<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>2 July 2019</th>
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<tbody>
<tr>
<td>REPORT FOR</td>
<td>Trust Board of Directors – Public</td>
</tr>
<tr>
<td>REPORT FROM</td>
<td>Linda Jackson, NED / Chair of Finance &amp; Performance Committee</td>
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<tr>
<td>CONTACT OFFICER</td>
<td>Richard Eley, Interim Director of Finance</td>
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<tr>
<td>SUBJECT</td>
<td>Finance &amp; Performance Committee Minutes – April &amp; May 2019</td>
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<tr>
<td>BACKGROUND DOCUMENT (IF ANY)</td>
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<td>PURPOSE OF THE REPORT:</td>
<td>For Information</td>
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**EXECUTIVE SUMMARY (PLEASE INCLUDE: A SUMMARY OF THE REPORT, KEY POINTS & / OR ANY RISKS WHICH NEED TO BE BROUGHT TO THE ATTENTION OF THE TRUST BOARD AND ANY MITIGATING ACTIONS, WHERE APPROPRIATE)**

Minutes of the Finance & Performance Committees held on 24 April and 29 May 2019 and approved at its meetings on 29 May and 26 June 2019 respectively.

| TRUST BOARD ACTION REQUIRED | The Board is asked to note the report. |
MINUTES

MEETING: Finance & Performance Committee

DATE: 24 April 2019

PRESENT:
- Linda Jackson: Non-Executive Director (Chair)
- Anne Shaw: Chair of the Trust
- Jeff Ramseyer: Non-Executive Director
- Richard Eley: Interim Director of Finance
- Tony Bramley: Non-Executive Director
- Shaun Stacey: Chief Operating Officer
- Jug Johal: Director of Estates & Facilities
- Mike Smith: Finance Manager – Programme Office

IN ATTENDANCE:
- Sue Barnett: Improvement Consultant
- Zoe Plant: Head of Contracting & Costing (For Item 6.3)
- Anne Barker: Finance Admin Manager (Minutes)

Item 1 04/19
Apologies for Absence
Apologies for absence were received from: Peter Reading; and Brian Shipley.

Item 2 04/19
Declarations of Interest
There were no Declarations of Interest.

Item 3 04/19
Minutes of previous meeting held on 27 March 2019
- The minutes of the meeting held on 27 March 2019 were reviewed and Linda Jackson referred to item 5 – Finance Report. Linda advised that she will be amending the wording in this section that relate to the income assumptions in the forecast and will do this following the meeting and get circulated for approval.
- Jeff Ramseyer highlighted his name was spelt incorrectly at the top of page 6.

Subject to these amendments, the minutes were agreed as an accurate record.

Post Meeting Note: the minutes were amended by Linda Jackson and reissued to the Committee on 25 April 2019.

Item 4 04/19
Matters Arising / Action Log
The action log was reviewed as follows:
- Resource Centre – Linda Jackson advised that Paul Bunyan had requested this item be deferred until the next meeting. Shaun Stacey highlighted that it is important that the paper brought to the Committee reflects the review by Deloitte on P&OE and this was the reason for the delay. Shaun understood that the review had been completed but had not been shared therefore felt there was a genuine reason that the Committee could not be updated this month. It is anticipated that Paul Bunyan will be able to bring an update to the May F&P Committee and Linda Jackson also proposed highlighting to the Trust Board given the delays with agreeing a planned way forward with what is a critical Trust project. Linda Jackson also requested that a review is undertaken to support the teams in moving this project forward.
- Integrated Performance Report – new format is now anticipated to be available from the May meeting
- Finance Report – Income review and learning lessons. Richard Eley advised that it is anticipated that this will be completed in time for May F&P Committee meeting. Tony Bramley commented on the need for caution that this does not overlap into other areas.
Following review the action log was agreed.

**Item 5
04/19**

### Integrated Performance Report

Shaun Stacey presented the report and Linda Jackson commented that she felt there was some good news coming through the report this month that was encouraging, Shaun Stacey agreed.

#### A&E Performance

Shaun informed the committee that A&E continued to struggle with the current activity which is still significantly above the performance trajectory. Improvement has been seen in March with the Trust achieving 82.3% of patients being seen within the 4 hour standard against a trajectory of 83.5%. The performance for February was 77.6% so this was a good improvement but further focus is required to get us to where we need to be, although noting that the Trust is doing better than our peers with the 4 hour wait standard.

Shaun updated that the Integrated Assessment Unit is still to commence to help improve performance by improving flow. The Urgent Treatment Centre is not in place fully at the Grimsby site as GPs are not in place all the time, Shaun is currently working with providers on improving this cover. SGH new provider now in place and working well.

A&E cover was highlighted as now being sufficiently covered up to midnight but no senior clinical cover is in place from midnight-7.00am which is where the activity is increasing and where delays are occurring in decision making.

Changing the staffing rosters is a big challenge but needs to be addressed to resolve this issue. Shaun Stacey to update on this position at the next meeting.

**Action:** Shaun Stacey

#### Stranded and super-stranded.

There has been an improvement in the number of super-stranded patients – 76 patients this month versus 87 patients for February, although still some way to go to hit the Trust trajectory of 62 patients. Lincolnshire East relationships are improving and they are coming in to DPOW seven days a week to facilitate moving their patients. Super-stranded patients target of 60 is not being achieved but one of the reasons for this is that the target was set prior to the arrangement to take the Lincolnshire East patients. That said, Shaun still felt there was more that could be done working closer with social care to get improvement in Q1.

Shaun Stacey highlighted a trial that is being undertaken at DPOW in May where patients’ carers are brought into hospital who have a better understanding of patients’ needs and what “normal” looks like and it is hoped that this may help with quicker discharge. Shaun confirmed that he is not aware of this happening anywhere else but felt given the ongoing difficulties it was worth trying something different. A brief discussion took place and Anne Shaw felt that it is something that should be celebrated and maybe something that Health Watch would be interested in. Shaun Stacey advised caution on this at the moment and suggested waiting for the results of the trial as it was an unknown whether it would make a difference, which was acknowledged.

#### Patients Waiting in excess of 52 Weeks

Shaun Stacey updated the committee that the Trust had 24 patients at the end of March that were waiting longer than 52 weeks, all of which was due to patient choice. The current position is that there are no 52 week waiters which is an excellent position from this time last year when there were 316 patients. Shaun Stacey assured the Committee that a plan is in place and beginning to see actions formulating for patients waiting no longer than 40 weeks which is a key target for 2019/20.
RTT

Shaun Stacey informed the committee that the RTT 18 week position for March was 76.1% versus a 72.6% trajectory which has seen a good increase month on month since September when it was at 69.3%.

Shaun confirmed that the information contained within the IPR would become 40 ww patient data moving forward

Linda Jackson referred to the RTT tail chart on page 3 of the report and asked if this could be replicated for last year to compare the movement, given the constant reduction in this area. Jug Johal agreed to pick that up with the Information Team and get the data for a 3 year period.

Action: Jug Johal

Tony Bramley raised the issue of clock stops and asked if this was a new issue or part of the ongoing problem. Jug Johal confirmed that this has been an ongoing concern about the system but that there had been two recent incidents involving Dictate IT templates and RTT stops in Oscopy. The Oscopy incident involved 1445 patients who are at present being validated. There were a number of different issues identified and patients are still being validated to determine clinical harm.

Jug Johal went on to brief the committee that there were 4978 patients who had their “treatment deferred” incorrectly when an incorrect code was used, it appears, on initial investigation, that the clock stop was correct but the reason for the clock stop was incorrect. All specialities are working through the patients involved to determine if any harm has occurred and first line validation has been completed and now the teams are working on 2nd line validation. Both NHSI and CQC have been briefed.

Jug Johal noted that these issues have been tracked back to 2010 and 2014 which corresponds with the time that central validation was removed. Jug highlighted that a business case will be taken to TMB to implement a full validation team which will see all patients being validated and reviewed rather than looking at samples retrospectively. There will also be a business case for a replacement of the PAS system which is part of the capital programme over the next two financial years. Sue Barnett emphasised that this is a major project for the Trust and not to be underestimated.

Jug Johal went on to explain that there has been an external review of our systems commissioned by NHS Digital. Linda Jackson asked Jug to update the committee next month on all of the patient clock stop scenarios and how the NHS Digital review is progressing.

Action: Jug Johal

Post Meeting Note from Jug Johal:

Please find the latest updates in relation to all of the 5 waiting list data coding errors. There has been some movement in the Prostate Biopsy and Treatment deferred cohorts in the last couple of days

1st line validation has been completed on all but the Treatment Deferred Cohort. There are 4978 patients in total to validate in this cohort, these will be completed by 28th June. As agreed with Shaun, once 1st line validation is complete, we will agree how to manage 2nd line validation and clinical harm reviews – the course of action will be dependent on numbers.

52ww
There were no over 52w submitted this week in respect of any of the cohorts.
There are 3 potential 52w+ patients within the Diagnosis cohort. These are awaiting confirmation from the Division before we declare them.
There could still be further 52w+ patients identified in the Treatment Deferred Cohort.

The table below provides a quick summary;
<table>
<thead>
<tr>
<th>SI Name</th>
<th>Outstanding/To do</th>
<th>Comments/Progress/Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPT ACIN (1292)</td>
<td>5 left to Clinical Harm Review of which;</td>
<td>• 3 patients have an outcome of potential low harm, they are within General Surgery, Paediatrics and ENT</td>
</tr>
<tr>
<td></td>
<td>• 4 have been seen, treated and discharged from Clinician's care</td>
<td>• Actual Harm to be confirmed at appointment</td>
</tr>
<tr>
<td></td>
<td>• 1 has been seen and treated and has ongoing review</td>
<td></td>
</tr>
<tr>
<td>Oscopy SI (1445)</td>
<td>26 left to Clinical Harm Review</td>
<td>• 1 patient identified as potential low harm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1 patient identified as potential moderate harm</td>
</tr>
<tr>
<td>Diagnosis SI (1322)</td>
<td>5 to 2nd line validate 116 to CHR</td>
<td>• 10 patients identified as potential low harm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1 patient identified as potential moderate harm</td>
</tr>
<tr>
<td>Prostate Biopsy SI (323)</td>
<td>15 to 2nd line validate 19 to CHR</td>
<td>Both sets not yet sent to divisions</td>
</tr>
<tr>
<td>Treatment Deferred SI (4978)</td>
<td>4593 to 1st line validate 140 to 2nd line validate 78 to CHR</td>
<td>• 1st line to be completed by 28.6.19. Due to the high numbers in this cohort; on completion of 1st line validation, we will assess the number of patients requiring 2nd line validation and clinical harm review. At which point we will determine the next course of action</td>
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9.30am  Mike Smith arrived to the meeting.

Shaun Stacey stressed that the issue of risk with follow-ups and coding will certainly be picked up by the CQC and it is envisaged that in the prep work for the next visit we will have that information ready and it was agreed that a briefing note for the Trust Board on the waiting list will be prepared as part of the CQC preparation workstream.

Patient Waiting Lists

Linda Jackson noted that Ophthalmology had seen a reduction in their OPD follow up list but no improvement in Gastro, and ENT is getting worse. Shaun Stacey responded that stronger management in Ophthalmology had contributed to the improvement; difficulties with sickness and resourcing has caused challenges in Gastro; and resourcing has been an issue in ENT at consultant level which is already a fragile service. Sue Barnett advised the committee that she is leading on an STP solution for ENT with Hull. The focus is on the creation of a generic on call rota, a change of cancer pathways and training of GPs to be able to take some of the lower level work which will release secondary care capacity. Sue said that they are hoping to have a solution outlined by the end of May. Linda Jackson commented that this was a real move forward in an area that had challenged the Trust for a considerable time and would like the committee to be kept updated on progress.

Action: Sue Barnett

Jeff Ramseyer commented that the coding and validation needs to be reviewed as he did not think the BAF reflected the issues sufficiently. It was agreed that this will be picked up under that item.

Tony Bramley advised that Ophthalmology speciality had attended the Q&S Committee from a safety point of view in terms of the number of SIs and suggested that the service needs a fresh approach and this had been flagged as urgent. Shaun Stacey agreed with Tony's comments and said he would encourage Q&S to keep sight of this as well as ENT; adding that Ophthalmology, Gastro and Colorectal were a significant risk with waiting lists.
CANCER

Shaun Stacey updated the committee that the cancer performance this month has improved and is at 78.9% versus a trajectory of 81.1%

Shaun Stacey advised of a key project set up by the Cancer Alliance to review the delivery of oncology services across the patch and that Denise Gale is representing NLAG in this work on a task group. It is anticipated that a plan will be formulated by mid-May then onto delivery. Shaun stressed that this was a key project for the Trust to get moved forward. Linda Jackson felt this was also a real step forward as this service had also been an issue for some time. Tony Bramley confirmed that Q&S will also keep sight of this.

Shaun went on to advise that performance had improved in March and is currently at 78.9% against a trajectory of 81.1%. Slippage had been seen in the lung service with patients going through tests that are not necessarily needed and the team are trying to improve on that. Shaun updated that the Medicine DCD will be moving back into his clinician role which will help move this service forward.

Jeff Ramseyer raised the issue of the PET scanning availability and asked for an update. Shaun Stacey confirmed that the issue is still the same but is now with NHSE to try and help with a solution. Shaun went on to advise that alternative choice of venue is being offered but some patients seem to want to wait rather than travel further afield – which is their choice.

Vanguard Theatre

Shaun Stacey provided to the Committee the Vanguard business case and the post project evaluation report. Whilst the Committee supported the decision to cease the service at the end of the contract period, concern was raised by Linda Jackson on the ability to change the working practices in order to achieve the increase in productivity required. She stated that the teams would need to be well supported to make the changes required and optimise the existing theatre capacity. Shaun Stacey agreed that it would be a challenging time but that we need to keep pushing on moving day cases to outpatient procedures and the speciality leads play a big part in the scheduling of their own activity to meet their demand. Shaun felt that managers need to use data effectively and currently some specialities are better than others, but he agreed more support was needed in Surgery. The recent deep dive sessions have focussed on ensuring clinicians and managers know what they need to do; although adding this is not without risk.

Tony Bramley made an observation around the model hospital data and whilst this is getting discussed in various places we do not know “what looks good” for comparison. Mike Smith commented that 2017/18 model hospital data is used but there needs to be uplift nationally included to bring the data up to date; that said, the data does not show comparison on theatres. Mike clarified where available the data is provided in the deep dives so the specialities can benchmark themselves against the relevant measures, adding that it is not always about hard evidence but more to get people to work differently. Mike added that the information is used for the length of stay workstream and for financial scoping for CIP targets.

Tony Bramley suggested having a standard paragraph e.g. as good as / way off because …. compared to model hospital data. Tony added that he gets the sense that a lot of work is being done on this but need some visibility but hopes that the refresh will ensure we get better data. In terms of systems it seems we are moving in the right direction and beginning to understand what Web V can offer and this will help us increase the in session theatre utilisation.

The next item was taken out of sequence:
04/19 Estates & Facilities

10.1 BAF Risks – Lifts

Jug Johal presented the report which, due to time restraints, had been deferred from the last meeting.

The paper was taken as read and Jug highlighted key issues for the Committee to note, including that four lifts at SGH have been refurbished and three at DPOW. Due to other priorities of the BLM budget there have been no further lifts refurbished. A passenger stair lift was installed as a back up to the Pink Rose suite main passenger lift at DPOW in February 2018 in response to a risk assessment in this area.

On the action plan Jug advised that there are 99 completed actions with two outstanding i.e. drawings which are 50% completed; and the emergency lighting lift in the motor room.

Jug also highlighted that the model hospital tool is used to hold PLACE and ERIC data and benchmarking information against other acute providers.

The Committee noted the report.

10.2 BAF Risks – BLM

Jug Johal presented the report which was taken as read and highlighted that the BLM budget 2018/19 against 2019/20 is a real challenge for the Directorate. Jug highlighted the schemes included in the 2019/20 BLM budget and specifically the chiller plant which has been allocated over £380k, which is a large chunk of the budget on one project, but an essential piece of work. Some of the schemes have been carried forward from 2018/19.

Jug also advised that Steve Bennett has been brought in to support Sue Barnett’s team on bids and capital work. Now that the capital work was moving forward Sue Barnett suggested that Capital needed to form part of the committee agenda to give assurance to the Board. It was agreed by the committee that a briefing on capital will be added to the agenda next month and bi-monthly thereafter which will encompass the Trust’s capital program (including IT, medical equipment,) and update on the strategic capital bid. It was agreed that one committee should see all of the capital risks to gain the overall view and to give appropriate challenge.

Following the discussion the Committee noted the report.

10.3 Raven Contract

Jug Johal advised that a letter had been sent to Raven Facility Management Ltd, who provides grounds and garden maintenance to the Trust, to terminate the contract due to non delivery of the contract. A letter from their solicitor has been received and we are currently reviewing the terms of the contract.

Jug was asked if this could be a solely in-house service. Jug responded that general grounds maintenance could be in-house but specialist work which requires specialist equipment i.e. for the trees in the pit carpark would need to be let to specialist contractors.

04/19 Savings Programme

Mike Smith presented the CIP report and highlighted key issues to note as follows:

2018/19

- The 2018/19 plan of £15m was achieved in full at the end of the financial year which was agreed by the Committee as a tremendous achievement
- Positive medical staffing recruitment which has helped delivery in the final month of the year
- There are ongoing challenges with recruitment in nursing which need to be addressed to help reduce the use of agency
Non-pay and procurement has had resourcing issues. Prosthesis savings now feature in 19/20 savings plan due to the delay in implementation. Mike went on to say that big ticket projects as a result of the staffing issues have come late in 2018/19 so the real benefit will be seen in 2019/20

2019/20

The committee focussed on the 19/20 plan and Mike informed the committee that there were £25m of schemes in the pipeline of which £5.3m were in the “ready/in delivery” stage and a further £10m in the “in progress” stage

Mike felt the work that EY had carried out in Medicine and Surgery was very positive and Shaun Stacey felt that the support from EY needed to be reviewed for W&C and S&CC divisions as they were currently struggling to get near their targets which was affecting the overall plan. Mike Smith agreed to review this with Richard Eley outside of the meeting

Action: Mike Smith

Richard Eley informed the committee that the Trust was an outlier with the corporate spend and the committee supported the piece of work on reviewing the corporate savings and there is a workshop planned in May to look at how the £4.1m indicative saving can be realised. Mike Smith to update the committee at the next meeting on progress

Action: Mike Smith

There was good debate on the level of CIP that should be allocated into the divisional budgets the £20m committed to NHSI or the £29m sitting in the budgets at present. The consensus from the committee was the £20m should be allocated in the operational budget, and that any stretch over this should be pushed for separately so we can try and over achieve against the target. Linda Jackson and Sue Barnett were very keen that the figures given to operations were both transparent and achievable although included stretch as it is important to get the divisional buy in to their 2019/20 figures. The committee felt it is imperative the divisions understand what is required in this area for month 01 accounts and what the core deliverable figure is. Shaun Stacey commented that he would be clarifying the key figures to each division by way of a letter

Linda Jackson summed up that she felt there was still a lot of work to be carried out in this area to give the committee assurance that the 2019/20 plan would be achieved. Linda stated that we were already at the end of month one and needed to get more savings nailed down early on in the financial year. Mike Smith felt the position was likely to move significantly forward after the next round of CIP meetings have taken place.

10.40am

Jug Johal left the meeting

Tony Bramley stated that the process for next year should be in place sooner rather than later and Richard Eley advised that he was in agreement and that the plan with EY was to start looking at the process for next year’s CIP ideas from July this year.

Item 6

04/19

Finance Update

Richard Eley presented the Month 12 report and highlighted key issues to note.

• The position at the end of the year was a deficit of £60.44m which is £29.15 adrift of the £31.29 deficit planned. This figure will improve slightly due to the late receipt of £2.3m PSF money from NHSI; giving a deficit of £58.1m.
• There was a good clinical income level of £28m but there is still a risk here as the coding backlogs may contribute to further contract challenges and penalties and still in dispute of £1m
• The committee noted the excellent work around the clinical coding project which was completed on time which has not only improved our depth of coding and mitigated a £2m risk on income to the Trust
• There was an improvement in medical staffing expenditure this month but this was offset by an increase in nursing staff costs. Nursing staffing costs are increasing and is a concern moving into 2019/20. A review is to take place and it is hoped this will have some positive impact, the results are expected early June and it is hoped any increase in cost can be mitigated by doing things differently
• Admin & clerical costs increased in month and NHSI are requiring explanation on the £4.5m movement from last year to this year in spend. This is a key area for review in the 2019/20 CIP review process.
• Non-pay – Drug costs reduced from previous month, with clinical supplies and services increased significantly and the S&CC Division are clear that a greater understanding of this situation is required.
• EY costs will also be included in Month 12.
• Cash still problematic but finance team are managing very well. Talking to NHSI how to improve this situation moving forward.
• Loan repayments will commence this year and this will mean taking out working loans to pay the loans back if no support from NHSI is offered.

6.2 2019/20 Budget position.

Richard Eley presented the report which was also to be discussed at the next Trust Board, and highlight key issues to note:

• The committee discussed the fact that the control total of £15.4m deficit had not been agreed so therefore the financial target of £53.9m deficit had been agreed by NHSI on the basis the Trust meets all of its targets set out in the business plan.
• One of the main reasons for not accepting the control total was the scale of the gap and therefore CIP plan required. The gap to meeting the control total had moved from £29m to £32m following the conclusion of the budget setting process and contract negotiation. If the CIP savings are not achieved this will widen the gap.
• The main contracts with CCGs and NHSE have been signed with £1m outstanding based on not being able to reach an agreement with E Lincs CCG for their non-elective work. Payment has been agreed for a 3 month period whereby the ongoing arrangement needs to be clarified and formalised. A maximum of £3m has been agreed for counting and coding but this could be a benefit or a loss to the Trust depending on what is found. Grant Thornton working with clinical engagement on this and a full project plan has been formulated and being worked to, it is imperative that this work brings a benefit to the Trust gap. Linda Jackson felt the current situation feels a lot more robust than what was previously there. Zoe Plant said there had been good engagement with the divisions on this work and that the Trust had it all to play for as there was a potential further £7m available to the Trust.
• The numbers in the contract agreement mean that the Trust needs 23 more beds than currently available. Various work is ongoing to identify areas for those beds but also LOS reduction is key to achieve this and CIPs.
• The Trust will have to embark this year on taking out loans to pay for loans. It was felt the Trust board needed a separate discussion on the loans position.
• Cost pressures and reserves – small sum of money is put aside for 2019/20 but not a significant amount if major problems arise.
• Agreement with CCGs that the Trust meet the agreed contract and it is essential that the budgets are managed effectively to achieve this.
• Market share – CCG proposed to share this work with us. Shaun Stacey reiterated his approach that specialities need to ensure their services are stable first and meeting their targets, then repatriation will be looked at. Linda Jackson supported this approach.
• The estate continues to be a major risk in 2019/20.
• Income needs to be delivered: cost of CQUIN 1 ½ % with no money put aside for this as well as the risk of potential fines, which are fully applicable as the Trust have not agreed to the control total.
• Opportunities to enable a balanced plan from 2020/21 onwards include improved market share; reduction in LOS and improvement in other efficiencies, including GIRFT; model hospital benchmark reviews; rationalisation of specialities to one site; movement of work across the STP.
• Sue Barnett clarified that the business planning group with the CCG’s would go back to weekly meetings. The divisions will continue to get tested on activity levels and individual commitments to the 19/20 plan via the PIM’s.
• Sue Barnett informed the committee that with effect from 1st May the first weekly reporting information will be available for use via the power BI tool which should greatly improve the visibility of performance out in operations. Linda Jackson commented that this was a real step improvement in being able to manage performance in a more timely fashion.

• Linda Jackson queried when the new format of the finance report would be available and Richard Eley confirmed this would be for the April figures. The new report would include the current month – actual versus budget for divisions and then for directorates as a whole then building up to the full Trust position. This format will be replicated for the year to date position. The committee felt this was an improvement on the current report which just focuses on the ytd position.

6.3 Contracting 2019/20 key risks and assumptions

Zoe Plant, Head of Contracting & Costing attended the meeting to give a presentation on the recent work on the signing of the contract and also on the work being undertaken through into 2019/20 to manage the contract. Shaun Stacey stressed that the whole system needed to work differently together now the contracts were signed to achieve what was in the 19/20 plan. He felt it was imperative that the CCG’s carried out the work they committed to as these schemes would then help NLAG to achieve what we needed to. Shaun gave the CCG responsibility to help reduce the number of patients presenting at the front door by way of example.

There are regular meetings set up with the CCG’s where the contracted commitments are measured along with the commitments in the 19/20 operational plan. This also covers the transformational projects that need to be delivered this year.

It was agreed that the key areas of measurement of the contract will be included into the monthly finance report from month 1 to ensure the Committee is sighted on progress.

The Committee thanked Zoe for the comprehensive presentation which covered the recent work with the CCG’s and she left the meeting.

Item 8 04/19

Strategy & Planning

8.1 OPD Transformation Project

A report had been provided and as Shaun Stacey had to leave the meeting early, Sue Barnett presented in his absence

Sue Barnett advised that initially seven key specialties will be the focus for redesign i.e. Cardiology; Respiratory; Gastro; Urology; ENT; Colo-rectal and Ophthalmology. Transformation plans have been drafted for all seven and are currently out for consultation and agreement with specialty clinical and operational leads as well as CCG partners to ensure a whole system approach.

The aim of the OPD transformation project will reduce the follow up list by 14000 patients by the end of the financial year, working with CCGs and on a 90 day rolling programme. Sue advised that Paul Hinchliffe is the rep for NLAG.

Linda Jackson highlighted that the key transformation projects will be added to the F&P workplan to give sufficient focus on the individual elements, similar to the approach taken with Estates & Facilities in terms of the BAF risks.

Item 9 04/19

BAF / Risk Register

In the absence of Jeremy Daws it was agreed to defer this item until the next review whereby there will be a new format for the BAF in place. The committee noted the concern raised by Jeff Ramseyer earlier regarding the Patient Admin review as he felt this was taking too long.
Item 11 04/19  
Next meeting  
Agree area for deep dive on a performance or financial risk

It was agreed for next month:

- Resource Centre
- EY deep dive into the Trust run rate performance in the last two years
- Capital program

Item 12 04/19  
Items for Approval

There were no items for approval this month.

Item 13 04/19  
Items for Information

13.1 NLAG Operational Plan – Final
13.2 NEL CCG Operational Plan – Final
13.3 NL CCG Operational Plan – Final
13.4 Letters to Divisions following Performance Improvement Meetings.

All of the above items for information were noted.

Item 14 04/19  
Matters to Highlight to other Trust Board Assurance Committees:

Quality & Safety Committee

- RTT clock stops and the potential for clinical harm

**Action:** Tony Bramley

Item 15 04/19  
Matters for Escalation to the Trust Board (Public/Private)

Linda Jackson agreed to draft the highlight report for the Trust Board with input from Richard Eley.

**Action:** Linda Jackson / Richard Eley

Item 16 04/19  
Any Other Business

Sue Barnett raised an urgent issue on the NL CCG MSK Tender which was part of a national initiative. Sue highlighted the short deadlines in this project with a submission required by 10 May 2019. The work is worth circa £6.8m over a 5 year period i.e. £1.3m per annum and most of the elements are held by the Trust including elements in pain service which we cannot fully provide; ortho / and physiotherapy. Discussions have been held with CCG noting the competitive tender process. Sue advised that she will be leading on putting a bid together and NED support was also requested. It was agreed that this will be discussed outside of the meeting and confirmed to Sue.

Item 17 04/19  
Did we get sufficient assurance on the areas covered today / is there sufficient drive and progress being evidenced?

Tony Bramley felt that there is a lot of good intent, positive discussions, and seem to be heading the right way, but, that there was still a lack of evidence that things were being delivered. The inputs appear to be improving along with the focus but maybe the personal development of the people expected to deliver should be reviewed. We are expecting a lot of plates to be spun and we need to see if the teams have the capacity and capability to deliver to improve the bottom line.
Linda added that Power BI information is going to Divisions through the PIMs and can see that inputs are improving with some selective outputs but the back drop of this is the ability of people to deliver to meet the financial plans.

Item 18 04/19

Date, Time and Venue of next meeting

29 May 2019 9.00-12.30pm – Cedar Room, T&D, DPOW

(Apologies noted from Jeff Ramseyer)

Attendance Record 2019/20

<table>
<thead>
<tr>
<th>Name</th>
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<th>May 19</th>
<th>June 19</th>
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<tr>
<td>Linda Jackson</td>
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<td>Shaun Stacey</td>
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<td>Jug Johal</td>
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<td>TOTAL ATTENDEES</td>
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MEETING: Finance & Performance Committee

DATE: 29 May 2019

PRESENT: Linda Jackson Non-Executive Director (Chair)  
Richard Eley Interim Director of Finance  
Tony Bramley Non-Executive Director  
Shaun Stacey Chief Operating Officer  
Jug Johal Director of Estates & Facilities  
Mike Smith Finance Manager – Programme Office (for Item 8)  
Sue Barnett Strategy & Planning Consultant  
Anne Barker Finance Admin Manager (Minutes)

IN ATTENDANCE: Damian Kitchen Finance Manager – Costing & Benchmarking (For item 7.3)

Item 1 05/19  
Apologies for Absence  
Apologies for absence were received from: Peter Reading; and Jeff Ramseyer

Item 2 05/19  
Declarations of Interest  
There were no Declarations of Interest.

Item 3 05/19  
Minutes of previous meeting held on 24 April 2019  
Linda Jackson referred to Item 14 – Matters to Highlight to other Trust Board Assurance Committees i.e. “RTT clock stops and the potential for clinical harm”, for the Quality & Safety Committee (Q&S) and queried how this is picked up. Tony Bramley confirmed that he had taken this item to the recent Q&S Committee. He also confirmed that the Q&S Committee receives a monthly Clinical Harm update where this issue would also feature.

Following this clarification the minutes from the meeting held on 24th April 2019 were agreed as an accurate record.

Item 4 05/19  
Matters Arising / Action Log  
The action log was reviewed as follows:

- Resource Centre – Linda Jackson advised that she had spoken with Peter Reading regarding the delays with the project and understood that Peter had been waiting for Jayne Adamson’s return from sick leave. In Jayne’s absence Peter had arranged to meet with Claire Low and Deloitte’s on Friday of this week and Linda advised that she will pick up with Peter following that meeting. Shaun Stacey advised that Peter Reading had assured him that they will be reviewing where the NHSI and Deloittes reports cross over and what action the Trust will need to undertake as a result. It was agreed that it was a crucial piece of work moving forward to fully get a grip of maximising staff deployment. Reference was made by the Committee that this had been first brought to the Committee in June 2018 and in terms of rotas these are still being completed by a number of different people and Shaun was asked to provide some actions to share that information. Tony Bramley proposed that this needs to be flagged to the Trust Board and ask for an end date when the Committee can expect to receive the proposals, one way or another, for the Resource Centre. The paper should also include details of what the proposals are and the costs.

- Cyber Security Briefing – Jug Johal advised that orders have now been placed. It was agreed that this can be removed from the action log as the update features in the workplan.

- IPR – The new format was included at today’s meeting therefore this can be removed from the action log. Further discussion was held on the Improving Together updates
previously provided, and Jug Johal advised that there is still some work to do but it was agreed that a one page summary could be included in the IPR going forward.

- MDAC implementation – this can be removed from the action log as included on the workload.
- Finance Report Income Review – Learning lessons – this can be removed from the action log as it is included on the private agenda at today’s meeting.
- EY report regarding Trust performance – this can be removed from the action log as it is included on the private agenda at today’s meeting.
- 2019/20 Operational Plan – Divisions to receive their SLAs linked to the operational plan including KPIs - Shaun Stacey confirmed that this has now been actioned and it was agreed that it can be removed from the action log. The copies of these letters will be presented at the next committee meeting. **Action:** Shaun Stacey

- RTT tail chart from the last IPR report to be replicated for the previous year to compare the movement. It was agreed that a one-off report will be produced to compare previous year’s data. **Action:** Jug Johal

- RTT – update on progress against all of the patient clock stops – The committee noted the updates in the last F&P minutes on clock stops as a whole. Jug Johal advised that death certificates are still awaited. Jackie France is working on validation but a completion date could not be given. Angie Legge is keeping CCG informed of the information and Wendy Booth is advising CQC. Shaun Stacey advised that first line validation of the 4978 patients under the “treatment deferred” SI is expected to be completed by the middle of June and second line validation by the middle of July. He also added that any clinical harm identified will be classed as an SI. Richard Eley asked if there are any other areas and Shaun confirmed that until validation is complete we will continue to have these issues. It was agreed that there will be a substantive agenda item to review the progress on RTT clock stops at the next committee **Action:** Jug Johal

**Post Meeting Note from Jug Johal:**

<table>
<thead>
<tr>
<th>Summary as of 21.5.19 (previous summary 10.5.19)</th>
<th>Comments/Progress/Update</th>
<th>Actual Harm Confirmed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Neurology</strong> Dictate IT SI Dr Lazarus now has all the death certificates although one is a coroner’s report as the family is still to register the death. No serious harm was caused as a result of the Dictate IT system issues. Cobra has been updated. One further patient has died but the death is not related to the SI.</td>
<td></td>
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</tr>
<tr>
<td><strong>IPT ACIN (1292)</strong> 5 left to Clinical Harm Review of which; 4 have been seen, treated and discharged from Clinician’s care 1 has been seen and treated and has ongoing review</td>
<td>• 3 patients have an outcome of potential low harm, they are within General Surgery, Paediatrics and ENT • Actual Harm to be confirmed at appointment</td>
<td>N/A</td>
</tr>
<tr>
<td>Awaiting Harm Total</td>
<td>ENT</td>
<td>Gastro</td>
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<tr>
<td>-------</td>
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<tr>
<td>5</td>
<td>3</td>
<td>1</td>
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<tr>
<td><strong>Oscopy SI (1445)</strong> 25 left to Clinical Harm Review (reduced by 1 since last update)</td>
<td>• 6 patient identified as potential low harm (increased by 5 since last update) • 0 patient identified as potential moderate harm (reduced by 1 since last update)</td>
<td>N/A</td>
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<tr>
<td>Awaiting Harm Total</td>
<td>Gen Surg</td>
<td>Gastro</td>
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<td>25</td>
<td>23</td>
<td>2</td>
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<tr>
<td><strong>Diagnosis SI (1322)</strong> 3 to 2nd line validate (reduced by 2 since last update) 114 to CHR (reduced by 2 since last update)</td>
<td>• 9 patients identified as potential low harm (reduced by 1 since last update) • 1 patient identified as potential moderate harm (same as last update)</td>
<td>N/A</td>
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<tr>
<td>Awaiting Harm Total</td>
<td>ENT</td>
<td>Gastro</td>
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<td>115</td>
<td>6</td>
<td>19</td>
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<td>(a further patient has been validated reducing to 114 – specialty split is covering 115 patients)</td>
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</table>
### Prostate Biopsy SI (323)

- **Outstanding/To do:**
  - 15 to 2nd line validate
  - 19 to CHR
  - **Awaiting Harm Total**
  - **Urology**
  - 19

- **Comments/Progress/Update:**
  - Sent to Divisions on 09.05.19

- **Actual Harm Confirmed:**
  - N/A

### Treatment Deferred SI (4978)

- **Outstanding/To do:**
  - 4007 to 1st line validate (reduced by 586 since last update)
  - 191 to 2nd line validate (increased by 51 since last update)
  - 170 to CHR (increased by 92 since last update)

- **Comments/Progress/Update:**
  - 1st line to be completed by 28.6.19.
  - Due to the high numbers in this cohort; on completion of 1st line validation, we will assess the number of patients requiring 2nd line validation and clinical harm review. At which point we will determine the next course of action

- **Actual Harm Confirmed:**
  - N/A

Jug also gave an update on the NHS Digital review being undertaken at the Trust. The review has just commenced and will include benchmarking information linking to improvement team review; TOR shared and expanded to include Harrogate and ULH Trusts to understand their experiences with Web V and then to look to get a support package in place. A business case is to be taken to the new Business Case Review Group in terms of the validation team in early July.

- **Patient Waiting Lists - STP solution for ENT –** Sue Barnett advised that the next STP partnership meeting will include a solution for one clear system between Hull and NLAG. A micro suction policy is to be implemented at Hull in July which should reduce the number of referrals into NLAG along with a combined on call rota. This should release capacity to do the elective work required along with the focus on reducing the number of referrals into the system. The CCG’s are actively involved and an expected implementation date is July 2019. It was agreed that an update will be provided at the next F&P Committee. **Action:** Sue Barnett

- **EY resource to W&C and CSS Divisions –** Shaun confirmed that further support has been provided to these two divisions.

Following review and updates the action log was agreed.

### Item 5 05/19

#### Integrated Performance Report (IPR)

The new format of the IPR had been provided to the Committee and Linda Jackson asked that the agenda is changed to reflect the order of the headings in the IPR. **Action:** Anne Barker

#### 5.1 PLANNED CARE

**RTT and Waiting Lists**

Shaun Stacey presented the report and highlighted that performance against the waiting list numbers continues to improve, which was positive. The biggest concern however is overdue follow ups particularly in Ophthalmology, ENT and Oral Surgery; also continue to see Gastro and Chronic Pain, where transfers will remain on the Trust’s list. Ophthalmology concern remains with patients not receiving our services in a timely way.

CCG are working closely with the Trust as we may need to look at external providers to bring down the length of the lists in Ophthalmology. Oral Surgery and Colo-rectal Surgery is requiring an internal solution to manage follow-ups and waiting list. We continue to see 52 week waiters however small numbers have been seen in-month and the majority are for patient choice.
Linda Jackson queried if any of these patients have come to clinical harm. Shaun Stacey confirmed that thus far no patients had come to harm, although in Ophthalmology an external review of the serious incident reported cases is to be undertaken. Shaun Stacey confirmed that some of the orthopaedic patients had been triggered through serious incident reviews; oral, ENT, and Ophthalmology waiting is related to capacity issues. Oral surgery – provided by NHSI/E funded plan. We are hoping that this will be an immediate solution with us working on a future plan working with Hull; ophthalmology – internal combined with an external provision as an immediate solution and for ENT undertake a virtual clinic approach to the current backlog with consideration for the use of a 3rd party ENT provision as a medium term solution. For Oral Surgery and ENT we will be working with a closer alliance through Hull and the STP including the potential for York / Doncaster / Hull to assist us.

Linda Jackson highlighted that she had recently spent some time in Surgery observing the significant amounts of day to day issues that were hitting the management teams and limiting their ability to focus on the core issues that will help move the speciality forward and that she has therefore highlighted this to the Senior Triumvirate. Shaun advised that ophthalmology divisions have two weeks to deliver a plan to deal with the follow-up issues and ongoing sustainability; this also involves theatre utilisation and Shaun referred to previous theatre utilisation paper which showed 60% utilisation at DPOW and only 40% at Goole which is not acceptable.

Shaun Stacey also acknowledged the workload of Andy Byrne, to be able to manage the day to day issues and the challenges across the other specialties within his portfolio, was important to recognise. Further support will be provided to Andy through a management trainee to assist him with the tasks. Shaun added that the number of managers has increased within the surgical division to support the increased workload but also to ensure the delivery of the demand plan. Linda agreed that more resource is required for Andy Byrne.

Tony Bramley commented that there are a number of SIs coming through from this area to the Q&S Committee.

Linda Jackson was concerned to see in the IPR that the HEY RTT position was deteriorating and asked what impact this was having on NLAG. Shaun informed the committee he is speaking to the COO, Theresa Hunt, at Hull and over the next 2 months they will look to understand what can be done to collectively move RTT forward across a wider footprint.

Tony Bramley highlighted the formatting on page 2 of the report, in particular the RTT – performance against neighbours, which was difficult to read as the dotted lines were too light. Jug agreed to pick this up with Alex.

Action: Jug Johal

Richard Eley queried if the 52 week waits were “fineable”. Confirmation had still not been received from CCG that fines have been cancelled due to the Trust having signed up to the Control Total. Shaun Stacey noted that if fines were still applicable this will be at £2.5k per patient. Clarification to be given to the committee once received. Action: Shaun Stacey

Richard Eley also asked about the follow-up income, stating that if income disappears, the resource will need to be moved, which will be a risk for this year. It was highlighted that it has been included in the plan for next year and is not a risk for the current year.

Diagnostics

Linda Jackson was pleased to see a diagnostic page to the report but queried what the DMO1% reference referred to on the first table on page 3, and it was explained that this is a list of 20 diagnostics services which should see all patients within six weeks with a standard of 99%. The target number is 1% – whereas the current performance is at 14% It was suggested that this should be an area for a deep dive. Shaun Stacey explained that issues with MRI and CCT has not helped the figures and was trying to get more access but that needs to be done in a controlled way of cost and capacity. He added that an improvement in DM01 will be seen with the additional scanner at SGH.
Endoscopy is a challenge and still training non-medical Endoscopists, but will get better after they complete their training in the next 12 months. Tony Bramley queried the shapes of the graphs and what they meant. A discussion took place and Shaun clarified that the diagnostic performance trajectory was set at 16% against the actual performance of 14%, the long waiters have gone down but this does mean the average wait goes up as a result, but Shaun stressed this is the right thing to do.

Cancer

Shaun Stacey highlighted that this was a good news story with the 62 day and 2 ww performance had held but the biggest concern is around colo-rectal (due to demand and the straight to test pathway not fully implemented yet), lung and urology. Shaun also confirmed that issues with EBUS continue with no commencement date of service from Hull. Sue Barnett referred to the MSK tender and the response for x-ray as pivotal as any delays will affect the timely treatment of patients and poor compliance will materially affect getting through this tender. Sue said we also need to resolve the scanning reporting issue that also causes the delays. Sue Barnett stated that the new SGH scanner should help this situation and should give 20% more capacity.

5.2 UNPLANNED CARE

A&E

Shaun Stacey highlighted this is a good news story given the level of demand, but the level of increase in demand has resulted in us not hitting the performance trajectory, which is disappointing. Shaun went on to say they have reviewed the medical workforce model, and changing the funding for A&E medicine, but the challenge is to deliver that. Number of consultants increased from 10/12 and we have 10 junior doctors in place but still not managing the spikes when they occur. Shaun also highlighted that it is anticipated that will be able to recruit an ED Consultant the following week when interviews take place and it is anticipated that the MIT influx shortly will address the gaps in middle grades.

Shaun Stacey highlighted that it is hoped to have the UTC in place by June 19 with the intention of having both sites up and running. Trialling UTC model both sites but getting problems and challenges around managing the flow. GPs are good at triage but not getting the patients reviewed, resulting in 30-40 patients to handover back into ED.

Linda Jackson asked how this is being managed externally as the CCG’s have committed to a variety of actions in the operational plan – demand management being one of them. Shaun confirmed to Linda that discussions are ongoing through the Integrated Care Partnership but this is not fully formed and whilst seeing actions at North Lincs less so at North East Lincs.

Sue Barnett highlighted that regular joint planning meetings are being held on a Friday with CCGs and this can be included within those moving forward.

Item 6 05/19

2019/20 Transformation Projects

Item deferred to next month – see discussion at item 4, Review of Action Log.

Item 7 05/19

Review of Financial Position

7.1 Finance Report M01

Richard Eley presented the report in the new format, included statistics for Divisions and highlighted key issues to note:

- Financial position at the end of April is a small deficit against the plan of £33k and the key variances include income levels below plan by £216k due mainly to activity levels for Ambulatory, NICU and Critical Care and off-set by increased activity in Day cases and outpatients. Pay costs are above plan by £190k due mainly to medical staff covering vacancies and sickness. Administrative staffing costs remain high due to continued reliance on interim management arrangements.
• PIMs meetings are not focussing on end of the month for raising issues but looking for pro-active working on the information so can see where the Divisions are and use that information. Richard acknowledged that this is a different mind-set but the Divisions should be actively managing. Surgery division is doing quite well and Shaun Stacey acknowledged that they have limited resources for the level of demand without having dedicated information partners like they do with HR and Finance. Jug Johal thought that this had been done so agreed to follow up. **Action:** Jug Johal

• Pay costs are 190K over plan, the divisions’ budgets were based on outturn plus CIP so this is a worrying position as could lead to a £2.5m gap at year end. The May PRIM’s were fully refocussed on this risk and action required

*Post Meeting Note: Jug confirmed that a named Information person will be advised by the end of June.*

• CIP on target for Month 1. Fortnightly meetings are scheduled with the individual divisions in order to focus on their CIP delivery.

• Cash continues to be an issue and discussions have commenced with NHSI for assistance to get improvement.

• Pass through drugs not in alignment as some areas do not recognise what is classed as pass through drugs.

• Divisions and corporate functions – surgery showing £206k income variance and £140k central income variance.

• Temporary staff costs in surgery/medicine and similar in other areas.

**Individual Divisions**

• Medical staffing issues with expenditure – all information taken to PIMs meetings.

• W&C – do not feel they are on top of the situation and they do not think they should have CIP programme. Shaun Stacey commented that smaller divisions have the same overheads as the larger divisions so need to ask whether this is sustainable. Richard Eley commented that for a small organisation we have a high number of individual divisions compared to other Trusts of similar size, adding that the Finance Directorate is struggling to appoint to the DFM post as well as not being able to appoint to the W&C Manager post. Shaun shared with the committee that this is on his radar to review

• Linda Jackson queried why we have loss making divisions that do not contribute to the bottom line. Tony Bramley felt that it could be seen as having to “take a hit” due to social reasons. Mike Smith commented that for community as an example they are working to block contracts which would have affected the income. Also, the CSS division is different as the income for some of their services are within other operating divisions.

• Clinical Support Services doing Ok this month but pathology income down as SLA not in place. There is the potential for £6m of income coming from Divisions for work done for pathology. Good work done and it is impressive the way they work.

• All divisions have better understanding how clinical support is doing and pathology is key.

**Risks**

• Non-delivery of the agreed control total of £25.4m deficit would mean the loss of £22.1m of additional money as well as an increased loan and increased interest costs of £600k pa.

• Richard Eley raised his concern around the business cases which are in the main, “cost pressures” and highlighted a new Business Case Review Group where all business cases have to be brought and not taken straight to Trust Management Board (TMB). The first meeting is 13 June.

• Reserves have been capped at £5m

• The Trust estate continues to be a major risk

• Income risks – income is tied to contracts and any loss of capacity, and excess winter pressures may reduce the capacity to deliver

• Nursing costs have a risk of at least £1m. It was noted that the Nursing Review was due to be concluded in July. Tony Bramley commented that consideration needs to be given as to where the debate is to be held i.e. Q&S or F&P Committee, adding that this review has been pending for almost a year and whilst quality is improving the costs are not.
Linda Jackson acknowledged that the Chief Nurse Directorate is under new leadership but it is still another month into the financial year and asked how this can be moved forward. Tony Bramley suggested that this should be flagged to the Trust Board as a major concern.

It was agreed that the Risks page from the Finance Report should be taken as a highlight report to the Trust Board on 4 June. It was noted that the 4 June was a board development day but Linda agreed to speak with Anne Shaw to have this item added to the agenda. It was also noted that Linda would be on annual leave therefore Tony Bramley agreed to present the paper in her absence. **Action:** Linda Jackson

- Richard Eley agreed to follow up a query from the Committee on the Nursing costs. **Action:** Richard Eley

**Post Meeting Note from Richard Eley:**

The nursing expenditure shows an increase from £8.3m to £8.7m for the month. The reasons for the movement are the implementation of the 2.8% pay award and a one off payment of £300k because of changes to the pay scales.

The main overspend issue in April was in Community, as flagged of £50k. The table in the report showed the number of nursing vacancies that increased steeply in May. However the table below shows the actual number of staff in post and this will be shown in the report from month 2 as well as the vacancies.

<table>
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<tr>
<th>Subdirectory</th>
<th>Staff Category</th>
<th>18/19 / 08</th>
<th>18/19 / 09</th>
<th>18/19 / 10</th>
<th>18/19 / 11</th>
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<td>Chief Nurses Office</td>
<td>NURSES TRAINED</td>
<td>32.21</td>
<td>31.61</td>
<td>30.81</td>
<td>30.51</td>
<td>30.51</td>
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<td>32.41</td>
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<td>Clinical Support Services</td>
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The Committee agreed that the new format of the monthly Finance Report was good and an easy read.
The next item was taken out of sequence as Damian Kitchen had arrived at the meeting.

7.4 Reference Costing Submission

Damian Kitchen presented the report which summarises the approach the Finance Directorate's Costing function team will adopt to complete NHS Improvement's National Cost Submission for 2018.

NHSI are responsible for the collection and this paper is seeking approval from the Committee, on behalf of the Trust Board, that the process is sufficient to complete the mandated costing submissions for 2018/19.

Damian explained that a report will be brought back to the next Committee with the key findings of the submission.

The data collected is the source data for work by NHSI's Model Hospital Team and also Use of Resources by NHSI and CQC.

Sue Barnett asked what level of exposure this has in terms of front line staff. Damian stated that limited involvement due to the timeframes involved, although Paul Hinchliffe is aware of this from other Trust's he has worked in. Richard Eley stated that the information collected can give the organisation good insights and suggested that the next report to the Committee could include how to take out to the organisation.

The Committee approved the current process in place as sufficient to assure the Board on the plan to complete the mandated costing submissions for 2018/19.

The Chair thanked Damian for attending and he left the meeting.

7.2 Quarterly Review of Balance Sheet significant variances

Richard Eley presented the report which identifies significant variances on the balance sheet over a 12 month period of 2018/19 and highlighted key issues to note.

- Stock has slightly reduced in the final quarter specifically in Pharmacy and Scunthorpe Theatres; however Pathology stock has increased by £190k over the 12 month period and this need to be investigated to understand the reasons.
- Debtors – largest outstanding debtors are Navigo; Care Plus Group; and Virgin Care. Care Plus Group is £527k and meetings are being held to confirm funding flows and a credit note has been issued for £92k relating to service issues; the others are actively being chased. Tony Bramley raised concerns about Navigo and CPG and their ability to pay as they were small companies and did not have a lot of cash behind them.
- Private patient debtors have reduced during Q4 and are regularly reviewed by the Private Patient staff.
- Creditors - £23k to £26k in the last quarter and this links to the cash discussions with NHSI. This is now out at 5 months before payment and is feeling strained.
- The Committee queried the provision for redundancy/restricting which had been increased from £13k to 180k in the last quarter. Richard agreed to check with Nicola Parker. Action: Richard Eley

Following the review the Committee noted the report.

Item 8 05/19

2019/20 Savings Programme

Mike Smith presented the CIP report and highlighted key issues to note:

- The profiling of the CIP allows for some development in Q1 where average plan is £1m per month. From Q2 onwards this rises to £1.8m to £1.9m per month. Although delivery has been pleasing in April it should be considered in the context of an increasing delivery from Q2.
- At the end of the first months £1.1m savings had been achieved against a plan of £1m. Delivery had been good against most schemes however E&F as the main driver of the over delivery at £98k but better grip and control had been evidenced.
• Linda Jackson asked if the report could include the level of recurring CIP being delivered from next month as this was a key point coming out of the EY review **Action: Mike Smith**
• The main area of concern was medical staff recruitment and agency usage predominantly in surgery; this was being analysed further.
• Fortnightly CIP meetings are being arranged with individual divisions and monthly with corporate services
• Shaun Stacey felt that the number of meetings that clinicians are expected to attend is not justified and stated that he wanted to see evidence, by July, that they are making a difference; otherwise he would be asking the Committee to stop the meetings as he could not allow ops to suffer.
• Shaun’s comments were duly noted by the Committee and Richard Eley commented that given the organisation has a £60m deficit he does not feel there is enough focus given to the finances and felt the meetings were needed although accepted they needed to be an effective use of time
• Linda Jackson appreciated the differing views and stated that the committee would keep focussed on this in the next two meetings.
• Shaun's comments were duly noted by the Committee and Richard Eley commented that given the organisation has a £60m deficit he does not feel there is enough focus given to the finances and felt the meetings were needed although accepted they needed to be an effective use of time
• Linda Jackson appreciated the differing views and stated that the committee would keep focussed on this in the next two meetings.
• Tony Bramley raised the issue of the historic lack of consequence of not delivery CIP and that this needed to be tightened up this year if the Trust stands any chance of delivering to the control total.

**Item 9 Strategy & Planning**

9.1 Capital Update

Sue Barnett presented the report which was taken as read and highlighted to the Committee key issues to note.
• Emergency bid submitted to NHSI to progress with the critical investment needed for the Diagnostic scanners; securing £8.1 of the original £12.1m requested. The original emergency bid was submitted 2 years ago but the required scanning capacity is different from originally planned. The key focus for the Trust is to commission the two MRI’s and a relocatable modular build CT scanner at Grimsby which is where the biggest clinical risk is. The modular CT will be provided one year earlier than the original plan.
• Sue updated that there is currently a national reassessment of capital allocations ongoing and both the bids for the 8.1m emergency capital and the 29m wave 4 STP_ strategic capital and the Trust had to resubmit last week
• Sue outlined the stringent process the trust will need to follow to access the strategic capital monies over the next 18 months
• SGH Ward refurbishment – there is no known solution to relocate 58 admin staff currently occupying Ward 29. Strategy & Planning to discuss with office utilisation team with the intention of use of more hot desks and shared offices at SGH. Also looking at DPOW as there are circa 120 spaces to use; and also looking at Execs sharing office space as well as looking at the use of consultants' offices.
• A request has been made for early draw down to receive £1.05m from the proposed £29.6 draw down. Whilst awaiting that approval, recruitment to two additional posts have been made to coordinate and implement capital funding bids and allocations. The financing of thee posts has initially been allocated against the trust's core capital program
• Fire compliance work is underway in Coronation Block, SGH.

Following the update the Committee agreed the recommendations as follows:

1. Note the construct of the Trust capital programme;
2. Note the risks to the programme with regard to Ward 29
3. Agreed on quarterly updates to the Committee – next update in August 2019
4. Note any revenue business cases follow the established route for approval

Linda Jackson commented that she felt this had been a really useful debate and the paper presented was clear and brought a number of strands together and looked forward to the next report in August
Item 10 Estates & Facilities

10.1 BAF Risks - Ventilation

Jug Johal presented the report which was taken as read. Jug highlighted the two risks associated with the management of the ventilation system i.e. Sterile Pack Bulk Storage which stores surgical instruments, is non-compliant; and Heating and Ventilation and Air Conditioning (HVAC) upgrade programme. £380k has been allocated for the chiller unit at DPOW, which will be installed in early June.

An allocation of £32m from the Trust’s capital programme to upgrade ward 29 at SGH will include a new HVAC unit.

The Committee noted the report.

Item 11 Next meeting

05/19 Agree area for deep dive on a performance or financial risk

- Contracting
- Admin BAF risk – Tier 4 Operations review focussing on what have we not done and the risks associated And what is the ongoing plan
- Follow-ups waiting lists and money

Item 12 Items for Approval

05/19 Finance & Performance Committee Workplan

The Committee reviewed the workplan and subject to two omissions i.e. Balance Sheet Variances; and Procurement Update, the workplan was agreed.

Item 13 Items for Information

05/19 13.1 Letters to Divisions following Performance Improvement Meetings.

The Committee noted the letters to Divisions following Performance Improvement Meetings.

Item 14 Matters to Highlight to other Trust Board Assurance Committees:

05/19 There were no issues raised to highlight to other Trust Board Assurance Committees.

Item 15 Matters for Escalation to the Trust Board (Public)

05/19 As there is no formal Trust Board meeting in June there is no highlight report for the Public agenda.

Item 16 Any Other Business

05/19 No other business raised.

Item 17 Did we get sufficient assurance on the areas covered today / is there sufficient drive and progress being evidenced?

05/19

Item 18 Date, Time and Venue of next meeting

05/19 26 June 2019 9.00-12.30pm – Cedar Room, T&D, DPOW
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