The Royal Wolverhampton
NHS Trust

Finance and Performance Committee
Minutes 20 December 2017

Agenda Item No: 12.8

The Royal Wolverhampton NHS Trust

Minutes of the Finance and Performance Committee

Date Wednesday 20th December 2017
Venue Conference Room, Hollybush House, The Royal Wolverhampton NHS Trust (RWT)
Time 8.30am

Present:	**Name**	**Role**
	Mary Martin	Non-Executive Director (Chair)
	Sue Rawlings	Non-Executive Director
	Junior Hemans	Non-Executive Director
	Jeremy Vanes	Chairman (part)
	Kevin Stringer	Chief Finance Officer
	Mike Sharon	Director of Strategic Planning & Performance
	Alan Duffell	Director of Workforce
	Gwen Nuttall	Chief Operating Officer (part)
	Jacqueline Small	Non-Executive Director

In Attendance:	**Name**	**Role**
	Helen Troalen	Deputy Chief Finance Officer
	Simon Evans	Deputy Director of Strategic Planning & Performance
	Claire Richards	PA to Director of Strategic Planning & Performance (Note Taker)

137/2017	**Apologies for Absence** There were no apologies received. Jacqueline Small, Non-Executive Director, was welcomed to the meeting.	
138/2017	**Minutes of Meeting Held on 22nd November 2017** The minutes were agreed to be a true record.	
139/2017	**Action Points From Previous Meeting**	
139.1	(Ambulatory Care and Frailty Business Case) – Added as an agenda item. See item 143.5. **Action closed.**	
139.2	Cancer – G Nuttall stated that she had been informed by the department that they were in the top quartile nationally, but was waiting for a copy of the report. G Nuttall felt that the reduced reporting figure had been due to how information was recorded on PAS and stated that this highlighted a training issue. **Action closed**.	
139.3	BAF SR4 - K Stringer agreed to increase the risk rating. M Martin asked that the wording be updated in Control 5 to also include external assurance reports. K Stringer to update the action in the BAF in January.	**KS**
139.4	BAF SR10 - M Martin questioned Control 5 which shows Level 3 assurance. M Martin suggested that an internal audit take place. The Committee agreed with the suggestion. K Stringer to update the action in the BAF in January.	**KS**
139.5	Financial Reporting Timescales – K Stringer reiterated that the proposed Finance & Performance Committee dates were fine for the Finance Department and that he would	**KS/HT**

	discuss the revision of internal deadlines to see if it could be shortened with H Troalen.	
140/2017	**Declaration of Interest** None declared.	
141/2017	**Governance** BAF Update – A BAF Report is not submitted in December. Verbal updates are as follows: 141.1 SR1 – A Duffell informed the Committee that he had updated the strategic risk. 141.2 SR11 – M Martin asked for an update regarding the maintenance programme back log. K Stringer stated that W Nabih had commissioned consultants to make an assessment of the Estate and to report back on findings. The back log of the maintenance programme will then be re-examined and be presented to the Finance & Performance Committee in February 2018 as per the scheduled work plan.	
142/2017	**Financial Performance for Period 8** 142.1 Trust Financial Report K Stringer provided an overview of the Finance Report. 142.1.1 Income and Expenditure (I&E) position as at month 8 (against the internal and NHSI plan) is as follows:	

	Target (£'000)	Unachieved STF	Restated Target	Performance	Variance (£000)
Performance Against NHSI Month 8	4,372	594	3,778	3,061	(717)
I&E Target Performance Month 8	10,753	594	10,159	3,061	(7,098)

142.1.2 The main issues are:

1) Income is behind plan by £1.1m. Patient income remains behind plan by £1.9m, education income is over plan by £0.3m and other patient care income is over by 0.2m.
2) Expenditure is £5.8m over plan. This is predominately due to overspends on pay (£2.4m), drugs (£0.3m), CIP shortfall (£2.8m) and non-pay (£0.8m), partly offset by unutilised reserves (£0.5m).
3) The Trust has also not delivered the full STF payment for month 7 and 8 due to A&E performance against the 4 hours agreed phasing. However, this does reduce the NHSI target so the overall adverse variance to plan is £1.3m.

142.1.3 Financial Risks: remain the same and are being actively managed:

- MSFT transitional income (£6m).
- Challenging CIP target (Range).
- STF income risk (£3.5m-£6.5m).
- 16/17 year end invoice in dispute with host commissioner (£4.8m).
- 0.5% of CQUIN income at risk due to new NHSI/E guidance (£1.4m).

142.1.4 CIP: In month 8 there has been under recovery of £1.1m and the year to date position is £2.8m below plan. Recurrent CIP delivery continues to be a challenge and the profile of the plan means the month on month requirement significantly increases in Q3 and Q4.

142.1.5 Cash: The Trust had a cash balance of £12.2m as at 30th November 2017 which is £15.3m below the plan. However, despite being below plan, weekly cash monitoring is in place and it is not anticipated that distress financing will be required this financial year.

142.1.6	M Martin drew attention to income and expenditure on page 15 (bottom line, adjusted financial performance) of the report stating that it was encouraging to see improvement, which shows that the Trust is £10m ahead of last year.	
142.1.7	M Martin drew attention to the Summary Expenditure charts on page 6, showing a pay overspend in month against plan and the Further Analysis Pay charts on page 10 of the report and asked for a an explanation as to why the chart was under budget for the number of agency people employed. K Stringer responded, stating that temporary staff are not budgeted for as the post is already fully funded for the establishment and that one chart provides actual v actual and the other provides budget v actual figures.	
142.1.8	S Rawlings requested an update regarding the MGS Practice highlighted on page 8 of the Supplementary Report. K Stringer stated that a discussion had taken place at Audit Committee and that Internal Auditors were completing an investigation which was due to conclude at the end of January 2018.	
142.1.9	S Rawlings queried why the Cardiothoracic non-elective cases had under performed in month, page 17 of the Supplementary Report. S Evans stated that he would assume it was because demand wasn't there. However, the available surgical capacity could then be reallocated for elective activity.	
142.1.10	A discussion took place regarding Trust wide income on page 4 of the Supplementary Report. M Martin asked if assurance could be provided for the numbers that were showing the biggest variation ie Re-admissions Return, Data Reconciliation and Commissioner Queries and the Return of NEL Threshold.	
142.1.11	K Stringer stated that the Re-admissions return figure is generated from being fined, in accordance with the contract, for potentially releasing patients too early and then having to return to the Trust. One of the actions on the forecast outturn is for M Sharon and K Stringer to negotiate the return of the fines/readmissions/MRET monies from the Commissioners.	
142.1.12	In response to a query from M Martin, H Troalen stated that she would add the narrative that was removed, back into future reports to clarify the issue of data queries. H Troalen re-assured M Martin that measures were in place to reduce the impact on the data queries on the Trust. A team of 5 staff are in place to assist with patient income and the Finance team produce packs for Contract Review Meetings to try to mitigate challenge. H Troalen also stated that the £1.6m cost was against £4m of challenges.	**HT**
142.1.13	M Martin drew attention to page 6 of the Supplementary Report to discuss the allocation of CIP. G Nuttall stated that CIP had been allocated to Directorates and that Division 2 held CIP at the management line, whilst Division 1 disseminated the CIP savings further to Directorates. M Martin queried where the large CIP gap was held. G Nuttall stated that the large gap of CIP (£6m) was held at Corporate level.	
142.1.14	M Martin drew attention to page 13 of the Supplementary Report and asked for an update on Debt. H Troalen assured M Martin that work was progressing within the debtor team and that there had been some good work in recovering overseas debt. H Troalen, however, expressed concern that the main increasing and predominant debt was from 3 NHS organisations. H Troalen agreed to circulate information regarding this in the new year. K Stringer stated that he continues to chase payment for the debt from Walsall Manor Hospital whom continue to have serious cash flow issues.	**HT**

	The report was noted.	
142.1.15	K Stringer tabled the pack of slides that had been used to discuss the Trust's forecast year end with the Regional Director of Finance the previous week and highlighted areas that were discussed i.e. elements of variances, summary of CIP programme, information regarding Deloittes etc. K Stringer discussed the best and worst case scenarios (deficit compared to the control total of +£1.7m of £11m – £30m) of the 12 month forecast and also discussed cost and income assumptions. The NHSI stated that they had risk assessed the Trust already and was expecting the position to be £6m adverse variance and expected the Trust to deliver that. K Stringer informed the Committee that he was due to discuss this with the Executive Directors at today's Executive Directors Meeting but felt that the additional £2.0m winter funding provision would assist the delivery of NHSI's expectations.	
142.2	<u>Supplementary Finance Report</u> The supplementary report was read in conjunction with the Finance Report (see above). The report was noted.	
142.3	<u>Financial Recovery Board (FRB) Report</u> M Sharon presented the above report.	
142.3.1	The 2017/18 CIP Target is £26.9m. This is broken down into a £20m recurrent CIP Target and £6.9m non-recurrent CIP Target. At month 8, the Trust is forecasting to deliver £15.972m. Of which, the Trusts recurrent YTD delivery is £3.893m with forecast outturn of £7.079m and the Trusts non-recurrent YTD delivery is £7.046m with forecast outturn of £8.893m. As of M8, the Trust has delivered £10.939m (87%) YTD against a YTD plan of £12.582m.	
142.3.2	In addition to reporting on CIP performance, the Trust is monitoring agency spend against the Agency Cap on an individual basis, and against the Agency Ceiling overall. Since month 2, NHSI have increased the Trust's agency cap by £719k to include GP Locums. The agency cap has increased from £10,215k to £10,934k. In month, the Trust spend on agency was £0.769m taking the cumulative spend to £7.670m. The Trust is currently predicting that the year-end agency spend would be inside the revised cap.	
142.3.3	FRB is scheduled to receive a further 8 PIDs in 2017/18.	
142.3.4	M Sharon informed the Committee that the Trust had reached an agreement with Deloittes to assist with Safehands scoping and that this is due to start early January 2018. The project will be led by the national team. NHSI have also given approval for Deloittes to assist with the Outpatients review.	
142.3.5	M Sharon stated that the FRB are developing a broad outline CIP Plan for 2018 – 19. The Trust will need to deliver circa £30m of savings to break even. Following discussions at FRB it was felt that this target was not achievable, a circa 2% target has been set. This was to be modelled and shared in January for further discussion.	
142.3.6	M Martin asked for an update regarding the existing Deloittes contract as it was due to expire at the end of March 2018. M Sharon stated that the Deloittes contract for outpatient work is due to expire October 2018 and that he was looking to extend the current Deloittes contract for running the PMO to end at the same time. M Martin asked if the Trust was building capability amongst its own staff. M Sharon stated that this was the case but that it was unclear whether the current provision would be sufficient long term. The report was noted.	

142.4	Temporary Staffing Expenditure Dashboard J Vanes stated that he was impressed with the positive actions in this area.	
142.4.1	G Nuttall provided an update regarding the Medical Physics Workforce and stated that whilst there are still difficult to recruit areas there have been positive results within the last 12 months.	
142.4.2	G Nuttall stated that the introduction of apprentice posts was also assisting with the development of existing staff. The report was noted.	
143/2017	**Performance**	
143.1	Performance Element of the IQP Report (National & Contractual Standards) G Nuttall provided an update on the report.	
143.1.1	Patient Experience – All targets were met. A total of 33 operations were cancelled during November, compared with 28 for the same period last year. G Nuttall stated that a number of operations were cancelled by the Trust and patients due to recent weather conditions but felt that this would not negatively impact next month's reporting.	
143.1.2	Waiting Times RTT – RTT Incomplete performance saw further improvement during November and is reported at 91.23% (above the recovery trajectory of 91.2% for the end of the month). The Trust continues to focus on reducing the backlog where possible and work closely with Directorates. Diagnostics saw deterioration during November and dropped below target, with an increase in referrals being seen for Cardiac diagnostic tests. However, additional sessions have been utilised during November and December to try to accommodate the increase and in turn reduce the backlog. G Nuttall stated that the 18 week target is making slow progress and looks to recover by the end of March 2018. The target is being monitored weekly. G Nuttall expressed concerns regarding the deterioration in the Diagnostics performance and informed the Committee that this was not predicted. G Nuttall predicted that this target would be on track next month. S Rawlings asked how many patients this had impacted. G Nuttall stated that there were 60 breaches, compared to 50, which was the difference of 10 patients.	
143.1.3	Urgent Care – G Nuttall stated that there had been a significant deterioration in November and December. There had been a definite increase in the number of ambulance conveyances, which had risen from an average of 130 a day to 150 a day. The increase of conveyances, along with increased length of stay and acuity are impacting on performance levels.	
143.1.3.1	Data shows that there had been an increase in the number of patients admitted due to cardiac arrest, stroke and respiratory illnesses following the current extreme weather conditions. The Trust admitted 20 people due to cardiac arrest within 4 days and both the Stroke Unit and Respiratory Wards are full. G Nuttall had asked the Ambulance Service to review their information to determine as to whether there had been a subtle change in the borders for the Trust.	
143.1.3.2	G Nuttall informed the Committee that the Trust declared an internal level 4 alert on Friday (15th December 2017) as there were 20 patients waiting in the Emergency Department for a bed and there were none available. A meeting took place on Friday morning following the escalation plan. Dr Odum, C Etches and G Nuttall met with all clinical leads in the Emergency Department to review capacity. A total of 91 beds were cleared by the end of the day, however,	

	there were further challenges within the Emergency Department overnight. G Nuttall expressed concerns that bed occupancy is still high prior to the Christmas period and that acuity was becoming more complex.	
143.1.4	Ambulance Conveyances – The fine for Ambulances during November was £28,800. This is based on 99 patients between 30-60 minutes @ £200 per patient and 9 patients >60 minutes @ £1k per patient. There was one patient who breached the 12 hour decision to admit target during November 2017. This was a child waiting for a Paediatric Intensive Care Unit (PICU) bed. The only bed available nationally was in Newcastle and the family did not want to go. The child was transferred to the Trusts Adult ITU for safety and then transferred to Birmingham Children's Hospital once a bed became available. G Nuttall stated that there was a further 12 hour breach with a mental health patient this week and that there had been significant increases in orthopaedic traumas this week due to the weather conditions.	
143.1.5	Cancer – 31 Day Sub Surgery had 4 patient breaches in month, all due to capacity issues. 62 Day Traditional target had 31 patient breaches in month and 62 Day Screening had 5 patient breaches in month. There are currently 15 patients at 104+ days on the cancer waiting list (compared with 15 reported in October), all of these patients have had a harm review and no harm has been identified.	
143.1.5.1	G Nuttall informed the Committee that she has been liaising with NHSI and NHSE regarding the 62 day wait target and has accepted all assistance offered. Tertiary referrals are slowly improving but not at the right level. The cancer action plan has been reviewed with S Grummet and is being refreshed to be clinically lead. G Nuttall will bring a report on Cancer to Finance & Committee Meeting in January 2018. The Cancer action plan will need to be formally reported at Finance & Performance Committee or Trust Board.	**GN**
143.1.5.2	S Rawlings asked if the 15 patients at 104+ days on the cancer waiting list were all for one department or widespread. G Nuttall stated that they were widespread, head and neck patients tend to be due to complex pathways, urology is showing improvement but that there are late tertiary referrals and that colorectal delays are due to capacity.	
143.1.5.3	M Martin asked if there were delays due to patients requesting robotic surgery. G Nuttall stated that there were some but that this was due to patient choice. G Nuttall confirmed that the robot is currently in use Monday to Friday. J Vanes asked how long it would be before the robot would need to be upgraded. G Nuttall stated that an upgrade would be required in the next 2 – 3 years. M Martin asked if Charities would be able to assist with the purchase. S Rawlings stated that as the robot would cost approx. £1m it may be that the Trust would need to embark on some form of appeal.	
143.1.6	Sickness – A Duffell informed the Committee that sickness figures are significantly better than last year. However, he expressed concerns regarding the slight increase in sickness absence, which is concerning as the flu campaign is showing a 50% success rate against 60% last year and the winter period is now upon us. The Committee noted the report.	
143.2	Performance against Contractual Standards (Fines) S Evans stated that the Trust received additional fines for ambulances and diagnostics this month. However, the number of fines had reduced in comparison to previous years, showing a £100k saving. The Committee noted the report.	

143.3 143.3.1 143.3.2	<u>STP Update</u> M Sharon provided an update on STP progress and plans**.** <u>Staffordshire STP</u> – Senior leaders have been replaced by a new team, which presents a risk as replacement leaders are less well known to the Trust. Staffordshire STP are also under increasing pressure to get closer to their control total. M Sharon expressed concerns regarding the vulnerability of Cannock MIU at this time. <u>Black Country STP</u> – M Sharon stated that there has been a further quarterly review but that the Trust has not yet been officially notified of the outcome. There are competing views on how to develop an Accountable Care System. However, work with Black Country Pathology Services (BCPS) and Stroke Services with Walsall are progressing as smoothly as possible. Further questions are still being raised by Trust Boards regarding commercial arrangements for BCPS, which will be addressed by another version of the full business case being submitted to Trust Boards in January 2018. In the meantime work continues to progress regarding IT procurement, TUPE discussions and requests for detailed staffing breakdowns and nominal roles from each of the Trusts.	
143.4	<u>Contracting Round Update</u> M Sharon stated that discussions continue to take place with Wolverhampton CCG at Officer and Executive levels. M Sharon informed the Committee that The City of Wolverhampton Council (CoWC) are putting their Public Health contracts out to consultation, with a value of £8m. It is unclear how much this will impact on the Trust at this time. However, CoWC have removed the Healthy Lifestyles team. M Sharon felt that CoWC would likely demand a 10% reduction on the sexual health contract. M Sharon stated that the impact would be clearer in the new year. The Committee noted the update.	
143.5	<u>Ambulatory Care and Frailty Business Case</u> M Sharon stated that the Ambulatory Care and Frailty Business Case is still work in progress and will be submitted to Finance & Performance Committee next month for consideration. Work continues to take place to identify costs that need to be charged in order for the Trust to cover the cost of the Service. G Nuttall stated that once the changes have taken place a general ward may be able to be closed in April 2019. M Martin asked if the business case had been presented to Wolverhampton CCG. M Sharon stated that this could not be done until the internal processes had signed it off. K Stringer stated that the business case may need to include some winter pressure funding to avoid an accusation of double counting.	**MS**
144/2017 144.1	**<u>Reports to Note for Period 8</u>** <u>Financial Monitoring NHSi Return</u> The return was noted.	
144.2	<u>Financial Monitoring NHSi Return Commentary Template</u> The commentary template was noted.	
144.3	<u>Annual Work Plan</u> The work plan was noted.	

144.4	Finance Minutes The minutes were noted.	
144.5	Capital Programme Update K Stringer informed the Committee that Capital Review Group (CRG) approved a large number of business cases yesterday (19th December 2017) in order to deliver the CRL. The report was noted.	
145/2017 145.1 145.2	**Any Other Business** Stroke Business Case – M Martin requested an update regarding the Stroke Business Case that had been approved at Trust Board, subject to receiving the capital. M Sharon stated that funding had not been received and that the project was currently being funded by the Capital Programme at present (recharged to other Trusts). Thank You – Mary Martin thanked the Finance and Performance Departments on behalf of the Committee for the work completed this year. The meeting ended at 10.54.	
146/2017	**Date and Time of Next Meeting** The next Finance & Performance meeting will take place on Wednesday 24th January 2018 at 8:30am, Conference Room, Hollybush House. Reports will be required by 12 midday on Friday 19th December 2018.	