was asked to highlight any trends. E Williams submitted 2 reports; Service Line Reporting Contribution Spends and Maternity Pathway Payments to Month 3. Any questions regarding the reports should be directed to E Williams.</p> <p><u>95.4 Procurement Strategy</u> M Martin agreed to discuss the development of the Procurement Strategy report with K Stringer following the meeting. T Stanyard has been asked to re-submit the Procurement Strategy Report for the next meeting (3rd September).</p>	<p>KS/EW KM KM KM CR</p> <p>KM</p> <p>GN</p> <p>MM/KS/TS</p>
103/2014	<p><u>Declaration of Interest</u> No interests were declared at this meeting.</p>	
104/2014	<p><u>Financial Performance</u></p> <p>104.1 <u>Trust Finance Report for Period 3</u> The Trusts Income and Expenditure position as at Month 3 is a deficit of £1,141k, which is adverse by £89k to the month 3 plan.</p> <p>K Stringer stated that Division 1 are now starting to gain some income compared to plan. A</p>	

	<p>recovery plan on the activity is, however, still required. In addition a forecast in relation to under performance on the maternity pathway has been requested for the next Ops/Finance Meeting. Division 2 income is not sufficient to support costs.</p> <p>K Stringer expressed concerns that there is a danger of income and expenditure remaining in deficit due to non-delivery of CIP savings.</p> <p>The Trust have received an over performance notice from the CCG due in part to the levels of outpatient activity during month 1. E Williams stated that meetings had taken place to discuss this and that the source of referral was mostly due to GPs. This has been relayed to the CCG.</p> <p>M Martin asked if national media campaigns affected the cancer targets. G Nuttall confirmed that despite knowing when the campaigns were being launched impact was always higher than nationally predicted.</p> <p>A discussion took place regarding Community activity. E Williams explained that the contract has changed to a cost and volume model. J Vanes stated that he would ask H Davis to arrange a board development session in relation to community.</p> <p>M Martin asked if there was any analysis on the impact of recruiting overseas Nurses. G Nuttall stated that the information was not yet available as the Nurses were not fully in post.</p> <p>A discussion took place regarding agency, locum and bank spend. Concerns were expressed that this had increased in comparison to last year. G Nuttall stated that the cost had increased due to the increase in activity levels and increased vacancies. M Martin requested further information in relation to consultancy vacancies ie how many were employed, how many consultant vacancies there were and how much this had increased over the last 12 months. G Nuttall stated that the Trust had set up a bank for junior doctors to try to reduce costs and that advanced nursing practitioners were being trained, with a view to assisting with future cover arrangements for A&E.</p> <p>The Trust Cash balance is £4.8m above target, mainly due to paying organisations for their R&D contracts. However, this was partly offset by the delay in receiving payments from Wolverhampton City Council (£2.5m) because of the problems they are experiencing with their new systems.</p>	<p>JV</p> <p>GN</p>
<p>104.2</p>	<p><u>Transformational CIP Report</u></p> <p>M Espley outlined the contents of the report and stated that £2,811,790 of the transformation schemes were now showing as red.</p> <p>The Division 1 red risk rating of £1,517,476 relates to several schemes. M Espley stated that the Pathology Expansion was linked to an integration plan across Acute Trusts and is no longer continuing. This has not been removed from the programme, however, as the Trust continues to have discussions in relation to Pathology with a number of CCG's.</p> <p>The Workforce Terms and Conditions and Staffing Review schemes will be discussed during the private Trust Board session next week.</p>	

	<p>A discussion took place regarding the Back Office Review. A piece of work is being completed by the Transformation Team in relation to this project, however, it is felt that some of the savings will not be realised this year.</p> <p>M Espley will be meeting with G Nuttall next week to discuss the progress of the CIP schemes, focusing on the bigger projects. M Espley confirmed that a letter will be sent to KPMG regarding the CIP savings following the Trust Board Meeting next week. The Trust is currently showing an overall risk of £8 – 8.5million in relation to CIP.</p> <p>The MARS Scheme is being advertised and any issues in relation to support have been resolved.</p> <p>The pressure mattress pilot has been completed, however, it is extremely difficult to quantify savings and work is ongoing to agree a way forward.</p>	
104.3	<p><u>MSFT Update</u> K Stringer provided a verbal update on the progress against the plan for the dissolution of MSFT. Approval of the business case is still awaited. G Nuttall updated the Committee on the current service fragility at MSFT and the actions undertaken by RWT to support the Trust.</p>	
105/2014	<p><u>Performance</u></p> <p>105.1 <u>Performance Element of the Integrated Quality and Performance Report (National & Contracting Standards)</u></p> <p>G Nuttall outlined the key elements of the above report.</p> <p>Cancelled Operations Non-medical Reasons – Failed to reach the target in June, however achieved overall for the quarter. The reasons for the cancelled operations was due to Ophthalmology, Orthopaedics and Urology. It is important to note that there has been significant improvement in this area in comparison to last year’s data, despite an increase in activity.</p> <p>Dexa scan – Still forecast to achieve the target by the end of July and it is expected that the Trust will meet this target.</p> <p>Urgent Care – Has been extremely busy in July, averaging 342 attendances in A&E on a daily basis. The Trust anticipated an additional 7 ambulances a day following the recent change to ambulance boundaries, however this has increased to double figures. This has had a significant impact on A&E performance and bed flow.</p> <p>Cancer Waiting Times – The Trust recovered the 2 week wait breast symptomatic in June, July will be tight but is being reviewed. Failure to achieve the 31 day sub surgery target is due to Urology. Failure to achieve the 62 day wait for first treatment target is due to tertiary referrals. The Trust received 12 late referrals, 9 of which were from Dudley. G Nuttall confirmed that she had written to Dudley expressing her concerns regarding this.</p> <p>J Vanes stated that he planned to visit Dudley in the near future and would discuss this during his visit.</p>	JV

	J Vanes informed G Nuttall that he was pleased with the improved performance in appraisal rates.	
105.2	<p><u>Performance against Contractual Standards</u></p> <p>M Espley outlined the position of fines and drew attention to the year to date figures. Fines came to slightly less in June (103,000) but displayed a steady position throughout the 3 months for the majority. The figures for fines were higher than last year, however it is felt that this is due to the value of the fines increasing rather than performance being worse than last year. M Espley confirmed that the CCG have already approved some funding which will be reimbursed, costs will be recouped on a quarterly basis.</p>	
105.3	<p><u>Quarterly Contracting Report</u></p> <p>M Espley outlined the contents of the quarterly contracting report, which will form part of the private session Trust Board on Monday.</p> <p>A number of tenders and business development opportunities are being pursued.</p>	
105.4	<p><u>Procurement Strategy</u></p> <p>The Procurement Strategy has been deferred and will now be discussed at the next meeting on 3rd September. T Stanyard has been informed that the report will be required for the next meeting.</p> <p>M Martin stated that she would discuss the requirements of the report with K Stringer following the meeting. M Martin is now the NED lead for procurement.</p>	<p>TS</p> <p>KS/MM</p>
106/2014	<p><u>Items For Information</u></p>	
106.1	<p><u>Capital Report</u></p> <p>The paper was noted, no further questions.</p>	
106.2	<p><u>Overview of Finance Minutes</u></p> <p>The paper was noted, no further questions.</p>	
106.3	<p><u>Annual Work Plan</u></p> <p>The annual work plan was updated to reflect the fact that the Quarterly LCRN Research Network Report and Procurement Strategy will now be discussed at the next meeting on 3rd September.</p>	
106.4	<p><u>Trust Development Authority (TDA) Month 3 returns</u></p> <p>The paper was noted, the return has been submitted. K Stringer stated that the TDA are performance managing CIP as the Trust is red rated. K Stringer has informed the TDA that we are unlikely to meet our CIP savings.</p>	
107/2014	<p><u>Any Other Business</u></p> <p>There was no other business discussed.</p>	
108/2014	<p><u>Date and Time of Next Meeting</u></p> <p>Wednesday 3rd September at 3.00pm in the Conference Room, Hollybush House. Please note change of time to the meeting.</p>	