



**Ashford and St. Peter's Hospitals**  
NHS Foundation Trust

**TRUST BOARD**  
**28<sup>th</sup> June 2018**

<b>AGENDA ITEM</b>	16.3
<b>TITLE OF PAPER</b>	Financial Management Committee Minutes
Confidential	<b>NO</b>
Suitable for public access	<b>YES</b>
<b>PLEASE DETAIL BELOW THE OTHER SUB-COMMITTEE(S), MEETINGS THIS PAPER HAS BEEN SUBMITTED</b>	
These minutes were reviewed and approved at the Financial Management Committee meeting held on 21 <sup>st</sup> June 2018.	
<b>STRATEGIC OBJECTIVE(S):</b>	
<b>Quality Of Care</b>	
<b>People</b>	
<b>Modern Healthcare</b>	√
<b>Digital</b>	
<b>Collaborate</b>	
<b>EXECUTIVE SUMMARY</b>	
	<p>The minutes of the Financial Management Committee meeting held on 23<sup>rd</sup> May 2018 are attached for noting. The key points are: -</p> <ul style="list-style-type: none"><li>• reviewed operational performance and noted the workforce issues that needed to be unlocked in order to achieve operational goals;</li><li>• reviewed the Trust's workforce report noting the current challenges faced by the Trust and an increase in agency costs;</li><li>• noted the month 1 financial position which was shown as being on plan;</li><li>• discussed a paper on the arrangement with BMI Healthcare for the Runnymede Hospital, and in particular agreed that the Trust should seek to open discussions with BMI on their intentions for the hospital; and</li><li>• reviewed an estates strategy and in particular recommended approval of the tender to demolish the Ramp buildings and construct car parking and</li></ul>

	a new service road.
<b>RECOMMENDATION:</b>	<i>Receive and note the paper</i>
<b>SPECIFIC ISSUES CHECKLIST:</b>	
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 Board Assurance Framework Principle Risk	Financial risks 4.
<b>AUTHOR</b>	Paul Doyle, Deputy Director of Finance  Please approach for any further information required.
<b>PRESENTED BY</b>	Meyrick Vevers, Non-Executive Director and Committee Chair
<b>DATE</b>	21 <sup>st</sup> June 2018
<b>BOARD/TEC ACTION</b>	Receive



**Ashford and St. Peter's Hospitals**  
NHS Foundation Trust

**TRUST BOARD**  
**28<sup>th</sup> June 2018**

**FINANCIAL MANAGEMENT COMMITTEE MEETING**  
**MINUTES**  
**23<sup>RD</sup> MAY 2018**

<b>PRESENT:</b>	Meyrick Vevers Neil Hayward Marcine Waterman Simon Marshall Tom Smerdon James Thomas	Non-Executive Director (Chair) Non-Executive Director Non-Executive Director Director of Finance and Information Director of Operations – Unplanned Care Director of Operations – Planned Care
<b>IN ATTENDANCE</b>	Paul Doyle Suzanne Rankin David Fluck Andy Field Louise McKenzie Chris Bell Andrew Grimes	Deputy Director of Finance Chief Executive Medical Director Chairman Director of Workforce Transformation Director of Estates & Facilities (items 7 and 8) Head of Capital Development (items 7 and 8)
<b>SECRETARY:</b>	Des Irving-Brown	Assistant Director, Financial Management
<b>APOLOGIES:</b>	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 19<sup>th</sup> April 2018**

Minutes of the meeting held on the 19<sup>th</sup> April 2018 were agreed.

The Director of Operations – Unplanned Care suggested that a comment in operational performance section should read "Workforce Planning", rather than "Winter Planning".

PD

**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

Meyrick Vevers questioned whether, in the light of the proposed new Committee structure, this was the correct forum to challenge clinical activity. The Director of Operations – Planned Care explained that there is no other forum where this challenge is raised in the context of Finance, and within the reformed governance structure the Model Hospital element will still fall within this Committee's remit.

The Chief Executive explained that Model Hospital will cover the clinical standards and outcomes, but is also about infrastructure and GIRFT.

The Committee then debated what the focus on activity should be, as it is expected that it should be in the context of the impact of activity on the Finances. This will be further considered as the Terms of Reference for the new Committee are developed. Meyrick Vevers therefore proposed that as the Committee go through the paper issues that clearly impact finances should be raised.

The Director of Operations – Unplanned Care stated that the A&E target does have a direct bearing on the Finances as it is linked to the PSF (previously STF) funding. The April A&E performance was 88.8% - this was an increase on March performance (which was 87.9%), excluding the Woking Walk-in Centre (WIC). With Woking WIC included, the performance was 91.4% (last month was 90.7%), which exceeded the NHSI target of 90.5% for the month. The Trust was 39<sup>th</sup> out of 137 organisations for performance in April.

Linked to A&E performance is a piece of work being done around Workforce Planning in A&E which has highlighted that the balance of staff is currently skewed, with too many staff earlier in the day, and not enough in the evenings. This imbalance needs to be addressed. Also, there has been an historic shortage of doctors in A&E, but recruitment has recently been successful, and it is expected this will start having a positive impact. The Director of Operations – Unplanned Care agreed that it would be useful to document what performance would look like if the workforce issues were addressed.

TS/DF

In terms of Cancer standards, there is nothing to flag at the moment, but the Committee should be aware of the impact of potential breaches.

The Director of Operations – Planned Care pointed out that the plan for recovery of constitutional standards (RTT) has been included in the document. Whilst there isn't a financial penalty to failing 18 weeks, there will potentially be a financial impact in delivering the recovery.

Meyrick Vevers pointed out that capacity isn't being fully utilised, and asked what performance would look like if this was addressed. The Director of Operations – Planned Care replied that this was currently being considered.

Meyrick Vevers asked what had happened since 2016/17 when the Trust was substantially achieving targets to now where targets are not being met – it appears the level of cancellations has increased, has that had an impact? The Director of Operations – Planned Care explained the different types of cancellations, including "cancelled by patients" and "cancelled due to lack of hospital capacity" etc and stated that this was only a partial reason for the drop in performance.

Whilst there isn't a financial penalty linked to this, it is on the regulator's radar, with frequent reports having to be submitted on progress and trajectories. The Committee would like the question around unused capacity addressed, with reference to what's being submitted to the regulator, and the expected impact of the

JT/DF

actions, with timeframes and likely outcomes. (High level only).

Meyrick pointed out that despite missing targets, financially the Trust has been achieving, and queried where the impact of the failed targets was manifesting. The Director of Finance and Information explained that it is in part in the elective income, offset by staff shortages (pay underspend) and increased non-elective income.

The Director of Finance and Information pointed out that careful scrutiny of recent changes to bank pay was required as limits previously placed on temporary staffing appear to have been relaxed, with agency shifts increasing 20% week on week in May. The Committee expressed concern about this, as it will tip the financial balance, and defeats the object of the new rates.

The Medical Director and Chief Executive agreed that workforce issues should be addressed in a more strategic way, balancing demand and capacity, rather than just increasing rates or releasing controls on agency.

The Committee noted the paper.

## **5. Workforce Report**

The Director of Workforce Transformation explained that the increase in agency nursing mentioned above is currently being reviewed as a matter of urgency as it wasn't anticipated after the introduction of new bank rates.

Now that the rates issue has been addressed, focus will shift to a comprehensive recruitment strategy. The latest recruitment day for nursing and AHP's was poorly attended which was a surprise, and needs to be considered.

Meyrick Vevers asked whether the lack of attendance at the event was linked to a poor perception of the Trust as a place to work. The Director of Workforce Transformation replied that this is one of the possibilities being looked into.

The Director of Workforce Transformation highlighted that the collaborative bank for doctors is being expanded to include two additional FT's, Salisbury and Hampshire Hospitals.

Neil Hayward asked what the timetable would be for reviewing these strands of work, and how long had been allowed to start seeing the results. The Chief Executive replied that a formal timetable hadn't been agreed, but the impact of various outputs is being reviewed at the Workforce and Organisation Development Committee and Trust Executive Committee (TEC). The timescales therefore aren't clear as yet, but this can be considered by TEC.

The Medical Director said the second question was whether anything else could be done, for example what attractive training programmes can be put into place. These would be considered by the new Director of Clinical Education when appointed.

The paper was noted by the Committee.

## **6. Finances as at 30<sup>th</sup> April 2018**

### 6.1 Operational Effectiveness/Efficiency Metrics

The paper was noted by the Committee.

## 6.2 Finance Report

The Director of Finance and Information stated that the month 1 results were in line with plan, but that, as usual with month 1, some caution needed to be exercised.

In terms of CIP's, there had been a slower start than normal, so more focus is required. The Joint Delivery Programme and the ability of partners to deliver QIPP is a concern.

Andy Field asked whether the PSF (previously STF) is received as cash in full, or whether it was provided as a facility to be drawn down. The Deputy Director of Finance explained that once all NHS bodies annual accounts are lodged with NHSI/E and have been verified, the balance of the 2017/18 STF will be paid in full directly to our bank. This is likely to be paid in July.

The Director of Finance and Information explained that NHSI were proposing a change to the way PSF is paid, to include the wider STP performance, and has proposed various options. Therefore the proposals for additional funding are being modelled by the FD's within the STP in order to provide a comparison between these options for the Board to consider. The aim would be to focus on system performance of the STP rather than individual Trust performance, although this could have adverse effects to some partners depending on which option the STP selects.

Marcine Waterman asked about the CIP's which are reported as being behind plan, and pointed out that in one of the Quality and Performance Committee papers for tomorrow it was stated "in TASCC & WHPS the CIP schemes are not yet developed" and queried whether that was correct. The Director of Finance and Information replied that this would have to be queried, as all the Divisions had submitted detailed plans, and whilst the QSIA had not yet been completed, the plans were considered to be in place.

SM

The paper was noted by the Committee.

## **7. BMI Runnymede Agreement**

The Director of Finance and Information explained the premise of the paper, and that it appears that BMI Healthcare (BMI) is focused on the proposed sale of their business rather than the development of patient care. Therefore, in the light of this, it is only right that the Trust review its options to ensure that it is adequately involved in shaping the future of the site.

The current agreement with the BMI consists of two parts – a long term lease over the property, which BMI owns, and which cannot be terminated early and an operational agreement, based on a profit share arrangement linked to The Runnymede Hospital's financial performance, which can be terminated early.

The Director of Finance and Information is seeking permission to open discussions by servicing notice on the operating agreement. The reason would be to get BMI around the table and enable the Trust to have a part in choosing the sites future, rather than BMI determining this through a sale of their business.

On this basis the Committee agreed that notice should be served in order to initiate conversations and the options that drop out from this will be brought to future meetings.

The paper was noted by the Committee.

## **8. Estates Strategy**

It was acknowledged that some of the Estates Strategy had been initiated before the current Non-Executive Directors joined the organisation, and the Executives have been working to this for some time, and therefore this paper is helpful to understand the full extent of the Estates programme and all the elements that fall within it.

The Director of Estates & Facilities provided some background to the paper, and the journey towards getting to this point.

The Head of Capital Development then explained that the next step is to move on from the Clinical Strategy to the delivery of plans, and it appears that more clarity is required on timing and sequencing on some elements. However, it is clear that two elements are a priority - these were the demolition of the war time temporary buildings (the Ramp) and the Estates yard (linked to the West Site sale).

There were issues with planning permission on the West Site sale, and the objections of Highways Agency which are currently causing delays. These delays needed to be addressed as they will have an impact on timings and cashflow. A discussion on these delays, and the potential solutions ensued.

There was further debate on the site development and it was agreed that the Board Masterclass on 31<sup>st</sup> May 2018 would be the forum to pick this up in order to further explore the impact of the site location on the staffing, where staff want to live and the facilities they wanted etc.

The Committee was asked to note this paper, to recommend it to the Board and specifically to recommend approval of the appendix relating to the demolition of the Ramp and creation of new parking and a service road, costing £1.1m – this needed to be done to move forward with all several other plans.

Marcine Waterman raised a question on the tender process and the error that was picked up in the winning bid. The Head of Capital Development replied that assurance was provided following a query that was sent to the bidder. The Committee was assured that due process had been followed.

Subsequent to the questions raised being satisfactorily answered, the Committee agreed to take the recommendations to the Board.

## **9. Identification of Financial Risks**

### 9.1 Items for Risk Register

No new risks were identified by the Committee.

### 9.2 Key Points to take to Trust Board

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

- The Estates Strategy; and
- Recommendation for approval of the project for the Ramp Demolition and creation of new car parking etc.

## **10. Items for Information or Approval**

### 10.1 Schedule of Business

This paper was noted.

### 10.2 Tender Waivers >£50k

There were no single tender waivers over £50k in April 2018, however, there was a single tender waiver in March that was not reported last month. This was for work provided by Private Public Ltd on ICS support on behalf of North West Surrey CCG and the GP Federation. This was the second single tender waiver over £50,000 to have been signed and acted upon in the 2017/18 financial year from the Trust's revenue and capital.

Marcine Waterman recommended a change in wording, suggesting that it be made clear that the reason for the waiver was linked to buying in specific expertise on the basis the supplier had already done a significant amount of work in the locality already.

PD

Subject to the above change the Committee noted the paper.

### 10.3 Service Line Reporting

Marcine Waterman asked for context on the paper, and the Director of Finance and Information explained the source of the data for this report, how the Trust uses the information and the value it provides to decision making. Some examples of decisions that have been made, and also the underlying issues in some of the poor performing specialties were provided.

The Committee suggested that what was missing was the "so what" piece, and this will be brought out in the Model Hospital agenda item in the re-formed Committee.

The Committee noted the paper and agreed that further work would need to be done to facilitate Model Hospital discussions.

### 10.4 Business Case Review

The paper was noted by the Committee.

### 10.5 Reference Cost Collection 2017/18

The Committee noted that the methodology was centrally dictated to a large extent, and agreed to the Trust's proposal to follow this methodology.

## **11. Any Other Business**

No other business was raised.

## **12. Date and Time of Next Meeting**

Thursday 21<sup>st</sup> June 2018 at 08.00am in Room 2, Chertsey House, St. Peter's Hospital.