

TRUST BOARD
31st May 2018

AGENDA ITEM	16.5	
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 May 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 19 April 2018 are attached for noting. The key points are: -</p> <ul style="list-style-type: none"> • reviewed operational performance and noted the workforce issues that needed to be unlocked in order to achieve operational goals; • reviewed the Trust's draft financial position for the full year which exceeded the NHSI Control Total, and noted that clear messaging was required as to how this was achieved and what it will be used for going forwards; and • received an update on the plan submission for 2018/19 which was being set at achieving the Control Total set by NHSI – this will be submitted on 30th April 2018 after Board approval. 	
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 May 2018
TRUST BOARD ACTION	Receive



TRUST BOARD
31st May 2018

FINANCIAL MANAGEMENT COMMITTEE MEETING
MINUTES
19TH APRIL 2018

PRESENT:	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
IN ATTENDANCE	Paul Doyle Suzanne Rankin Andy Field Louise McKenzie	Deputy Director of Finance Chief Executive Chairman Director of Workforce Transformation
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 March 2018

Minutes of the meeting held on the 22nd March 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 – Planned Care referred to page 6 on the operational report and pointed out that the performance for elective waits continues to deteriorate, especially in General Surgery, Urology and Orthopaedics due to bed pressures on the SPH site. Other specialties such as Ophthalmology are not affected by bed pressures; however other factors are at play such as workforce shortages and increased demand.

Neil Hayward asked what the realistic expectation for RTT achievement will be for

the rest of the year. The Director of Operations – Planned Care responded that the 92% level should be achievable by November, but this will not be sustainable through the winter. Neil Hayward suggested that monitoring should be against a realistic trajectory rather than the 92% to allow focus on the underlying issues.

The Chief Executive suggested that a summary be included in the report that sets out the drivers for underperformance of the RTT into 3 categories; bed pressures, workforces and demand, and to include a trajectory that shows the expected trajectory against each factor. This should include growth and QIPP demand management expectations. This should be applied to Unplanned care trajectories as well.

JT/TS

The Director of Operations – Unplanned Care pointed out the performance on Cancer standards, which is 93.2%, for the year and reflects improved processes with partner organisations.

The Director of Operations – Planned Care explained the new electronic referral system (ERS) which has now been switched on in cancer care which should drive further improvements in targets, as it should reduce the number of patient DNA's.

The Director of Operations – Unplanned Care pointed out that the changes in breach rules and the impact on partner organisations could have impact the achievement of targets, but this will be picked up in the Masterclass next week.

The Director of Operations – Unplanned Care stated that the March A&E performance was 87.9% - this was an increase on February (which was 84%), excluding the Woking Walk-in Centre (WIC). With Woking WIC included, the performance was 90.7% (last month was 87.7%). The Trust was 27th out of 139 organisations for performance in March despite missing the target.

Significant staffing issues in March resulted in escalation areas not being opened and core service areas being closed within A&E (CDU). This all impacted performance. Bank rates are being reviewed to address this issue and hopefully increase the supply of staff.

Workforce planning is already in process along with a review of breaches to understand where resources are required. Breaches tend to occur in the Urgent Care Centre (UCC), which closes at 10pm, and these attendees then transfer to main A&E which may already be really pressured. Extending hours in the UCC is an option being considered to ensure the UCC is an effective front door service, keeping non-critical patients out of A&E and also to reduce breaches.

The Chief Executive pointed out that simply moving more resources into the organisation doesn't necessarily help as it will have an impact on the rest of the system, and careful consideration must be given to the whole system impact vs the benefit to the Trust.

The Director of Workforce Transformation explained the review of bank rates and why differential rates across the organisation are undesirable, and, in terms of the organisational values, the aim is to be fair and equitable to all staff groups.

The Chief Executive provided further detail about the vision on rewarding staff for additional work and providing parity across all staff groups doing extra hours. The

aim being to making staff feel valued and to shift the culture in the direction the Board is aspiring to.

The Committee noted the paper.

5. Finances as at 31st March 2018

5.1 Operational Effectiveness/Efficiency Metrics

The Director of Finance and Information introduced the report, provided background on the purpose of the report, and how the targets are set. The intention is for the metrics to provide an indicator of direction of travel, rather than to be hard measures for decision making.

The link, for example, between agency costs and Length of Stay (LOS) is something to keep an eye on, but movements aren't always directly related to each other.

Meyrick Vevers pointed out the deterioration of the outpatients cancellations; the Director of Operations – Planned Care responded that this is a big issue which is being focussed on.

The Director of Finance and Information pointed out the increase of LOS in March which is an indicator of the constrained capacity.

The paper was noted by the Committee.

5.2 Finance Report

The Director of Finance and Information explained the table in the Executive summary pointing out that the true performance is a small operational surplus, The Trust also received £7.3m of STF and £0.9m relating to the 2016/17 Control Total CQUIN. The Trust will be told on 20th April 2018 whether it has been allocated any bonus STF once NHSI has reviewed all Trust's draft results.

The culmination is a real £15m cash backed surplus, with £25m in the bank. It was noted that some of the cash received from the STP which will need to be spent on capital in the next two years, and circa £1m of additional project funds received in the year will need to be spent in 2018/19, so £5m of the £15m is already committed to be spent.

The messaging needs to be carefully managed, as whilst it looks good on paper, the underlying surplus is very small, and the true operational surplus is challenged. However the additional cash will provide opportunities to drive improvements, although as noted above, at least £5m is already committed.

It is expected that the Control Totals going forward will be reviewed and adjusted, however, the likely outcome is that Trusts that have achieved to date will be given even higher targets.

The Director of Finance and Information explained the underlying variances, stating that pay was underspent, due to workforce supply issues, this has resulted in some CIP over-performance. Non-pay was challenged, with MSK outsourcing presenting a significant part of that. Activity income was under-recovered, but this was offset by the additional system funding for ongoing projects.

The Chief Executive thanked the Finance and Operations teams for delivering the targets.

The paper was noted by the Committee.

6. Workforce Report

The Director of Workforce Transformation introduced the report, pointing out that most of the Workforce issues had already been discussed in earlier agenda items. The reduction in medical staffing temporary staff costs was highlighted, the target set by the Medical Director was 20% reduction, with the final achievement of 22% representing a significant effort by all involved.

The second point highlighted was the disappointing overall reduction in substantive nursing staff, despite the ongoing efforts of both Nursing and Workforce staff. Recruitment and retention of nursing staff has to be a focus for this year.

The final point was the overall reduction in agency expenditure compared to last year, which was £4.5m (31.4%), which was only partially offset by an increase in bank and locum costs. Overall temporary staffing was £2m (7.4%) lower than last year.

Andy Field asked about the scope of countries covered by overseas recruitment. The Director of Workforce Transformation explained the countries currently targeted, and that visa issues and language skills were the key considerations when choosing locations to target. Lessons learned around taking on staff that still had to pass English tests will ensure that only suitable candidates are selected from the outset.

The Director of Operations – Unplanned Care referred to the recruitment trajectory and the fact that an expected influx of newly qualified nurses in September, and whether the Trust gets its fair share from Surrey University. The Director of Workforce Transformation explained that many students are not local, so don't remain in the area, but that consideration has been given on how to improve the Trust's allocation.

The paper was noted by the Committee.

7. 2018/19 Budget and Business Planning Update

7.1 Commissioning Update

No update provided.

7.2 NHSI Feedback and Assurance Process

The Deputy Director of Finance explained that significant amount of commentary and questions had been received on the draft plan, most of which would be addressed in the final version of the plan.

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 workforce issues which need to be unlocked in order to achieve operational goals;
- Consideration of the year end messaging to the organisation on the financial position; and
- Update on the final 2018/19 budget to submitted to NHSI on 30th April 2018.

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 22nd March 2018 as follows:

- Ophthalmology Nurse Injectors: this Business Case sought the introduction of two new Nurse Injector roles within the establishment to support the AMD and DMO services. Expected income would exceed the new cost of these appointments. The Business Case was approved;
- ENT Consultants: the Business Case was approved. There were no conditions, however the Division is to seek the re-allocation of theatre lists to support struggling surgical specialities. A review of MSK lists is required as the additions to the waiting list are significantly shrinking as a result of their successful project; and
- Emergency Department (ED) Consultants: The Business Case was approved subject to a complete review of medical staffing, particularly middle grades, as part of the creation of GP streaming and UTC developments.

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

It was suggested that the detailed update on each case approved YTD wasn't required on a monthly basis, and the bi-annual update of progress was sufficient. It was not necessary report approval of "business as usual" cases in this

committee.

The paper was noted by the Committee.

9.3 Tender Waivers >£50k

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

10. Any Other Business

No other business was raised.

11. Date and Time of Next Meeting

Wednesday 23rd May 2018 at 08.30am in Room 2, Chertsey House,
St. Peter's Hospital.