



TRUST BOARD
26th April 2018

AGENDA ITEM NUMBER	16.4
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 19 th April 2018.	
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 22nd March 2018 are attached for noting. The key points are: -</p> <ul style="list-style-type: none">• reviewed operational performance, in particular the A&E action plan to meet the agreed targets. The Committee noted that achievement of the March A&E 95% target was now unlikely, which put at risk the associated A&E STF income of £0.8m. In addition the RTT performance was discussed as was the impact on the waiting list;• reviewed the workforce report, in particular nursing and the retention and incentive schemes underway for this staff group;• reviewed Trust finances which were slightly behind the NHSI Control Total at month 11, but this was currently forecast to be back on plan by the year end. Risks to delivery of this position were noted; and• reviewed a draft budget for 2018/19 which was being set at achieving the Control Total set by NHSI – the Committee recommended to the Trust Board setting a budget that met the Control Total, but noting the significant risks to its delivery.
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	19 April 2018
TRUST BOARD ACTION	Receive

**TRUST BOARD
 26th April 2018**

**FINANCIAL MANAGEMENT COMMITTEE MEETING
 MINUTES
 22nd MARCH 2018**

PRESENT:	Meyrick Vevers Neil Hayward Simon Marshall Tom Smerdon James Thomas	Non-Executive Director (Chair) Non-Executive Director Director of Finance and Information Director of Operations – Unplanned Care Director of Operations – Planned Care
IN ATTENDANCE	Paul Doyle Suzanne Rankin Louise McKenzie Colleen Sherlock	Deputy Director of Finance Chief Executive Director of Workforce Transformation Head of Workforce Planning and Intelligence
SECRETARY:	Des Irving-Brown	Assistant Director, Financial Management
APOLOGIES:	None	

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 22nd February 2018

Minutes of the meeting held on the 22nd February 2018 were agreed.

3. Matters Arising – Actions 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 – Unplanned Care stated that the February A&E performance was 84.0% which was a reduction on December (which was 85.1%), excluding the Woking Walk-in Centre. With Woking WIC included, the performance was 87.7% (last month was 88.6%).

The Director of Operations – Unplanned Care added that whilst the Trust was struggling to hit the target in March A&E, it had been the highest performer in the South East the previous week, and the performance had been steadily improving throughout the month. Neil Hayward suggested that this improving trend should be discussed at the next Board meeting, in the context of the wider system performance, so that the reasons for missing the national target can be better understood.

SM/TS

The Director of Finance and Information pointed out that non-achievement of the March A&E target would have a £0.8m impact on the Sustainability and Transformation Funding (STF) receivable for quarter 4. It is still likely that the Trust will achieve its financial control target, so it will just be a loss of the 30% A&E STF for quarter 4, rather than losing out on the whole of the quarter 4 STF. If the financial target is exceeded then some of the lost A&E STF income will be clawed back from matched (incentive) funding from the centre.

The cancer target (62 day) was missed in February; however, March is back on track - Meyrick Vevers noted that this was unusual. The Director of Operations – Unplanned Care explained that it was a combination of increased demand and patient choice.

Meyrick Vevers asked about Urology as it appeared to be coming up adversely in several metrics. The Director of Operations – Planned Care explained that there had been resource issues linked to long term consultant sickness and vacancies, but these had now been resolved, and it is expected that the performance should get back on track as the team has the resources it needs. Meyrick Vevers asked whether recent announcements around diagnostics for prostate cancer would have an operational and/or financial impact. The Director of Operations – Planned Care explained that discussions are being held with the cancer centre at Royal Surrey and with pathology services in order to identify potential gaps early and resolve any issues.

Neil Hayward queried the incomplete pathway performance on the planned care table, and how much of that was linked to the national directive to slow down over the winter, and whether this was being reflected in February, or if February was just a bad month.

The Director of Operations – Planned Care explained that the slow down mainly affected general surgery. Urology and Gynaecology (surgery) were the inpatient services at St Peter's that are impacted by winter pressures, but bed pressures is not the only issue affecting these services. The common theme between all of these services is workforce and the inability to fully recruit. Additional clinics at premium rates have been avoided so far, and this has had an impact on recovery of these targets.

The Chief Executive explained that recruitment is an issue across the wider Trust, with difficulties to recruit occurring across several services and staff groups. Neil Hayward asked whether having more resource and working differently in the recruitment team would help, and this discussion would need to be explored.

Meyrick Vevers asked what the impact would be if this waiting list issue continues. The Director of Finance and Information explained that the immediate result is that the Trust is artificially living within the CCG's reduced financial envelope, so it's helping the system. The Director of Operations – Planned Care explained that in the context of 2018/19 planning assumptions, the centre wasn't setting a target that requires the backlogs to be cleared, however, this is a mixed message, as patient safety and experience are still paramount, and in order to deliver this, the backlogs have to be cleared.

A debate was held on whether more capacity would be available if pay rates were increased. The Chief Executive explained that it was a difficult equation to balance, because it may generate more capacity in some staff groups, but insufficient supply in other staff groups would mean that the work may still not be done. This, therefore, would need to be carefully considered.

The Committee noted the paper.

5. Workforce Report

The Head of Workforce Planning and Intelligence introduced the February report, pointing out that the recruitment forecast for the next nine months was included at the end of the report. It shows that the forecast recruitment will not meet the expected gaps. This conversation will be picked up at the Workforce and Organisational Development Committee next week as per the action point from last month.

Rates in ITU have had to be escalated in the past few weeks due to high vacancies. Even with the escalated rates, full staffing levels have not been achieved.

A review of bank pay rates and the winter loyalty scheme needs to be done to consider whether they have been effective. Working patterns are still an issue in some staff groups (5 day vs 7 day) and these also need to be tackled.

Most of the temporary medical staffing requirements are being met through bank (75%-80%) which is a big switch for the Trust. Meetings have been held with Trusts further afield with a view to expanding the collaborative bank. This will widen the pool of doctors available to the Trusts. It was noted that Frimley Health has decided not to join the Collaborative bank as they've purchased alternative software, and therefore they are not in a position to join Locum's Nest at present. They are prepared to share rates and information, which is helpful, but it's not expanding the resource pool.

There's a recruitment event for TASC nursing recruitment this evening, and there are further events planned for nursing as it is taking increasingly longer to recruit overseas staff.

The paper was noted by the Committee.

6. Finances as at 28th February 2018

6.1 Operational Effectiveness/Efficiency Metrics

The Director of Finance and Information introduced the report, explaining that most metrics looked good, but for the wrong reasons.

Length of stay improved in February, readmissions were still at high rates, and day surgery rates weren't quite where they should be due to capacity issues discussed above.

If capacity issues continue, the question of scaling back services and physical space required will need to be addressed.

The paper was noted by the Committee.

6.2 Finance Report

The Deputy Director of Finance went through the report, pointing out that it was a good overall position, with pay being the lowest for some months.

Several commissioner contracts have been agreed for the year end (about 70% by value). The CIP programme is £0.5m ahead of plan. Cash balances are almost

at planned levels following the receipt of some over-performance and STP funding in March to date.

The paper was noted by the Committee.

6.3 Forecast Update

The Director of Finance and Information provided an update saying that the biggest variable was losing out on the A&E 30% of the STF for quarter 4, and how that might be covered, as discussed in item 4 above.

7. 2018/19 Budget and Business Planning Update

7.1 Commissioning Update

The Director of Finance and Information provided an update on the contracting position, stating that the substance of the agreement with North West Surrey CCG was pretty much there. Presentation is currently the issue, with the CCG trying to force the income number down despite knowing outturn will be higher.

7.2 Draft Revenue and Capital Budget

The Deputy Director of Finance explained the draft budgets, which were generated at a point in time, and will be subject to further change as commissioner contracts get signed. The various elements of the table on page 11 of the paper were talked through, and the assumptions behind these explained. In addition the following was pointed out:

- QIPP will be revised in the final budget with a potential requirement for an additional £1.0m to bring the total to £5.0m;
- the CIP target is a much higher number than the Trust would want, which is a risk, and the assumptions will need to be revisited in order to try and reduce this figure; and
- the investments have to cover re-setting the pay budgets to cover the underspend that occurred this year.

The potential land sale was explained, and also discussed in context of the capital programme.

The Committee noted and approved the draft plan which will now be presented to the Trust Board for adoption.

PD

8. Identification of Financial Risks

8.1 Items for Risk Register

No new risks were identified by the Committee.

8.2 Key Points to take to Trust Board

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

- The improving A&E target performance should be discussed at the next Board meeting, in the context of the wider system performance, so that the reasons for missing the national target can be better understood.

9. Items for Information or Approval

9.1 Schedule of Business

This paper was noted.

9.2 Business Case Approvals

The Commercial Group approved one business case on 26th February 2018 as follows:

- Consultant Microbiologist: The Business Case sought approval for the recruitment of a replacement consultant microbiologist to fill the vacancy that will be created in this small and busy team, following a resignation. The Business Case was approved.

A paper was presented to the Committee that summarised all the cases approved this year to date, and the progress in recruitment so far.

The paper was noted by the Committee.

9.3 Tender Waivers >£50k

There were no single tender waivers over £50k in February 2018.

10. Any Other Business

No other business was raised.

11. Date and Time of Next Meeting

Thursday 19th April 2018 at 08.00am in Room 2, Chertsey House, St. Peter's Hospital.