

## ASSURANCE/ESCALATION Report of the Finance and Performance Committee

<b>PREPARED BY</b>	Chairman of the Finance and Performance Committee	
<b>DATE PREPARED</b>	20 <sup>th</sup> February 2015	
<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		The level of performance at Month 10 was £7,486k representing 27% of the total. Of this only £3,353k was recurrent. Given the scale of challenge this remains high risk.	This risk to remain as red rated.
Risk register	Mid Staffordshire		The sustainability of services and impact upon RWT.	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 *
The Committee will examine in more detail: - The detailed implementation of the pathology direct access workstream	To receive future reports	Chief Operating Officer	Report on the benefits of the new pathology centre – march 2015	

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 monthly to ensure delivery and any gap closed with identified schemes	Chief Finance Officer & the 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/recommendations

- a) The Committee scrutinised the **financial position as at the end of January**. The following issues were reviewed:
- The financial position at Month 10 was an actual surplus of £2.9m which was £2.4m behind plan.
  - The income variance had deteriorated in month by £223k mainly due to Division 1. Whilst some of this was related to outlying patients in surgical beds cardiac/Cardiology/critical care had deteriorated by a further £560k to a cumulative £1.7m deficit
  - General Medicine was overperforming but the Trust was financial hit by the emergency marginal rate at 30%. Wolverhampton CCG had agreed to re-invest these monies back into the Trust but other local commissioners were yet to agree.
  - The cost position had continued to deteriorate driven by the cost of additional emergency capacity and in particular the costs of locum and agency medical staff. In addition there was some debate as to contents of the specialty/departmental action comments and that these should be clearer and enhanced.
  - Although the cardiac/cardiology activity was lower than plan the department had overspent by £0.5m and therefore the Committee would continue to scrutinise this in more detail.
  - The Committee also noted that the level of outstanding debt remained high particularly in the over 3 month category. Continued focus needed to be placed on all elements of debt in this category including trust to trust contracts/private patients and overseas patients.
  - The Trust had verbally reported to the TDA that the year-end financial target of £4.7m was now in jeopardy and that it had reduced to £2.6m. They had responded that the Trust had to:
    - 1) Ensure that CCGs were maximising their re-investment of emergency marginal rate/fines etc, into the Trust
    - 2) That the Trust had rigorous cost controls in place and recovery plans had been put in place
    - 3) Ensure that this had been through a governance process involving the F&P Committee and the Trust Board.If all these conditions were satisfied the Chief Executive needed to write to the TDA regional Director.
- b) The Committee received an update on the **Transformational CIP programme**:
- The Trust's CIP plan was for £28.2m for 14/15 and whilst there was a £5m gap at the beginning of the year many schemes now were unlikely to deliver such that the carry forward was likely to be of the order of £17m
  - Transformation schemes were continuing to deliver however the savings resulting from this activity would be largely realised in 2016/17
  - The Bright ideas campaign has been launched and a good response from across the Trust had been received
- c) The Committee reviewed the **Performance element of the Integrated Quality and Performance Report** and discussed:
- The fact that 99 operations had been cancelled during January, 82.7% of these were due to bed pressures
  - RTT was not achieved in January which was in line with the nationally agreed position
  - The cancer 2 week wait target had been failed in January but this position was expected to recover in February.

- d) The Committee received a presentation outlining the income and expenditure plans for 16/17 including identified cost pressures, CIP plans and the current income assumptions. It was noted that national proposals for the 2016/17 tariff payments had still not been agreed and no contract offer had been received from Specialised Services.
- e) The Committee received an update on the fines against the Trust which were now totalling £1.3m year to date.
- f) Items received for information included:
  - CQUINN report
  - Contracting report
  - Capital report at Month 8
  - Actions/minutes of the Finance Group
  - The Annual Workplan
  - The TDA Returns for Month 10

**Chairman of Finance and Performance Committee**

**20<sup>th</sup> February 2014**