

Finance Committee

Key summary points from the meeting held on 26th November 2013

Finance Director Report Month 07

The Committee reviewed the detailed monthly report. These points should be taken into account as the Board itself reviews its Finance Summary Report:

The Committee sought to focus upon comparing the end October 2013 position with that contained in the Financial Recovery Plan [FRP] adopted by the Board in September.

The net surplus in the month is marginally better than the FRP profile and reflects the net effect of:

- An improved income position although some of this arises from increased non-pay costs for high cost drugs and patient transport and allowance needs to be given for this.
- Staff costs similar to September 2013 with renewed emphasis that pay budgets mirror the Nurse Staffing Review.
- A “spike in the month” in respect of non-pay costs as activity increased

Savings to be achieved by management action to limit the scale of the in-year deficit are still expected to be achieved apart from some shortfall in reductions in agency staffing. This shortfall leads to an increased projected outturn deficit of £6.2m. The Committee received minutes of the Financial Recovery Board Executive Group and welcomed the clarity of focus that this Group will bring to securing the savings.

There remains a major deficit of £6.2m projected to the year end. This is accompanied by a significant cash flow shortfall through the second half of the financial year. Creditor payment rates are worryingly low as a result. Temporary loan facilities over the final months of the year will need to be converted to a formal arrangement at year end with a £2.2m cash balance.

To secure the year end cash loan there is a need to demonstrate financial sustainability from April 2014. Headline LTFM projections were reported to the Committee giving a deficit of £0.4m in 2014/15 moving into surplus from 2015/16. These take account of targeted CIP efficiency savings which over five years from 2013/14 show a cumulative recurring reduction requirement of 22%. Whilst the headline figures demonstrate a sustainable position the reality of this being delivered in the light of such a major further reductions target has to be questioned.

The Committee thus:

- Draw to the Board's attention the paramount need to secure the revised management actions target, to further control staff costs and to maximise income in order to achieve the projected deficit of £6.2m,
- The need for essential cash flow support to and beyond the financial year end
- Highlight again the need for early action to develop a sustainable position from 2014/15 including CIP programmes capable of early / immediate implementation and supported by early QIAs and integrated planning of finance and staff resources.

Future Configuration of Hospital Services

The Committee received a bi-monthly summary of the project. It remains on course both in terms of delivery and funding with no key issues to draw to the Board's attention.

The RSH elements [Project 2] are seeing a delayed commitment of capital so as to ensure compatibility of developments with the emerging Clinical Services Strategy and funding plans and profiles will need to take this into account.

Board Member Induction Process

The Committee reviewed the process now in place and endorse the change of status to Green. The Committee would welcome feedback from recent Board inductees as to their views on the effectiveness of the process and this will be sought.

Car parking

The Committee sought information on the introduction of the new arrangements at RSH and any further improvements required taking account of public feedback and reporting. Issues were identified in respect of operating payment machines with consequential delays, lack of user understandings of the procedures and also of the revised concession schemes.

Additional payment machine capacity is being sought with further support from CP+. Targeted and improved on-site publicity of the scheme and concessions will also be introduced.

Other Business

The Committee reviewed the latest schedule of payments over £100k and of bad debt write offs with nothing to draw to the Board's attention.

Name of Chair: Dennis Jones

Date report prepared: 26th November 2013

HOSPITAL EXECUTIVE COMMITTEE

Key summary points from the meeting held on Tuesday 26th November 2013.

The month 7 and YTD finance position was discussed, as well as the detail around income and expenditure, Pay and Non Pay, forecast outturn position and the seriousness of remedial actions required because of the unsustainable cash position.

The Chair again reiterated the gravity of the financial situation and the need for everyone to ensure their teams do everything required to deliver cost efficiencies in order to stabilise the finances, with a particular need to get a grip on Pay spend and particularly Agency use & costs, as well as further work to be done around exploring regular overtime amongst nursing staff.

To help offset this, we must aim to sustain how we worked in month 7 in terms of increased activity levels and optimized income.

The Committee noted a progress update on the use of Medical Physician Associates, commending the results achieved to date but requesting a formal audit; the results of which will inform future decisions about implementing elsewhere in the Trust.

As part of the SaTH and Community Discharge Project, informed by previous ATOS work, the Discharge Standard Operating Procedure [SoP] and discharge process flow chart were approved for implementation throughout the Trust.

The effectiveness of the implementation of NICE guidance was discussed, as well as gaps in compliance and assurance under the existing system. The Medical Director will review the current position and design a more robust framework for implementation of NICE guidance

Peter Herring, Chair
Tuesday 26th November 2013

Quality and Safety Committee

Key summary points from the meeting held on 21st November 2013

1. Committee reviewed details of the monthly quality indicators. Of note is the continuing challenge of effective discharge planning reflected in the ward to Board patient experience surveys. The impact of pressure on local authority budgets with the prospect of substantial redundancies has generated uncertainty and concern about managing complex discharges going forward.
2. The nurse staffing review was examined in detail and supported. Implementation would secure our ability to deliver many of the recommendations pertaining to recent national reports about patient experience and care. The substantial cost should be tempered by reduction in agency staffing and through further clinical risk reduction. The committee would encourage an early decision about implementation because recruitment to the additional posts will become more difficult as more trusts enter the market.
3. The experience of our ward visits, the work of patient groups and review of observations made during a recent TDA visit have led us to ask the Director of Nursing to explore ways to enhance integration of accountability for ward support services, particularly cleaning, provided by the estates department within the Trust Q&S framework.

Simon Walford, Chairman

21st November 2013