

**THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST**  
**OUTCOME SUMMARY OF FINANCE AND PERFORMANCE COMMITTEE**

**TUESDAY 26<sup>TH</sup> APRIL 2011**

Present:	John Davies (Chair) Martin Beardwell Tina Cookson Dennis Jones Neil Nisbet William Wraith	Chairman of the Trust Non-Executive Director Chief Operating Officer Non-Executive Director Finance Director Head of HR
In attendance:	Andrew Kent Maureen O'Neill Peter Skitt Sara Biffen Sarah Tedford	Divisional General Manager – Division 3 Support Services Manager – Division 3 Divisional General Manager – Division 1 Divisional General Manager – Division 2 NHS IMAS
Apologies:	Adam Cairns Barry Simms Debbie Vogler	Chief Executive Non-Executive Director Director of Strategy
Secretary:	Amanda Young	PA to Finance Director

Minute	Decision/recommendation/further action	Responsibility/ Deadline
2011.46 – Declaration of Interests	There were no declaration of interests.	
2011.47 – Minutes of the previous meetings	The minutes of the previous meetings held on 22 <sup>nd</sup> February 2011 and 29 <sup>th</sup> March 2011 were approved as a correct record.	
2011.48 – Matters Arising	<p><b>Sterile Services Project Update, including Marketing Strategy (2011.30)</b></p> <p>The Committee received an update on the Sterile Services Project and noted that in addition to the £465,000 previously forecasted overspend reported to the Committee in February 2011, a further £585,000 had been identified for instrumentation, making a total forecast overspend of £1,050,000 for the project (16% of original approval).</p> <p>The Committee requested a comparison of actual activity levels for 2007/08 and 2010/11 and detailed documentation around the procurement process requirements. It was also agreed that the value of the Procure 21 Maximum Cost Agreements should be reviewed before being applied to future projects.</p> <p>The Finance and Performance Committee recognised the need to proceed to completion to enable the organisation to be HTM compliant, but expressed concern about the monitoring of the project. The Chairman requested a review of the Terms of Reference for the Capital Planning Group and Delegations of Authority for capital expenditures. Sterile Services Unit to be further discussed at Trust Board on 28<sup>th</sup> April 2011.</p>	<p style="text-align: right;">AK 24.5.11</p> <p style="text-align: right;">NN 24.5.11</p> <p style="text-align: right;">CPG 19.5.11 Trust Board 28.4.11</p>

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	<p><b>Marketing Strategy</b> Maureen O'Neil updated the Committee on the outcome of discussions with some acute hospital trusts in the Midlands and Powys. The Committee asked for a marketing/commercial plan indicating volumes, charges and timescales to be prepared and presented to the Committee. A request was also made for Wrexham Maelor, Chester and Leighton hospitals to be contacted as part of the marketing exercise.</p> <p>Interest expressed by Synergy to be pursued and interest from others to be investigated.</p>	<p>MO 24.5.11</p> <p>NN 24.5.11</p>
2011.49 - Budget Proposal 2011/12 Update	<p>Following further work to assess the deliverability of the proposed Cost Improvement Programme and assumptions relating to income and expenditure, Neil Nisbet presented a revised budget proposal for 2011/12. The Committee noted:-</p> <ul style="list-style-type: none"> <li>• The Best Case scenario would produce a surplus for the year of £3.1m, the Worst Case scenario a deficit of £6.0m. The Most Likely scenario was based upon the forecast outturn deficit of £4.0m.</li> <li>• The savings programme had been reduced by £4.0m to a more achievable target of £1.3m.</li> <li>• A review of the baseline pay budget identified an estimated pay overspend of £858k.</li> <li>• Savings of approximately £1.1m could be generated by reducing the 22% uplift within budgets for annual leave, sickness, study leave for nurses, to 18.5%.</li> </ul> <p>The Committee asked Neil Nisbet to present the scale of the potential cash problem and solutions to the next meeting.</p> <p>CIP Programme to be revised to include contributions across the whole organisation.</p> <p>The Committee requested more detail of the plan to disestablish 200 posts and wanted to be reassured that this would not compromise quality of care.</p> <p>The Finance and Performance Committee <b>NOTED</b>, but did not approve, the revised budget proposal for 2011/12 insisting on tighter and more effective controls on agency staffing.</p>	<p>NN 24.5.11</p> <p>NN 24.5.11</p> <p>NN 24.5.11</p> <p>NN 24.5.11</p>
2011.50 - 2011/12 Capital Programme	<p>Neil Nisbet presented a revised 2011/12 capital programme based on a projected CRL limit of £8.288m for 2011/12 and a plan to spend £7.2m in order to achieve the objectives of the Long Term Financial Model and demonstrate a viable Foundation Trust from 31<sup>st</sup> December 2013.</p> <p>The Committee <b>NOTED</b> the pressures on the capital programme during 2011/12 and approved the proposal that the Capital Planning Group re-prioritise the programme, based on a total capital expenditure of £7.2m in 2011/12, at their meeting on 19<sup>th</sup> May 2011 and submit this to Finance and Performance Committee on 24<sup>th</sup> May and to Trust Board for approval on 26<sup>th</sup></p>	<p>NN/CPG 19.5.11 24.5.11 26.5.11</p>

Minute	Decision/recommendation/further action	Responsibility/ Deadline
	May 2011	
2011.51 – Year End Finance Report	<p>The Committee received the Finance Report for the period ending 31<sup>st</sup> March 2011 and <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• March 2011 trading deficit £685k</li> <li>• SHA support of £1,025k</li> <li>• March surplus, post support £340k</li> <li>• 2010/11 outturn post support, 26k</li> <li>• Liquidity improvement due to Strategic Change Reserve funding receipt.</li> <li>• Pay costs in March 2011 £16.5m (compared to £15.5m in April).</li> </ul> <p>The reasons for the high level pay costs in March 2011 to be investigated and reported back to the Committee.</p>	<p>NN 24.5.11</p>
2011.52 – Month 12 Divisional Finance Report	The Committee received and <b>NOTED</b> the content of the Divisional Finance Report for Month 12	
2011.53 - Month 12 Integrated Performance Report	<p>The Integrated Performance Report for Month 12 was received and <b>NOTED</b>. Presentations were made by Peter Skitt on A &amp; E Performance and William Wraith on Agency Staff.</p> <p>The Committee looked forward to seeing the impact of the measures put in place to improve A &amp; E waiting times and agreed to review these measures again at the July meeting.</p> <p>The Committee requested a review of the impact of the new A &amp; E targets on SaTH, which had been introduced from 1<sup>st</sup> April 2011.</p> <p>Actions to be taken to reduce the cost and use of bank and agency staff for nursing which had risen dramatically over the past 6 months were noted. William Wraith agreed to provide an analysis of recruitment and turnover and details of the reasons for the bank or agency cover.</p>	<p>TC/PS 26.7.11</p> <p>TC</p> <p>WW 24.5.11</p>
2011.54 – Month 12 Improvement Programme Report	The Committee received and <b>NOTED</b> the content of the Month 12 Improvement Programme Report.	
2011.55- Referral to Treatment Times and Follow Up Requirements	<p>A paper highlighting the scale of the capacity shortfall across the Trust, the clinical risk and the options available to the Trust and the wider health economy to address the issue, was received.</p> <p>The Finance and Performance Committee <b>NOTED</b> the options to deliver a sustainable 18 week RTT in advance of further discussion at Trust Board on 28<sup>th</sup> April 2011 to agree a way forward.</p>	<p>SB/ST 28.4.11</p>

**Date and time of next meeting – 24<sup>th</sup> May 2011 at 2.00 pm in Meeting Room 229, RSH**