

TRUST BOARD
30th November 2017

AGENDA ITEM NUMBER	16.3	
TITLE OF PAPER	Financial Management Committee Minutes	
Confidential		
Suitable for public access	√	
PLEASE DETAIL BELOW THE OTHER SUB-COMMITTEE(S), MEETINGS THIS PAPER HAS BEEN VIEWED		
These minutes were reviewed and approved at the Financial Management Committee meeting held on 23 rd November 2017.		
STRATEGIC OBJECTIVE(S):		
Best outcomes	√	
Excellent experience	√	
Skilled & motivated teams	√	
Top productivity	√	
EXECUTIVE SUMMARY	<p>The minutes of the Financial Management Committee meeting held on 19th October 2017 are attached for noting. The key points are: -</p> <ul style="list-style-type: none"> • reviewed operational performance, in particular the A&E performance and the size of the waiting list for RTT and their impact on ongoing finances; • reviewed month 6 finances which were noted as being on plan and delivering the Q2 STF income; • the key risk is the Trust's ability to deliver its full year NHSI control total. and • reviewed and recommended Trust Board approval of the Stroke Business Case 	
RECOMMENDATION	Receive and note the paper	
SPECIFIC ISSUES CHECKLIST:		
Quality and safety		
Patient impact		
Employee		
Other stakeholder	The impact on stakeholders through the Trust achieving its required financial targets, hence enabling the appropriate investment into services and infrastructure.	
Equality & diversity		
Finance		
Legal		
Link to relevant Board Assurance Framework Principle Risk	Financial risks 4.	

AUTHOR NAME/ROLE	Paul Doyle, Deputy Director of Finance Please approach for any further information required.
PRESENTED BY DIRECTOR NAME/ROLE	Meyrick Vevers, Non-Executive Director and Committee Chair
DATE	23 rd November 2017
TRUST BOARD ACTION	Receive

TRUST BOARD
23rd November 2017

FINANCIAL MANAGEMENT COMMITTEE MEETING
MINUTES
19th October 2017

PRESENT:	Meyrick Vevers Neil Hayward Simon Marshall James Thomas	Non-Executive Director (Chair) Non-Executive Director Director of Finance and Information Director of Operations – Planned Care
IN ATTENDANCE	David Fluck Paul Doyle Colleen Sherlock Christine Armitage Vanessa Harding	Medical Director Deputy Director of Finance Head of Workforce Planning and Intelligence Acting Associate Director of Acute Medical and Emergency Services (agenda item 7) Stroke Transformation and Vascular Services Review Programme Manager (agenda item 7)
SECRETARY:	Des Irving-Brown	Assistant Director, Financial Management
APOLOGIES:	Suzanne Rankin Tom Smerdon	Chief Executive Director of Operations – Unplanned Care

Actions

1. Introductions and Apologies for Absence

Meyrick Vevers welcomed everyone to the meeting and stated that the meeting was quorate.

2. Minutes of the Meeting held on 21st September 2017

Minutes of the meeting held on the 21st September 2017 were agreed.

3. Matters Arising – Actions List

1. Item 3: Neil Hayward agreed to the Christmas holiday cover plan being brought to the November Workforce and Organisational Development Committee rather than to this Committee.
2. Item 5: Meyrick Vevers asked whether the recommendation on increasing elective work to reduce waiting lists was discussed at the Trust Board. The Medical Director provided an update on the process of matching demand and capacity which is still in progress.

TS/CS

Meyrick Vevers asked whether any costs relating to the issues raised will be included in any decision to change the forecast. The Director of Finance and Information stated that the aim is to preserve as much of the year to date surplus as possible, so costs will be carefully considered in any forecasts.

Meyrick Vevers asked whether any options around temporary stopping elective work would have an impact on patient safety. The Medical Director

explained that every case is carefully discussed and considered before any decision to cancel is made.

It was agreed that this action point remained part of the overall actions related to the financial forecast which would be discussed in detail at the end of Q3. As such this individual action would be taken off the action list.

It was noted that all the action points were either completed, on the agenda or not yet due.

4. Operational Performance Report

The Director of Operations – Planned Care introduced the report and stated that the September A&E performance was above the 93% agreed trajectory at 93.7% - this was 1.5% up on August's performance of 92.2%. So far this month A&E performance was above trajectory for Q3.

The Medical Director explained the plan to relocate the pit stop area of A&E to improve the pathway, and also to create extra assessment areas. Whilst these plans will help A&E performance, they will not be effective if patient flow is not properly maintained

The Director of Operations – Planned Care provided an update on the Primary Care Streaming project which has been centrally funded.

Cancer targets were broadly in line, with some issues still in Dermatology and Endoscopy which are being addressed. Increasing demand is the underlying issue in Endoscopy. Dermatology is still putting the new model of care in place, and the current issue relates to clearing backlogs arising from a peak of referrals over the summer. It is expected to take eight weeks to clear this. The screening breach was related to one case.

RTT: pressures remain on the admitted pathway, although in aggregate the target has been met. October is expected to be challenging and performance in individual specialties is being addressed directly to understand the root causes.

Extended theatre days and GIRFT are examples of actions that are being taking to address theatre efficiencies to aid clearing backlogs.

The report identified two 52 week breaches and the Director of Operations – Planned Care confirmed that root cause analysis had been carried out on both cases and concluded that there was no harm caused to either patient.

The Committee noted the report.

5. Workforce Report

The Head of Workforce Planning and Intelligence provided an update on a few issues including the nursing bank rate discussion currently being considered by Trust Executives.

Enhanced shifts were removed from two key areas to bring parity to nursing pay across the Trust, and now these areas are considering ceasing bank work. It is not equitable to pay differential rates to certain areas, and therefore various options are being considered to address the pay rate issue.

The first step is a risk assessment around the areas raising concerns, and the longer term plan is to review the bank rate in light of local Trusts pay-scales for

bank work. Neil Hayward observed that recruitment and retention was the long term solution to this issue.

The Head of Workforce Planning and Intelligence went through several of the steps being taken to retain staff. There are six pilots running in six areas, with targets in place to be assessed in due course. There is also a developmental programme in place for ward managers.

Neil Hayward asked that the progress be updated for the Governors meeting being held on 6th November 2017, to ensure they understand the actions taken and when results can be expected.

CS

The Medical Director asked for more detail in the Workforce Report on medical staffing and reducing agency.

CS

The Head of Workforce Planning and Intelligence provided an update on the overseas recruitment process.

The paper was noted by the Committee.

6. Finances as at 30th September 2017

6.1 Operational Effectiveness/Efficiency Metrics

The paper was noted by the Committee.

6.2 Finance Report

The Director of Finance and Information introduced the report, stating that the report reflects income gains relating to additional local arrangements put in place with the NWSCCG and NHSI, as well as access to some Surrey Heartlands STP project funds. This enabled quarter 2 STF funding of £1.5m to be achieved and so benefit the local health economy.

Of the £5m year to date surplus, £2.6m relates to earned STF funding which is secure but there remains risks around CCG income in respect of risk shares, challenges and CQUIN performance.

There are no further income streams expected, and the situation will have to be improved to maintain the year to date position as reported at Q2. Several discussions have been held by Trust Executives in respect of workforce, theatres and ongoing capacity pressures in an effort to support our financial position. Challenge is being given to all aspects of performance, and progress has been made to accelerate schemes which are likely to drive efficiencies and improve the bottom line.

Neil Hayward asked when any future change in the forecast has to be agreed. The Deputy Director of Finance advised that any change in forecast will have to be done at the end of Q3, with figures due to NHSI by 16th January 2018. A special Trust Board meeting will have to be held ahead of this to agree the final position. This meeting should be scheduled in as soon as possible.

PD

Neil Hayward asked whether other Trusts were in a similar position and the Director of Finance and Information confirmed this was the case.

The paper was noted by the Committee.

6.3 Forecast Update

There was no report for this item but it had been discussed by the Committee as part of agenda item 6.2.

7. Stroke Business Case

The Stroke Transformation and Vascular Services Review Programme Manager explained the change in the commissioning brief for the proposed Stroke service following the public consultation and conversations around the network. Confirmation has been provided in writing that 40% of the RSCH work and 50% of Epsom work should be directed to the new stroke network, and the Ambulance Service has been instructed accordingly. This appears to have been taken up for Guildford however in respect of Epsom there is still a discussion around the start date - this is due to be resolved imminently.

Some of the pathway details were explained. The original specification requested by the CCG was unaffordable across all hospitals in Surrey, and the model has been revised and approved by the panel. The final funding mechanics need agreement with the CCG's the case assumes that this will be along the lines of a tariff arrangement for inpatients, with the CCG funding the whole community element of the arrangement.

Meyrick Vevers asked whether the staffing required to deliver the care exists, regardless of whether funding was available or not. The Acting Associate Director of Acute & Emergency Medicine explained that the Trust was already providing the community element in the form of the Bradley Unit at Woking Hospital.

Neil Hayward suggested that it seemed disproportionate that the Trust should bare a financial risk which has arisen from decisions made by commissioners, and therefore this risk should be passed back to the CCGs.

The Committee acknowledged the financial risks in the case, and suggested that as a minimum, the contract should be paid for on a cost basis to ensure all costs are covered, and this will be presented to the Trust Board meeting.

8. Costing Transformation Programme Update

The Assistant Director, Financial Management summarised the paper explaining that the Trust is participating in a pilot programme and that the first submission will be made in November.

The paper was noted by the Committee.

9. Identification of Financial Risks

9.1 Items for Risk Register

The risks would be updated to reflect the latest financial position and the risks to the forecast. The financial risk around the potential deterioration of the financial position due to workforce and capacity issues which are likely to impact on the trading position in the next few months.

SM

9.2 Key Points to take to Trust Board

The following points were to be taken to the Trust Board:

- Stroke Business Case
- Forecast risk and issues around capacity and workforce

10. Items for Information or Approval

10.1 Schedule of Business

This paper was noted.

10.2 Business Case Approvals

The following Business Cases were approved by the Commercial Group in September:

- Additional Respiratory Consultants – approved; and
- Medical Thorascopy Service – approved subject to capital approval, CCG approvals and new procedures process. However this was later deferred at the Capital Control Group meeting held on 16th October 2017 and will instead feed into the Divisions prioritisation of capital bids for 2018/19

10.3 Tender Waivers >£50k

There were no single tender waivers over £50k in September 2017.

10.4 NHSI STF Funding – Access Update

The paper was noted by the Committee.

11. Any Other Business

No other business was raised.

12. Date and Time of Next Meeting

Thursday 23rd November 2017 at 08.30am in Room 2, Chertsey House, St. Peter's Hospital.