

ASSURANCE/ESCALATION Report of the Finance and Performance Committee

PREPARED BY	Chairman of the Finance and Performance Committee	
DATE PREPARED	17 th December 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 8 was £5.3million against a plan of £13.5million. Of this only £2.8m was recurrent. 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. Additionally agreements were yet to be reached with UHNM on the SLAs. A business case has been approved by Finance and Performance under delegated authority from the Board but now requires TDA approval.	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:</p> <ul style="list-style-type: none"> - The detailed implementation of the pathology direct access workstream - The interaction with Staffordshire CCGs on service and financial issues 	To receive future reports	<p>Chief Operating Officer</p> <p>Chief Financial Officer/Director of Planning and Contracts</p>	<p>Report on the benefits of the new pathology centre – Jan 2015</p> <p>Report on key issues – Jan 2015</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
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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	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 **updated acquisition business case (ABC)** for the acquisition of services from MSFT for submission to the TDA was received and reviewed.

The case was for capital costs of £32.9m which was intended to be funded by £18.9m PDC and £14.0m of internally generated resources (depreciation). This is a reduction of circa £4m on the original case and requires 5 years to finance it as against 3 years in the original ABC.

The revenue costs being bid for were £25m for deficit funding and contingency costs. In addition non-recurring revenue of £3.3m for the modular ward block was included. In line with the funding promise from NHS England and confirmation from the TDA the Trust also included 2 years of further deficit funding of £5.9m per year from 17/18.

The Committee approved the case under delegated authority.

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

- The financial position at Month 8 was an actual surplus of £1.9m which was £1.7m behind plan. This was the first month that included the activity and cost for Cannock and the related services and therefore there was some caution taken in reviewing the underlying details especially the split between Cannock and the rest of the Trust.

- Negotiations had commenced with Wolverhampton on the letter to potentially withdraw funding.

- The Trust had received correspondence from Stafford and Cannock CCGs that they wished to decommission capacity which the Trust was in the course of responding to. It was agreed that this would be referenced as a risk and updated in the risk table in the Trust Finance Report.

- c) The Committee received an oral update on **the activity pressures within the New Cross site**. In particular:

- Activity year on year was 8% greater for A&E attendances, 11% more for ambulance conveyances and 3% more for admissions from A&E.

- That week had seen significant pressures on the hospital in particular the Monday and Tuesday of that week due to volumes of patients requiring beds, the acuity of those patients and some evidence now that the Trust was experiencing real difficulties in discharging patients.

- It was also noted that the majority of hospitals in the West Midlands were either on escalation level 3 or 4 (level 4 being the highest).

- The Trust had a winter pressure plan but it was noted that this would be under strain if the current demand continued

- d) 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 £13m - £15m

- In an order to identify further ideas 2 workshops had been held with a wide spectrum of attendance. Ideas had been generated and these were now being reviewed for potential savings

- In addition a bright ideas campaign was about to be launched with suitable incentives

- e) The Committee reviewed the **Performance element of the Integrated Quality and Performance Report** and discussed:
- The fact that 70 operations had been cancelled during November predominantly due to bed availability
 - RTT was not achieved in November which was in line with the nationally agreed position
 - Although cancer reporting for 62 day wait was showing red upon validation this position may change
 - The Committee noted that there had been a significant increase in the cost of temporary agency staff
- f) The Committee received an update on the fines against the Trust which were now totalling £1.2m year to date although this included RTT fines for October and November which could be excluded.
- g) Items received for information included:
- Capital report at Month 8
 - Actions/minutes of the Finance Group
 - The Annual Workplan
 - The TDA Returns for Month 8
- h) Under any other business the Committee reviewed the Terms of reference which would be presented to the Trust Board in January for approval.

Chairman of Finance and Performance Committee

17th December 2014