Dorset County Hospital NHS
NHS Foundation Trust

Finance & Performance Committee DRAFT Minutes

31st August 2010

(Meeting No 12)

Present:	Peta Turnbull (PT)	Chairman & NED
	Bill Boa (BB)	Director of Finance/Resources
	Jeffrey Ellwood (JE)	Chairman
	Julia Gerzon (JG)	Non-Executive Director
	Nick Hateboer (NH)	Medical Director
	Peter Knell (PK)	Non-Executive Director
	Roderick Knight (RK)	Non-Executive Director
	Jean O'Callaghan (JO)	Chief Executive
	Mark Power (MP)	HR Director
	Sue Sutherland (SSU)	Interim Chief Executive
	Alison Tong (AT)	Director of Nursing/Operations
In attendance:	Michel Hooper-Immins (MH)	Council of Governors rep
	Keith Pringle for item 6 (KP)	Turnaround Director
Minutes:	Rachel Lovett	Minute Taker

NO	ITEM	Action
36/10	**Apologies for Absence** There were no apologies for absence.	
37/10	**Minutes of the Meeting 23rd July 2010** The following amendments were noted:- Page 3, item 33.4 to read "The target has reduced from 98% to 95% therefore the contractual target was met." Page 3, item 32.5 to read "this is successful as a turnaround project but the Trust needs to ensure that quality remains unaffected." Page 4, item 34.1 "PT" (action) should relate to this item. The minutes were subsequently approved.	

38/10	**Matters Arising from 23rd July 2010**	
38.1	AL1&2 FPC Terms of Reference – Agenda item	
38.2	AL3 Budget Report – Agenda item	
38.3	AL4 Finance Report BB confirmed that details of the 18 week initiative were covered within his Finance Report. However, he had written a comprehensive letter to the PCT regarding non PbR and associated community wide services. They had indicated that they would be happy to engage in discussion, which he hoped would be beneficial to the Trust. **A formal response from the PCT is expected by 10 September. Once the response has been received, further plans can be made with timescales.**	**BB**
38.4	AL5 Action List – Seminar Delayed Discharges **AT confirmed that the new Head of Adult Social Services will be meeting with JO to open a dialogue. A multi-agency approach is also being taken to raise the profile with the Dorset County Council.**	**JO** **AT**
38.5	AL6 Performance Report – Cancer Target This has been picked up within our monitoring process. **Closed**	
38.6	AL7&8 Action List – SLR standing agenda item & PwC Review Confirmed Agenda item. BB apologised for not sending out national economic provider model document as it was too large to mail out. **A hard copy is available should it be required**.	**ALL**
38.7	AL9 Infection Control Database This has been tested during August and is hoped to be live from 28 September. It had been agreed that there will be no further in-house ICT developments.	
39/10	**Draft Terms of Reference for Finance Committee** **PT thanked BB for the draft Terms of Reference, however she felt that as the new Chief Executive was in place, that she should be given the opportunity to re-visit the proposed committee structure making sure there were no gaps**. The financial focus was noted.	**JO**
	MH wanted the Board of Governors to be added in section 3.1 'membership'. He also had reservations about 5.3 matters being dealt with in "private" as in his experience this had proved counterproductive. Finally he urged that the Agenda be better defined to enable meetings to flow. After discussion it was agreed not to change anything at present	**JO**

	as the Committee already has a set of Terms of Reference. JE explained that when the Trust next meets with Monitor in September he wanted the new governance structure to be in place, but as this has not been met, he felt it was opportune to get this right and to involve JO. **This will be an Agenda item in October**.	**AF**
	FINANCE	
40/10	**Finance Report for Period ending July 2010**	
40.1	BB presented the Finance Report. He highlighted the following areas from the report:- • The current cumulative deficit is £1,184k against the planned deficit of £1,668k • Waiting list initiatives have increased agency spend, but this was expected • The normalised cash position is £1.9m adverse but assumes repayment of capital dividend and loans deferred in 2009/10 BB stressed the need to deliver the £3.5m, and at the next meeting with Monitor on 23 September they need to be assured that the Trust would achieve the planned outturn. BB then presented the "Key Risks and Issues" Executive Summary to the Board.	
40.2	CIP – BB confirmed that the Trust is planning for £7m with the assumption of achieving the target of £6m. £3m has already been achieved, and each project has a contingency. PT was concerned, and asked for assurances that the Trust would meet this financial target as in the past similar assurances had been given and not met. BB expressed confidence in the PMO and felt that staff were engaged, with performance being managed. His opinion was that the target was achievable, but recommended that this issue be discussed further when Keith Pringle would be present. JE expressed concern at the "red" status of a number of the targets. **This was noted and will be reviewed.** Consultancy – There were no plans to extend the PWC contract after the next Monitor meeting. MH asked that this be noted at the Trust's public meeting as there is a lot of anger from the public about the Trust's consultancy bill and this had harmed the	**BB**

	Trust. The process of transition from turnaround will be managed by the Executive, but each project has its own project lead, all that is needed is a Project Manager**. SSL and JO will discuss further at their handover.**	**SSL/JO**
	General discussion took place concerning:- ❖ waiting list initiatives and the danger of exceeding our contracted activity levels ❖ elective over performance (particularly in trauma and orthopaedics) ❖ recent surge in non-elective activity ❖ 18 week wait and how this is managed	
	BB stated the Trust does not have robust mechanisms for forecasting activity.	
	Vacancy freeze – BB confirmed that along with AT and MP all vacancies would be evaluated to determine whether they could be recurrently removed and budgets changed accordingly. This would also allow for recruitment to certain posts, reducing agency spend.	
	MH commented that recent experience had shown that a friend had waited an hour to be taken to the toilet and was told by nursing staff that they were understaffed. AT apologised for this incident, but stressed that nursing establishment are not below other hospitals and a detailed review and realignment of establishments had just been completed.	
	JG asked if finance and HR are now working with the same agreed WTE numbers, as in the past there were some discrepancies. **BB confirmed that the information on ESR needed to be urgently reviewed for all posts. BB and MP would discuss outside the meeting in more detail.**	**BB/MP**
40.3	*Questions*	
	JE asked if BB could in future go through the finance report highlighting the enclosures otherwise the actual detail could get missed. A method of cross referencing would be used. It was also agreed to no longer include negative CIP staff costs and staff numbers in the budget, and this would be changed by the September report.	**BB**
	PK asked about agency spend and it was noted that this year Consultant leave is being proactively managed, but that some agency was due to covering vacancies which is being looked at.	
	It was agreed that in future the Trust Board would see an	

	Executive Summary, including key risks and issues and that the appendices would be reviewed. They would definitely include Income & Expenditure and cash flow balance sheets. The graphs were not considered helpful. The "Waivers" enclosure was discussed. **BB felt that this needed some further work and that the most appropriate place for discussing them should be the Audit Committee. This was agreed.**	**BB** **PK**
41/10	**Financial Recovery Plan Progress** Keith Pringle was in attendance for this item. He highlighted the two elements of his brief being:- • £6m cost improvement plan for 2010-11 with a planned deficit of £3.5m • £8m cost improvement plan for 2011-12 with a year end position surplus of £3m He also summarised and elaborated upon other aspects of his written report. He was pleased with the amount of input by Heads of Department and Clinical Directors/clinical staff. Certain areas where income could be generated had been highlighted but prudently not included as part of this plan. KP hoped that this would be dealt with as part of budgetary control by HoDs and clinicians. Finally KP assured the Committee that there were no issues surrounding the Trust achieving its financial commitments for this year, and that the £6k would be delivered. *Questions* There was some discussion concerning:- • 2011-12 target and the achievability of realising a surplus. Both KP and BB explained that this was realistic. • Risks to the plan being over activity and carrying out un-funded activity. **BB will circulate details to this Committee of a presentation to Monitor before the meeting on 23 September.** • Contingency for winter pressures • Issues relating to unfunded cancer drugs and patient transport • Assurances were given by KP that all projects were under control, some were over performing and some under-performing and some had not yet started.	**BB**

	• **JO agreed to ensure that the top CIPs would not affect quality**. • BB confirmed that the key to future financial stability was in service planning in next year's budgets, with directorates having their own business plans and then re-introducing 3 yearly business plans. He was encouraged by the current situation.	**JO**
42/10	**Update on Service Line Reporting** BB presented this report produced by PWC in which he had asked them to review the current SLR system and see if it was fit for purpose. This had been confirmed. The Executive Summary was highlighted. The Trust's target of implementing this in one year had been unachievable and unrealistic. BB also felt that the collection of information at patient level should be a longer term aim following the delivery of service line cost pools, service line reporting and service line management. The need to engage clinicians was vital to the process, and Management Accountants need to own the outputs. Work is taking place with the supplier of the existing system to enhance it, although the firm have just been bought out. **It was felt that the PWC report was very positive and the Executive Team agreed to decide which recommendations to adopt with timescales. A formal response would then be put in writing and fed back here as well as be included in the Audit data base, for the Audit Committee.**	**Execs** **AF**
43/10 43.1	**PERFORMANCE** **Performance Report** AT presented the Performance Report however it was noted that August had been challenging as there had been a surge of non elective activity over a four week period whereby an additional 160 patients were being seen in A&E per week, with an average about 40 of needing admission. She highlighted areas where performance standards are under performing against tolerance levels:- • Cancelled operations • Delayed discharges • Stroke patients on stroke ward • MRSA Screening • Cancer Target • Smoking during Pregnancy • Ambulance Handovers • Venous Thromboembolism (VTE) Risk Assessment	

43.2	*Questions* **It was agreed in future, as for the Finance Report, that reference will be made to the exception reports in the main body of the report.** JE asked if there was division between medical and surgical beds. SSU confirmed that they have their own beds but that the Trust retains over-arching control of these through the Director of Operations. PK raised the issue of targets over quality. **It was agreed that AT, BB and Debbie would produce information which links to targets, but which are in themselves quality issues**. The role of which Committee should address this was raised. **BB suggested it could be discussed at the "away day".** Discharging patients and in particular the implication of homes which have "blocks" or "cautions" was discussed. AT is considering placing a member of our staff in Primary Care to chase up and push for discharges to allow the Trust to reduce ensure that delays are not in place with discharge arrangements in community hospitals. Social Services may also be charged as the block money currently received is unlikely to cover costs with the increasing numbers of placement delays, and with the DCC pulling posts, this is only likely to worsen. RK was concerned that the DCC were not fulfilling their legal obligation regarding protecting vulnerable people. **JO will raise this when she meets with the new Head of Adult Social Services.** If necessary this will be escalated to the Chief Executive and Members of the Council. **Due to Monitors keen interest, the Hospital Standardised Mortality Ratio was asked to be moved to a more prominent position in the report**. A yearly report should go to Trust Board on the HSMR by individual consultants. Finally JE asked that the information on SUI's be restricted to the important ones. **It was agreed that the Executive Team would review and highlight key areas.**	**AT** **AT/BB** **BB** **JO** **AT** **Execs**
44/10 44.1	**Any Other Business** PT extended a vote of thanks to Sue as it was her last meeting. Her help and guidance had been very much appreciated under very difficult circumstances. She was wished well for the future.	

44.2	PT also noted that it was Julia's last day. Her contribution would be missed enormously and she was also wished well for the future.	
45/10	**Date and Time of Next Meeting** 28 September 2010	

20 September 2010
RL/F&P Mins Aug10
AT/PT/BB