

TRUST BOARD
27th July 2017

AGENDA ITEM NUMBER	6.3	
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 20 th July 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 22 June 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, receiving a presentation and update from the A&E clinical and management team; • reviewed the Workforce Report noting the amount of work that had been put in following the changes in IR35 regulations; • reviewed month 2 finances which were noted as being on plan; and • approved updated Trams of Reference. 	
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	Meyrick Vevers, Non-Executive Director and Committee Chair
DATE	20 July 2017
TRUST BOARD ACTION	Receive

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27th July 2017

FINANCIAL MANAGEMENT COMMITTEE MEETING
MINUTES
22nd June 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	Suzanne Rankin Paul Doyle Colleen Sherlock Andrea Lewis Christine Armitage Jonathan Robin	Chief Executive Deputy Director of Finance Head of Workforce Planning and Intelligence Associate Director Operations – A&E (item 4) Associate Director Operations – CMU (item 4) Divisional Director AMES (item 4)
SECRETARY:	Des Irving-Brown	Assistant Director, Financial Management
APOLOGIES:	Tom Smerdon	Director of Operations – Unplanned Care

Actions

1. Introductions and Apologies for Absence

Meyrick Vevers welcomed everyone to the meeting, noted that there were no apologies and stated that the meeting was quorate.

2. Minutes of the Meeting held on 18th May 2017

Minutes of the meeting held on the 18th May 2017 were agreed subject to one amendment regarding sub-scale services.

3. Matters Arising – Actions List

Neil Hayward asked a question around point 8 in the minutes from last month (relating to sub-scale services) as it hadn't materialised into an action point. The Deputy Director of Finance explained that it wasn't an action for this Committee which is why it wasn't logged. The Chief Executive explained that this service review had been subsumed into the STP work. It was agreed that the strategic piece of work being done to review sub-scale services, along with other papers on the specific services, be presented at a Board Masterclass at the end of the Summer. It was agreed that there was therefore no further action on this for the Committee.

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 May A&E performance was above the agreed trajectory at 91.2% - this was 0.1% up on April's performance of 91.1%, so performance continues to improve.

The Director of Operations – Planned Care introduced the A&E management team and the Associate Director of Operations - A&E provided background some on the historical A&E performance.

The Divisional Director of Acute Medicine and Emergency Services (AMES) presented a graph showing how the performance has changed over the past few years. He explained that the fundamental driver for the step change last year was a shift in culture, tackling the status quo, and challenging processes. A few examples of the changes on the ground, including opening the Ambulatory Emergency Care Unit (AECU), were provided. Part of the issue is the operational model and also taking ownership of issues that could enhance good patient flow.

The Divisional Director AMES explained that the focus had changed over the past few months with role changes, focus on financials and that quality improvement had become a massive focus. The Director of Finance and Information stated that the Trust is focused on achieving the 95% national target, which is challenging, but is the goal.

Neil Hayward suggested that this topic be added to an Executive Director agenda to discuss whether the focus had been reduced or not, and what needed to be done to address any operational model issues.

The Chief Executive stated that there is too much discussion around what the target should be for A&E, and that should not be the case. It should be a focus on providing the best care for the patient and that should be the motivation; however the current operational model is not geared to deliver this. Infrastructure needs to be reviewed, and processes and cultural approach need to be adapted to meet the challenges to deliver the best care.

The Divisional Director AMES explained that the amount of infrastructure isn't necessarily the issue, as the emergency care front end has a large footprint, including the Urgent Care Centre, the Elderly care/Frailty unit which takes patients in directly, AECU, etc, so there is a lot of infrastructure. It's possibly just not arranged in the best way or utilised effectively.

The Chief Executive suggested that learning from other organisations that have moved up the league table and sustained that improvement should be part of the recovery plan.

Meyrick Vevers thanked the team for their report and their contribution to the discussion.

The Director of Operations – Planned Care referred back to the report and the Cancer targets. Cancer referrals are going up, and the Director of Operations – Planned Care referred to page 10 of the report indicating that the level of work was increasing. There are multiple reasons for this increase including GP's lowering the incidence level at which they refer, plus increased awareness due to various media campaigns.

Meyrick Vevers asked whether it was possible that the cost implication could be captured against this increased activity. It was explained that it was not straight forward but it might be possible to bring something back on the workforce impact and/or cost.

SM/JT

The paper was noted by the Committee.

5. Workforce Report

The Head of Workforce Planning and Intelligence pointed out that agency spend increased slightly in May, but is still tracking behind prior year to date. Medical spend continues to decrease slowly with additional payments dropping in the month.

The issue of retention was raised, and the new staff benefit app was highlighted as another mechanism to secure the Trust as an employer of choice. A salary sacrifice scheme on lease cars has also been introduced.

Discussions with other Trusts has highlighted that retention around young nurses is a common issue, as they typically leave after 1-2 years. Therefore, career pathway plans are being looked at; including junior nurses and also those approaching retirement age, and this will be shared at the Workforce and Organisational Development Committee.

The paper was noted by the Committee.

6. Finances as at 31st May 2017

6.1 Operational Effectiveness/Efficiency Metrics

The Director of Finance and Information explained that the metrics had broadly returned to normal after April, with some remaining out of line such as readmissions and outpatient cancellations.

The Director of Operations – Planned Care raised theatre utilisation, which had improved significantly in May, and explained the work being done around reducing and managing theatre cancellations and improving utilisation, and a huge amount of effort over a short time has resulted in a massive improvement. Neil Hayward asked whether this improvement was sustainable. The Director of Operations – Planned Care stated that a range of measures had been introduced many of which will be continued, such as utilisation statistics per specialty being sent to each consultant to increase visibility.

It was agreed that the theatre utilisation metric was fairly crude and doesn't really reflect productivity but it is a useful measure to gauge direction of travel. The team will look at layering on other measures, such as income/theatre to highlight issues around productivity.

SM

The Committee discussed the readmission metric and stated that the out-of-hospital care was key to reducing this. Part of it is linked to an insufficient level of intervention provided by social care when trying to get the patient discharged, with the package of care not fit for the patient and results in the patient coming back to the hospital.

The paper was noted by the Committee.

6.2 Finance Report

The Director of Finance and Information introduced the report, stating that month 2 was broadly in line with expectation and the STF funding was accrued for the month. CIP's are broadly in line, with £1.2m of the £1.6m procurement CIP's secured, and the rest on track with delivery.

In respect of the Joint Delivery Programme the Trust has worked with the CCG to develop a programme of £14m over two years, which is very ambitious, and the pace and scale over the next few months is massively challenging. QIPP's

continue to be identified and rolled out.

The other area of concern was the level of births which have dropped in April and May, and if this continues will impact scale and efficiencies. An analysis has to be done to understand what, if anything, has changed.

Meyrick Vevers questioned the reduction in overall income. The Director of Finance and Information explained that there has been an attempt to reduce activity, with expenditure following suit.

In terms of prior year contract settlements, an offer has been made by NHSE but rejected by the Trust. This is likely to progress to arbitration.

The paper was noted by the Committee.

7. Director of Finance & Information Hot Topics

7.1 Reporting

The Director of Finance and Information explained that the reporting requirements by NHSI/STP/CCG have increased significantly which has had an impact on the team, and asked the Committee whether there was anything in the reports for this meeting that could or should be changed.

The Committee stated that they were happy with the current level of reporting to it, but that this should dovetail with any reports already being produced for other parties.

7.2 Productivity Presentation

The report that was presented to the Council of Governors was shared with the Committee and the feedback from the meeting was that the team was doing well managing within a very complex environment and all the challenges involved.

The Director of Finance and Information stated that the reason for bringing this to the Committee was to ensure everyone was aligned and understood the challenges ahead.

The paper was noted by the Committee.

8. Review of Terms of Reference

The Committee reviewed the proposed changes and had no further items to add.

The paper was noted by the Committee and would now go to the Trust Board meeting in June for approval.

9. Identification of Financial Risks

9.1 Items for Risk Register

The paper was noted by the Committee.

9.2 Key Points to take to Trust Board

The following point was to be taken to the Trust Board:

- Terms of Reference

- Update of the financial position as at month 2.

10. Items for Information or Approval

10.1 Schedule of Business

This paper was noted.

10.2 Business Case Approvals

The following business case was approved by the Commercial Group in May:

- Replacement of a Locum Consultant in the Upper GI (Bariatric) service with a substantive Consultant appointment – this was approved subject to a review of the job plan by the Chief of Patient Safety/Deputy Medical Director.

10.3 Tender Waivers >£50k

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

11. Any Other Business

No other business was raised.

12. Date and Time of Next Meeting

Thursday 20th July 2017 at 8.30am in Room 2, Chertsey House, St. Peter's Hospital.