

Chairpersons Report

Chairpersons Name	Jon Lloyd		
Committee Name	Finance & Investment Committee		
Date of Meeting	19.09.17		
Name of Receiving Committee	Trust Board		
Date of Receiving Committee meeting	September 2017		
Strategic Items for referral to Trust Board	Na.		
Items for escalation?	Yes	No x	If yes, to which Committee

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

1.	The successful KPMG review
2.	The improvement in mortality figures
3.	The willingness of the Trust to participate in national schemes to improve A&E
4.	The analysis of the financial recovery plan
5.	CQUIN achievements

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

1.	Divisional financial performance	MF
2.	Achievement of Sustainability and Transformation Funding	RF
3.	A&E performance	MF
4.	Increased pressures on infection control	PL
5.	Issues with pod 4 in the Wrightington barn theatres	RM

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

The meeting received a very full and useful presentation from KPMG regarding the opportunities for improving the Specialist Services financial performance in orthopaedics. There had been no meeting in August so the various performance and financial reports had covered the two months since last meeting.

It was noted that the period had been exceptionally challenging from both performance and financial perspectives. A&E, patient flow and infection control had been the most troubling for the Trust and divisional financial performance had required bolstering from central non trading contributions. Mortality rates had improved since last report and the 18 weeks and cancer performance remained strong and diagnostics performance had significantly improved since the failure in June and July.

Key outcomes from the reports taken at the meeting

As identified in the minutes

Agreed actions from the meeting	Name of primary lead for the actions
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Chairman: Robert Armstrong

Chief Executive: Andrew Foster CBE

Reviewed December 2016, next review December 2017

An implementation plan following the KPMG review of Specialist Services to be brought to the next meeting	Specialist Services with support from all Executive Directors
A financial recovery action plan to be brought to the next meeting which outlined the short and long term actions	Director of Finance and Informatics with commitment from all Executive Directors.

**MINUTES OF A MEETING OF THE FINANCE AND INVESTMENT COMMITTEE
HELD ON 19 SEPTEMBER 2017, 9.30AM
AT ROYAL ALBERT EDWARD INFIRMARY, WIGAN LANE, WIGAN WN1 2NN**

Members' attendance record		17.01.17	14.02.17	21.03.17	25.04.17	23.05.17	20.06.17	18.07.17	19.09.17	17.10.17	21.11.17
Mr R Armstrong	Chairman	√	√	√	A	√	√	√	√		
Dr S Arya	Medical Director	√	A	√	√	√	A	√	√		
Mrs A Balson	Director of Workforce	√	A	√	√	√	√	√	√		
Mr N Campbell	Non-Executive Director	√	A	√	√	A	√	√	√		
Mrs M Fleming	Director of Operations and Performance	A	√	√	√	√	√	√	√		
Mr R Forster	Director of Finance and Informative / Deputy CEO	√	√	√	√	√	√	√	√		
Mr A Foster	Chief Executive	A	√	√	√	√	√	√	√		
Mr M Guymer	Non-Executive Director	√	√	√	√	√	A	√	A		
Mrs C Hudson	Non-Executive Director	√	√	√	√	√	√	√	√		
Mr J Lloyd	Non-Executive Director (Chair)	√	√	√	√	√	√	√	√		
Mrs P Law	Director of Nursing	√	A	√	√	√	√	√	A		
Mr R Mundon	Director of Strategy	√	√	√	√	√	√	√	√		
Mr N Turner	Non-Executive Director	√	√	A	√	√	√	√	√		

Key: √: attended | A: apologies sent | *: did not attend | --- not a member of the Committee at the date of the meeting

In attendance

Mr I Atkinson – KPMG (item 1 only)

Mrs E Bradbury – Associate Non-Executive Director

Mrs A Edis – Deputy Director of Nursing

Mr D Evans – Associate Director of Estates and Facilities

Mr A Gambhir – Divisional Medical Director, Specialist Services (item 1 only)

Mrs L Hancock – Corporate Services Administrator (minutes)

Mr P Howard – Trust Secretary

Mr D Hughes – Associate Director of Finance

Mrs R Lyon – Deputy Director of Operations and Performance, Specialist Services (item 1 only)

Mr M Singleton – Acting Associate Director of IM&T

Mr S Williams – KPMG (item 1 only)

1. KPMG REVIEW OF SPECIALIST SERVICES DIVISION

Ian Atkinson and Steven Williams were in attendance from KPMG to deliver a presentation which outlined the findings of a review undertaken within the Specialist Services division.

The Trust had commissioned the review to consider the current performance, identify areas contributing to underperformance, validate the recovery plan implemented by the division and to make recommendations for the future. It was noted that there had been a number of contributory factors to the current underperformance but it was felt that these could be addressed to return the division to plan, although note was made of the fact that the figures included within the report were based on a full-year effect. The KPMG team would work with the division to develop an implementation plan.

The Deputy Medical Director and Deputy Director of Operations and Performance from Specialist Services felt that it had been a useful process and were pleased to note that the findings of the review had supported the divisional view. The division re-enforced their commitment to recovering the position and would be discussing further with KPMG.

Next steps would focus on detailed implementation planning with an action plan to be developed. It would be important to categorise these in terms of short, medium and long term actions. The implementation plan would be received at the next meeting.

Action: Specialist Services division

The Committee received and noted the contents of the presentation and confirmed their support for taking this forward.

2. Committee chair's opening remarks

The chair welcomed all to the meeting of the Finance & Investment Committee.

Mrs E Bradbury, Associate Non-Executive Director, was introduced to Committee members. She would be undertaking a 6-month placement with the Trust as part of the Insight Programme which offered experience to those interested in the role of the Non-Executive Director.

The Chief Executive provided a verbal update to the Committee on a number of key matters that had occurred since the meeting in July. These included:

- Progress with the overall financial recovery plan
- Continued challenges in Accident and Emergency (A&E)
- Upcoming statutory inspections / reviews
- Improvement in mortality figures
- Changes to quarterly divisional reviews to focus on finances, performance and mortality

The Committee received and noted the contents of the verbal report.

3. Apologies for absence

Apologies for absence were received as indicated in the attendance record above.

4. Declarations of interest

There were no opening declarations of interest.

5. Minutes of the last meeting

The minutes of the Finance and Investment Committee meeting held on 18 July 2017 were agreed to be a true and accurate record.

6. Matters arising

a. Actions from the last meeting

Completed actions were received and noted.

b. Work plan 2017/18

The work plan for 2017/18 was received and noted.

7. Risk escalations from the Risk and Environmental Management Committee (REMC) / sub committees

There were no formal escalations from REMC or sub committees for report.

8. August performance report

The Deputy Director of Nursing provided an update on the key highlights and lowlights from August:

- There had been an increased number of *Clostridium difficile* (*C diff*) infections over the summer period, associated with the higher temperatures on the wards and the use of fans. This was a position shared by other Trusts in the region. Out of the *C diff* cases, one had been attributable to a lapse in care. There was no evidence of cross infection
- Patient experience scores for privacy and dignity were at 100%
- There had been a decrease in the number of falls
- There had been an increase in the number of grade 1 and grade 2 pressure ulcers. This was an area of focus for the Serious Incident Requiring Investigation (SIRI) panel

The Director of Operations and Performance provided an update with regard to operational performance:

- Mortality rates had reduced compared to previous months
- 18 weeks and cancer performance remained strong and diagnostics had recovered from the failure in June and July

- Theatre effectiveness was currently below the expected target
- There continued to be challenges around A&E performance

The Committee noted concerns in relation to mandatory training compliance in maternity services. Staffing pressures had been experienced in the department which had prevented timely completion of training. However, a plan was in place to rectify this and it was anticipated that the position would improve by the next report.

The Committee received and noted the contents of the performance report.

A&E

The A&E report outlining performance in August was received and noted by the Committee.

Analysis of admission data had been undertaken and it was noted that, whilst A&E attendances were reducing, the number of admissions had increased with emergency admissions up by 10%. These were largely related to sepsis, pneumonia and mental health issues. There had also been a higher number of long stay admissions from care homes leading to increasing pressure for beds.

Actions were being taken to help address the pressures. The Trust was participating in the 100% Challenge initiative, facilitated by the Greater Manchester Utilisation Management Unit, and the NHS Improvement Monday Surge project. The GP co-location centre would open on the 2 October to enable the streaming of appropriate patients from A&E. Plans were also in place to transfer surgical beds to medicine from October.

The Committee noted the contents of the report and expressed their appreciation for the efforts of all involved.

Diagnostics failure

A report detailing the reasons for the diagnostics failure in June and July was received and noted by the Committee for information. The Committee were assured that actions were in place to prevent further failure.

9. Finance, Big 12 and Divisional Cost Improvement Programme (CIP) report

The Director of Finance and Informatics noted the key matters from the August finance report:

- The Trust was reporting a £3.5m deficit year to date which was £468k away from plan
- CIP had delivered £3.8m year to date which was £400k away from plan
- Capital expenditure was at £1.5m for the year to date
- The cash position remained good
- A Use of Resources rating of 3 had been achieved which was in line with plan

The Committee received and noted the contents of the report.

Update on financial recovery

The Director of Finance and Informatics delivered a presentation to the Committee which outlined plans to return the Trust to its financial plan.

It was noted that there had been an improvement in the financial position in August. It would be possible to achieve the year end plan but delivery would require the full focus of the divisions and it would be important that the position did not deteriorate further. A clear action plan with short and long term actions would be brought to the next meeting.

Action: Director of Finance and Informatics

The Committee received and noted the contents of the report.

10. Commissioning for Quality and Innovation (CQUIN) report

A report detailing progress against CQUIN targets for quarter 1 of 2017/18 was received and noted by the Committee.

11. Wrightington barn theatres

The Director of Strategy and Planning provided the Committee with an update in relation to the failure of pod 4 in the barn theatre complex at Wrightington during its annual verification.

The matter had not yet been resolved and discussions continued with the supplier. An independent review had been conducted and assurances given that the Trust had maintained the theatre as required.

The Committee received and noted the contents of the update.

12. Marketing report

The Director of Strategy and Planning presented a report to the Committee which provided an overview of out of area marketing activity over the preceding month.

The Committee received and noted the contents of the report for information.

13. Theatre estate strategy

The Director of Strategy and Planning presented a report to the Committee which detailed the condition and usage of the theatre estate across the hospital sites.

The Committee received and noted the contents of the report for information.

14. BAF objectives 2017/18

a. To meet all national access targets

Failure to meet the A&E 4-hour target

It was noted that the Trust had delivered on all national targets with the exception of A&E which continued to be an area of significant challenge. However, tactical and strategic plans

were in place to aid improvement. The Director of Operations and Performance recommended that the current score of $5 \times 4 = 20$ was retained.

The recommendation was supported by the Committee.

b. To achieve two year budget stability

Failure to deliver the Big 12 schemes

It was noted that a holistic approach to achieving budget savings was being taken which incorporated the Big 12 schemes and CIP. The recommendation was made to amend the focus of the risk to reflect this. In the meantime, it was suggested that the score remain at $5 \times 4 = 20$.

The recommendation was supported by the Committee.

Failure to Deliver Divisional CIPs

It was noted that a holistic approach to achieving budget savings was being taken which incorporated the Big 12 schemes and CIP. The recommendation was made to amend the focus of the risk to reflect this. In the meantime, it was suggested that the score remain at $5 \times 3 = 15$.

The recommendation was supported by the Committee.

Budget overspend, cash flow reductions and liquidity

It was noted that the cash position continued to be carefully managed and was currently ahead of plan. The Director of Finance and Informatics recommended that the score remained at $5 \times 3 = 15$.

The recommendation was supported by the Committee.

15. Minutes received for information

The Committee received and noted reporting minutes for information.

16. Any other business

There were no further matters raised for report.

17. Key successes and risks

Successes

- The successful KPMG review
- The improvement in mortality figures
- The willingness of the Trust to participate in national schemes to improve A&E
- The analysis of the recovering plan

- CQUIN achievements

Risks

- Divisional financial performance
- Achievement of Sustainability and Transformation Funding
- A&E performance
- Increased pressures on infection control
- Issues with pod 4 in the Wrightington barn theatres

18. Committee effectiveness feedback

Committee effectiveness feedback was sought and it was noted that the meeting had been well conducted with good engagement of members and focus on the key issues.

19. Date and time of next meeting

A meeting of the Finance and Investment Committee would be taking place on Tuesday 17 October 2017 at 9.30am at the Royal Albert Edward Infirmary, Wigan Lane, Wigan WN1 2NN.