

## Chairpersons Report

<b>Chairpersons Name</b>	Jon Lloyd		
<b>Committee Name</b>	Finance & Investment Committee		
<b>Date of Meeting</b>	25.04.17		
<b>Name of Receiving Committee</b>	Trust Board		
<b>Date of Receiving Committee meeting</b>	May 2017		
<b>Strategic Items for referral to Trust Board</b>	No		
<b>Items for escalation?</b>	<b>Yes</b> x	<b>No</b>	<b>If yes, to which Committee</b> Concerns around the outpatient follow up backlogs in Ophthalmology, Paediatrics and Cardiology to be escalated to Q&S.

### Please detail up to 3 key successes or achievements discussed at the meeting

1. The year-end financial achievement and confirmed Going Concern position
2. The recovery and positive performance of A&E
3. Excellent presentations from divisions of the 2 years budget plans

### Details of the top three risks identified during the course of the meeting and initials of primary member of staff actioning

1.	CIP continued underachievement across all divisions	RM
2.	The communication to staff and other stakeholders around the excellent financial year end results and the substantial challenges at trading level masked by several large one off benefits.	RF / AB

<b>Attendance at the meeting (please highlight):</b>	<b>Excellent (well attended)</b> X	<b>Acceptable (some apologies)</b>	<b>Unacceptable (quorate)</b>	<b>Unacceptable (not quorate)</b>
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<b>Was the agenda fit for purpose and reflective of the Committees terms of reference?</b>	YES
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### Narrative report of the key issues of the meeting

The meeting was long and detailed concentrating on divisional budget presentations, year end financial results and monthly and cumulative performance data.  
All the key items are set out in the detailed minutes attached to this report, are complex and best considered by reference to the minutes.

### Key outcomes from the reports taken at the meeting

The budget plans for the divisions were received and noted with various specific challenges put back to each of the teams to reconsider.  
The excellent financial year end result gave assurance that the Trust remained a going concern and the new year had started with higher than expected cash balance.

<b>Agreed actions from the meeting</b>	<b>Name of primary lead for the actions</b>
Concerns around Ophthalmology, Cardiology and Paediatrics outpatient follow up backlogs to be escalated to Q&S Committee	M Fleming

Chairman: Robert Armstrong

Chief Executive: Andrew Foster CBE

Trend information for the past 12 months on NHSI cap breaches to be provided to the Committee	A Balson
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**PRIVATE & CONFIDENTIAL**  
**Minutes of a meeting of the Finance and Investment Committee held at 9.30am on 25<sup>th</sup> April 2017 in the Boardroom, Trust HQ**

	2017									
<b>PRESENT</b>	<b>17 01</b>	<b>14 02</b>	<b>21 03</b>	<b>25 04</b>						
Robert Armstrong, Chairman	√	√	√	Apols						
Rob Forster, DOF	√	√	√	√						
Andrew Foster, CEO	Apols	√	√	√						
Sanjay Arya, MD	√	Apols AA	√	√						
Neil Turner, NED	√	√	Apols	√						
Pauline Law, DoN	√	Apols AE	√	√						
Neil Campbell, NED	√	Apols	√	√						
Richard Mundon, Director of Strategy	√	√	√	√						
Alison Balson, Director of Workforce	√	Apols VM	√	√						
Jon Lloyd, NED (Chair)	√	√	√	√						
Mary Fleming, DoP	Apols DA/RL	√	√	√						
Carole Hudson, NED	√	√	√	√						
Mick Guymer, NED	√	√	√	√						
<b>IN ATTENDANCE</b>										
David Evans, Assoc. Director E&F	√	√	√	√						
Lynda Hancock, Corporate Services Administrator	√	√	√	√						
Carolyn Wood, Deputy DoF	Apols	Apols DH/GE	√	√						
Mark Singleton, IM&T	-	√	Apols GH	√						

**1. CHAIRMAN'S OPENING REMARKS**

J Lloyd welcomed all to the meeting.

He noted that there was a significant amount of business to work through, including the budget presentations from Divisions which would be the key item for discussion. He asked that presenters highlighted the key points from their presentations as these had been received in advance. It would be important to attempt to keep to time.

## 2. DECLARATION OF INTERESTS

None declared.

## 3. APOLOGIES FOR ABSENCE

As noted in the table above.

## 4. DIVISIONAL FINANCE PRESENTATIONS

### E&F

D Evans and H Grundy were in attendance to present the E&F budget.



FI Budget  
Presentation - Estate

D Evans presented the key points of the presentation to the Committee.

C Hudson thanked D Evans for a helpful presentation. She noted that there was a need for clarity from all Divisions on whether CIP plans were recurrent or not.

N Campbell noted that the E&F subsidiary project would be key going forward and it would be useful to have regular updates on this.

R Forster noted that it would be important for Divisions to continue to develop CIPs as a back stop if the Big 12 did not succeed. It would be important that this CIP was recurrent.

A Foster noted that the Trust did not have a good track record in terms of delivery of CIP and he felt it would be important for the Divisions to plan to overachieve in order to hit their targets.

M Fleming felt the presentation had provided a very honest view of the risks and challenges facing the Division. Some of these would also be opportunities. She felt it would be important for all of the Divisions to look at the lessons learned from non-delivery of CIP last year and take these forward.

J Lloyd noted the income from the catering contract with Bolton and queried whether there were any risks around this. D Evans advised that this had been slow to commence but he was expecting this to begin to ramp up. He had confidence that this would deliver the income expected. He noted that the team were now at capacity and would not be able to take on any further contracts without further investment.

### Surgery

S Curran, A Twist and C Gould were in attendance to present the Surgery budget.



FI Budget  
Presentation - Surger

S Curran presented the key points of the presentation to the Committee.

C Hudson noted that the Division were showing an income growth of £1m in private patients in their summary and queried this. C Gould advised that this was in relation to the ACU business plan. But he noted that, in reality, more NHS work was going to ACU. C Hudson wondered then whether this needed to be shown as NHS income rather than private patient. The Division would consider this.

S Arya noted that one of the CIP schemes was a bed reduction on Orrell Ward and asked if this had been discussed with the other Divisions in terms of potential impact on patient flow. S Curran confirmed

that it had. He further noted that the initial plans to reduce beds on HDU had changed to now look at different staffing models to deliver savings.

M Fleming noted that the CIP challenge for Surgery was significant. S Curran agreed and noted that the team were undertaking a lot of work to build up schemes to support this. A good structure had been implemented around CIP delivery within the Division.

R Forster noted that there were opportunities around contract conditions for all Divisions to work on.

R Mundon noted that it would be a challenge for the Division in moving away from income generating CIP schemes to costs out. In terms of the Orrell bed reduction, he queried whether this would create a pressure elsewhere or whether it would provide savings for all. P Law advised that eventually bed reconfiguration would produce savings for the organisation but not straight away. The beds closed on Orrell would be given to Medicine and then the next phase of the reconfiguration would be a ward closure if possible.

N Turner queried what the long term plans for empty ward estate would be. A Foster advised that these would be used as decant wards or additional capacity at times of high pressure.

A Foster queried whether there was the opportunity to have the ACU as a subsidiary as E&F were doing. S Curran noted that this had been done in other places and could be considered.

### Specialist Services

R Lyon and H Shelton were in attendance to present the Specialist Services budget.



FI Budget  
Presentation - Specia

R Lyon presented the key points of the presentation to the Committee.

A Foster noted that one of the risks presented had been over performance on the Wigan contract and queried whether discussion had taken place with the CCG in relation to MSK CATs. G Edwards confirmed that discussions were taking place with the CCG.

A Foster queried whether the queries around the baseline for the Specialist Services budget had now been resolved. G Edwards advised that work around this had almost been completed. A Foster noted the importance of Divisions accepting realistic budgets and setting achievable targets.

R Forster noted that it would be important for Wrightington to accelerate and to deliver on the investment made by the Trust for the barn theatres. He noted that Wrightington was the key contributor to the Trusts finances and it would be crucial for their budget to remain on track. R Lyon acknowledged this and welcomed the challenge that lay ahead. She saw the opportunities available at Wrightington.

M Fleming thanked R Lyon for her work in the Specialist Services Division. She felt that R Lyon was taking the right approach to the infrastructure issues there.

S Arya was disappointed to note that only A Twist was in attendance from the DMDs and queried whether there had been DMD involvement in agreeing the budgets. It was confirmed that there had been.

C Hudson noted that there was more to the Specialist Services Division than Wrightington and noted the need for focus on these other areas / services too. She felt that Specialist Services had a challenging agenda and it would be important to ensure that there was adequate team resource and capacity to deliver this.

R Mundon noted that there were considerable opportunities in Orthopaedics out of area but noted that there were legacy issues too. He felt there would also be opportunities around R&D.

## Medicine

D Armfield and I Roberts were in attendance to present the Medicine budget to the Committee.



FI Budget  
Presentation - Medicir

D Armfield presented the key points of the presentation to the Committee.

S Arya noted the Divisional overspend in relation to sitters. P Law advised that there had been a big push to recruit volunteer sitters that had not been as successful as hoped.

S Arya also noted the reference to out of area expansion and queried this. D Armfield noted that there were some opportunities around physio etc. which would be piloted. He noted that they would not necessarily generate significant income but would be worth exploring.

S Arya noted that the implementation of the IR35 regulations had impacted Medicine the most but some substantive appointments had been successfully agreed with some of the locums. This would help to reduce agency spend.

M Fleming congratulated Medicine on a very confident budget and good performance.

P Law provided an update in terms of the falls sitters. She noted that due to the lack of success in recruiting volunteers, bank staff were being used at a cost. She had understood that Medicine was putting together a business case for a team of sitters and queried the progress with this. D Armfield advised that this had gone to Deputies but had been rejected so that work could be done to incorporate the requirements of other Divisions. This would be going back to Deputies for discussion soon.

A Balson noted the need for early planning if there was requirement for staff consultations.

R Forster congratulated Medicine on an excellent financial performance in year with credit to D Armfield, R Lyon and S Arya. He was also pleased to note the involvement of CD colleagues in the budget process.

## Corporate

C Wood presented the Corporate budget to the Committee. She highlighted the key points from the presentation.



FI Budget  
Presentation - Corpor

C Hudson noted that it appeared that there had been increases in the WTE numbers and queried why this was. She felt that some analysis on this would be beneficial in the future. A Balson advised that most of these were in relation to her own team and were due to skill mix changes.

R Forster noted that traditionally the corporate areas had been successful at meeting their budgets but this would become more challenging going forward. He emphasised that the Corporate areas would receive as much scrutiny and challenge as the Clinical Divisions.

J Lloyd thanked all of the Divisions for their hard work and for excellent presentations. He noted that it would be a challenging year ahead with difficult decisions to be made but delivery would be critical.

## 5. MINUTES OF THE LAST MEETING 21.03.17

The minutes were agreed to be accurate.

## 6. MATTERS ARISING

### a. ACTIONS FROM THE LAST MEETING 21.03.17

Completed actions were received and noted.

### b. WORK PLAN 17/18

The work plan was received and noted.

### c. COMMITTEE EFFECTIVENESS REPORT

The Committee Effectiveness report was received and noted. This would now go to Audit Committee.

## 7. RISK ESCALATIONS

There were no risk escalations to this meeting.

## 8. PERFORMANCE REPORT M12

P Law provided an update to the Committee on the highlights and lowlights of M12:

- There had been no grade 3 or 4 pressure ulcers in month
- There had been no serious falls in month
- The Trust had been ranked 12<sup>th</sup> overall for Friends and Family, 17<sup>th</sup> in the National Staff Survey and 15<sup>th</sup> in the country for the National Inpatient Survey led by Picker
- The Trust finished the year on 22 CDTs against a trajectory of 19; there had been 3 lapses in care
- Harms and infections had increased due to the pressures on the system but it was worthy of note that WWL was still very low in terms of harms compared to others in the region
- Enhanced training would be put in place around ANTT and MRSA for clinicians and nurses

M Fleming provided an update from the operational side:

- The Trust had finished 3<sup>rd</sup> nationally for PLACE, 4<sup>th</sup> nationally for cancer targets and 6<sup>th</sup> nationally for 18 weeks. Thanks were extended to R Lyon and the team for their work in turning around the Orthopaedics 18 weeks position
- The Wigan Borough had achieved an A rating for stroke services – this was the highest possible rating
- The barn theatres at Wrightington were now back on line and a new stretch target for theatre effectiveness in place
- There had been high bed occupancy rates in March

### A&E

M Fleming advised that the format of the A&E report had been amended. She noted that, despite continued pressures in March, A&E had performed well and had ended the year as the best performer in GM for type 1 activity for the third year running. The A&E department was currently performing at 92.5% which was an excellent improvement. There continued to be risks around the middle grade rota and the implementation of the IR35 regulations and the impact of this was now being felt. Work was being done to try to support staff.

C Hudson queried whether the Chorley impact had now lessened following the re-opening of its A&E. M Fleming advised that attendance levels had dropped but had not returned to past levels as the Chorley A&E was not open overnight.

### Outpatient follow up report

The report was received and noted.

M Fleming advised that there was significant assurance in most of the specialties but she had some concerns around Ophthalmology, Cardiology and Paediatrics; there were plans in place for each of these but there didn't seem to be any impact on the back log. She suggested that these specialties were escalated to Q&S so that further assurance could be sought around this. This was supported.

### NHSI submissions for breaches of agency capped rates

The report was received and noted.

A Balson noted that the IR35 regulations were having significant impact on the number of locums making themselves available for shifts.

M Guymer noted that it would be useful for the Committee to have trend lines for the breaches over the past 12 months so that particular areas of breaches could be understood and trajectory.

**ACTION: Concerns around Ophthalmology, Cardiology and Paediatrics outpatient follow up backlogs to be escalated to Q&S Committee**

**Trend information for the past 12 months on NHSI cap breaches to be provided to the Committee**

## **9. FINANCE AND CIP REPORT M12**

R Forster advised that M12 had been an exceptional month with an £8.9m surplus against a budget of £900k. There had been a number of contributing factors to this including achievement of the Q3 and Q4 S&T funding and achievement of the incentive scheme. CIP remained a concern with achievement of £10.6m against a plan of £13.8m and recurrent CIP of only £4.7m. The cash balance was in a much better position thanks to the year end result. A use of resources rating of 1 had been achieved against a plan of 2.

R Forster advised that the overall year end position for the Trust was a surplus of £13.6m. This was an excellent result for the Trust but it was important to recognise that a number of one off benefits had contributed to the position and that the underlying position was not as positive. Recurrent CIP was a significant concern as this continued on a downward trajectory and added pressure to the coming year. However, R Forster noted that this was an excellent position for the Trust and would be key as the organisation headed into the next two years.

Work was being undertaken around communication of this result to the organisation.

The Committee agreed that this was an excellent result but noted the significant challenges ahead. Congratulations and thanks were extended to all the teams involved.

### Big 12 update

R Forster advised that the launch event for the Big 12 had taken place last week and had been very positive. An incentive scheme had also been launched which provided the opportunity for the Divisions to earn 25% of any overachievement of savings for reinvestment back into their Division.

### Capital report

The report was received and noted.

### Going Concern Declaration

The report had been received and noted.

C Wood advised that Deloitte had provided some further comments on the report and so she tabled a slightly revised version.

The Committee were happy to support the recommendation that WWL was a going concern.

#### Segmental reporting

The report was received and noted.

### **10. GM PACS OBC UPDATE**

A Beatty was in attendance for this item.

The Committee noted that this was an outline business case for GM wide picture archiving and centralised PACs system. This reflected the movement of patients around the GM region but also went a way towards resolving reporting issues in Radiology, as Trusts with capacity could assist those struggling with reporting. This was also a step towards a GM Radiology service. The purpose of this being presented at F&I Committee was to seek support for this to proceed to full business case.

The Committee noted its support for the principle of the business case but had some concerns around the financial element of the business case which would need further consideration.

### **11. CARTER**

The report was received and noted.

R Mundon advised that the report provided an overview of the activity that had taken place in 16/17. In terms of future reporting, updates would be taken to both F&I Committee and Trust Board quarterly.

### **12. WINNING BACK THE WORK – END OF YEAR REPORT**

The year-end report for Winning Back the Work was received and noted.

### **13. LAND SALES REPORT**

The report was received and noted.

### **14. BAF SCORING**

#### a) To meet all national access targets - MF

M Fleming advised that the only concern in relation to achievement of national access targets was the performance of A&E. Currently, A&E was performing very positively and achieving over 90%. She didn't have any concerns about the achievement of April. The Committee noted this and agreed a score of  $3 \times 5 = 15$ .

#### b) To achieve two year budget stability

The Committee was not able to score this objective as the template had not yet been completed.

### **15. MINUTES RECEIVED FOR INFORMATION**

The Committee received and noted the reporting Committee minutes.

### **16. ANY OTHER BUSINESS**

The Committee congratulated C Wood on her new post outside the Trust and wished her well for the future. The Committee thanked her for her professionalism and support over the recent years.

## **17. KEY SUCCESSES AND RISKS**

Key successes were agreed to be:

- The year-end financial achievement
- The recovery and positive performance of A&E

Key risks were agreed to be:

- CIP
- The communication to staff around the financial performance.

## **18. COMMITTEE EFFECTIVENESS FEEDBACK**

J Lloyd thanked all for their participation in what had been a very busy meeting.

## **19. DATE AND TIME OF THE NEXT MEETING**

23<sup>rd</sup> May 2017, 9.30am, THQ Boardroom.