



FINANCE & PERFORMANCE MANAGEMENT COMMITTEE

Minutes of the meeting held on Tuesday 23rd August 2011

Via Videoconference between Ysbyty Wrexham Maelor, Ysbyty Glan Clwyd and Ysbyty Gwynedd

<p>Present:</p> <p>Mr K McDonogh Dr C Tillson Mrs J Dean Mrs H Stevens Mrs M Burrows Mrs J Galvani Mrs H Simpson Dr M Adke</p>	<p>Independent Member (Chair) Independent Member Independent Member Independent Member Chief Executive Executive Director of Nursing, Midwifery & Patient Services Executive Director of Finance LNC Representative</p>
<p>In Attendance:</p> <p>Mr M Common Mr N Bradshaw Mr G Lang Dr K Griffiths Mr B Evans Mr H Thomas Mr D Heron Mr M Makin Ms H Mitchell</p>	<p>Director of Improvement & Business Support Executive Director of Planning Executive Director of Primary, Community & Mental Health Services Executive Director of Therapies & Health Science Assistant Director of Finance – Financial Planning & Strategy Assistant Director of Finance – Financial Services Associate Chief of Staff (Operations) – Cancer CPG Chief of Staff – Cancer CPG Observer title/role</p>
<p>Apologies:</p> <p>Prof M Jones Mr A Jones Mrs G Lewis-Parry Mr M Scriven Mr S Coghlan</p>	<p>Health Board Chairman Executive Director of Public Health Director of Governance & Communications Executive Medical Director LNC Representative</p>

Agenda Item	Action
<p>APOLOGIES</p>	
<p>FP11/087 MINUTES OF THE MEETING HELD ON 26th JULY 2011</p>	
<p>FP11/087.1 Accuracy Mr N Bradshaw indicated that minute FP11/081.2 should refer to elements of discretionary capital expenditure “slipping” rather than “stopping”.</p>	<p>KP</p>
<p>FP11/087.2 Matters Arising</p> <p>FP11/087.2.1 In respect of E-rostering, Mrs J Galvani reported that a SBAR report was being prepared for the September F&P Committee which would focus on benefits realisation. It was noted that the project had been handed over to Mrs R Cartmell who was</p>	

<p>working with Mr B Evans to ensure appropriate resources were in place to maintain progress. It was reported that all areas with 24/7 nursing were now covered by E-rostering, and work was ongoing with the CPGs to sustain had been implemented. Mr K McDonogh suggested that general issues concerning the rollout of the project may be best reported to the Quality & Safety (Q&S) Committee, with performance issues being summarised for this Committee. Mrs H Stevens indicated that as Chair of the Q&S Committee she had requested a paper to provide discussion on the separation of qualitative and performance data across the two Committees.</p>	<p>JG</p>
<p>FP11/087.2.2 In respect of the diabetes prevalence (FP11/079.2), Mr M Common confirmed that a supplementary performance report would be provided for the September Committee.</p>	<p>MC</p>
<p>FP11/088 SUMMARY ACTION PLAN</p>	
<p>Members received updates against the summary action plan which enabled the following to be closed off: FP11/003 10.1, FP11/004(iii), FP11/050, FP11/060.1, FP11/063.2, FP11/068, FP11/073, FP11/078.1, FP11/078.2.1, FP11/079.5, FP11/079.8, FP11/080.6, FP11/080.7, FP11/081.2, FP11/084.2.</p> <p>With reference to FP11/084.5 Mr G Lang confirmed that the proposals regarding contracts for termination of pregnancies would provide a level of service more than sufficient to meet the expected demand.</p> <p>With reference to FP11/084.5 Mrs H Simpson confirmed that the procurement exercise referred to was for job planning software.</p>	<p>KP</p>
<p>FP11/089 REMOVAL OF ASBESTOS FROM THEATRE SUITE, YSBYTY GLAN CLWYD</p>	
<p>FP11/089.1 Mr N Bradshaw presented a paper outlining national discussions regarding the remuneration of work undertaken by medical staff outside of their normal contract as part of Welsh Government initiatives to reduce orthopaedic waiting times, and the impact of this upon local agreements regarding out of hours sessions to mitigate the loss of theatre capacity caused by asbestos removal. The paper aimed to inform the Committee of the consequences of paying the National Waiting List rate, ie; an increase of £261,000 over two years, and it was noted that the matter was to be the subject of discussions with the Local Negotiating Committee later on in the afternoon.</p> <p>FP11/089.2 It was noted that the local plans initially aimed to provide an additional 20% theatre activity however, this target was subsequently proven to be optimistic, although it was noted there was still scope to drive further productivity and to utilise all available resources – in particular the use of Llandudno hospital. The costing also allowed for addressing the current outstanding backlog. It was recommended that consideration should also be given to reviewing consultants' current job plans to ensure that they align with operational requirements. It was reported that the replacement theatres would be available by July 2012.</p> <p>FP11/089.3 With regards to the outsourcing option, Mr M Common highlighted that the theatre work was a comparatively small volume spread across a wide number of specialities which made it more challenging to negotiate competitive rates with providers outside of North Wales.</p> <p>FP11/089.4 Mr K McDonogh asked whether the Welsh Government advice on National Waiting List rates was a directive or guidance. Mr M Common confirmed it was guidance based on the Consultants Contract.</p>	

<p>FP11/089.5 Mrs M Burrows asked for detail of the percentages of productivity that had been achieved, and consultant activity in core and replacement time. Mr M Common indicated that records are maintained of core and additional sessions and are available for scrutiny. Mrs M Burrows suggested that a random sample be undertaken to assure the Committee that core sessions are being provided.</p>	MC
<p>FP11/089.6 Ms H Simpson sought clarification on the costs of increased theatre sessions. Mr M Common indicated that productivity was fairly straightforward in orthopaedics but less so in ENT, General Surgery and Urology, where a clear arrangement would be required with the CPG agreeing the level of work to be done under a waiting list initiative, and signed off by the clinical lead. Mrs H Simpson requested quantified information to support a financial decision. Mr K McDonogh requested more detail on the conditions that CPGs would have to comply with.</p>	MC
<p>FP11/089.7 Dr C Tillson felt that the job planning issue had a degree of urgency. He reported that the Audit Committee was monitoring the Health Board's response to a Wales Audit Office report into the Consultant Contract, which had highlighted areas for improvement with regards to job planning and appraisals of consultants.</p>	MS
<p>FP11/089.8 Mr K McDonogh asked members to provide support in principle to the plans outlined in the paper and that the additional work can go ahead in good faith taking into account the requirements of the Committee. , Noted that further clarification was requested by the Committee on the proposals for Llandudno Hospital; the conditions that will be imposed upon the CPGs, and officers ensure that outcomes from the Audit Committee discussions around job planning are linked to discussions with the Local Negotiating Committee.</p> <p>The Committee <i>agreed</i> to provide continued support to the plans.</p>	
<p>FP11/090 FINANCE REPORT – SHARED SERVICES</p>	
<p>FP11/090.1 Mr H Thomas reported that Mr Phil Sharman had been appointed as Associate Director for the Shared Services and would take up his post later in the autumn. Interim arrangements were in place to cover Mr Ian Joseph's role via support from Aneurin Bevan Health Board.</p>	
<p>FP11/090.2 It was noted that payroll issues that had previously been raised at F&P Committee were being taken forward by Mr Neil Frow, and that a summary of Waivers of Standing Financial Instructions would be provided to the Audit Committee on 1st September. Mr K Griffiths requested a copy of the report as some waivers may be relevant to his specialities.</p>	HT
<p>FP11/090.3 Mrs M Burrows expressed concern at the current delivery against procurement savings plans (£1.7m at month 6). Mrs H Simpson also expressed disappointment that the level of procurement savings achieved previously had not been maintained since the move into All Wales Shared Services. Mr H Thomas to take this up and agree the implementation of an action plan with All Wales Shared Services.</p>	HT
<p>FP11/090.4 Mrs J Galvani referred to the Plan B scheme relating to procurement of surgical and medical supplies, and invited Mr H Thomas to liaise with her regarding completion of original efficiency schemes before commencing further ones. She also highlighted a concern that there was potential for increased costs if delays in recruitment processes caused the Health Board to use locums.</p>	HT

<p>The Committee <i>noted</i> the update provided.</p>	
<p>FP11/091 FINANCE REPORT - MONTH 4</p> <p>FP11/091.1 Mrs H Simpson presented the paper which reported a cumulative in year adverse variance of £12.406m as at the end of July 2011. She highlighted Table 4 which summarised performance against key financial targets and it was noted there was an adverse variance of 3.22% against budget for achievement of Revenue Resource Limit. The Public Sector Payment Policy for non-nhs invoices was on target. Mrs Simpson highlighted some early risks around the target to report cash balance at the year end, which were being closely monitored. She reported that controls would be strengthened in the area of non-pay expenditure. Table 7 summarised the key risks to achievement of financial breakeven – Mrs Simpson drew members attention in particular to the areas of pace of delivery of cash realising efficiency savings, continuing health care, clinical negligence and claims, primary care prescribing and contracts for specialised services.</p> <p>FP11/091.2 It was noted that Table 4 summarised financial performance of each CPG and corporate department, where the financial position remained serious. Detail was regularly shared with Chiefs of Staff, with questions and challenges being made to ensure progress.</p> <p>FP11/091.3 Ms J Dean referred to national negotiations regarding Agenda for Change on call payments and queried whether the implications, if approved, had been factored into financial plans and the potential effect as a cost pressure. Mrs H Simpson confirmed that there was no additional financial provision for any changes as a result of this, and implementation costs have to be found through existing budgets by budget holders.</p> <p>FP11/091.4 Ms J Dean sought assurance that the financial recovery plan of the Primary, Community & Specialist Medicine CPG relating to revised nursing rotas followed 2010 RCN guidelines and were achievable in terms of minimising handover time. Mrs J Galvani responded that she would take the opportunity to prepare a paper for the Committee on Nurse staffing.</p> <p>FP11/091.5 Ms J Dean noted that the Surgical & Dental CPG were reporting an overspend, yet they had the highest use of overtime and the second highest use of bank nurses. She queried whether this was an over-establishment according to budget or genuinely to the actual establishment required. Mrs J Galvani reported that a recent review of actual nurse staffing against the funded nurse establishment had been completed but not reported on. Nursing establishments are average for the UK. Mrs M Burrows also reminded the Committee that the organisation currently had around 600 staff that did not have funding within the staffing establishment.</p> <p>FP11/091.6 Mrs M Burrows highlighted that the financial position, although serious, was improved on the same month in 2010-11. She noted that the Board had had to account for expenditure on issues of patient safety, bed balancing, unquantified on-call costs, the Waiting List initiative issue, and were going to have to extend current savings schemes by a further £8million to pay for these. She reported that discussions were ongoing with Welsh Government to try and address the underlying structural deficit of £20m. Mr K McDonogh suggested that the issues she had alluded to should be incorporated into existing financial plans, as shown on page 4 of the Savings Report, to reflect the bigger residual gap that needs to be managed. Mrs H Simpson agreed that these pressures would be costed and factored into the next financial paper to the Committee.</p> <p>FP11/091.7 Dr C Tillson stated that the financial reserves should not be used as a balancing figure to compensate for a shortfall in savings targets, unless as a last resort.</p>	<p>JG</p> <p>HS</p>

<p>Mrs M Burrows indicated that related issues could be picked up at the Board Development session on 25th August.</p> <p>The Committee accepted the report and confirmed support to management efforts to delivery cash releasing savings.</p>	
<p>FP11/092 FINANCE REPORT - SAVINGS</p> <p>FP11/092.1 Mr B Evans presented the report which provided an update on the savings plan as at the end of July. It was noted that the Board had previously identified the need to deliver £70.888m of Cash Releasing Efficiency Savings (CRES) in order to break even, and that this had subsequently been increased by £4.259m due to the orthopaedic access time cost pressure. Schemes totalling £57.460m had been identified, and members of the finance team had been meeting with CPG teams regarding the delivery of the schemes.</p> <p>FP11/092.2 Mr K McDonogh asked what assurance could be provided that the finance team and CPGs could manage the performance to be back in line. Mrs H Simpson agreed that it was disappointing, and that the slippage of £750K was significantly due to delays in the pace of delivery of some CRES schemes including Medicine and Surgery CPG and in part to medicines management schemes, to which she was giving her personal attention. Mr K Griffiths indicated that often slippage on schemes was out of control of the officers who were working very hard to ensure benefits were realised.</p> <p>FP11/092.3 Ms J Dean was concerned that some of the CRES schemes were dependent on capital expenditure, and could be compromised by the use of capital monies to fund theatres. Ms H Simpson confirmed that the Innovation Fund could not be used for capital projects as it is entirely revenue, and that in the prioritisation of capital projects, their effect on CPG plans are taken into account. Mr N Bradshaw reported that the specific schemes of the Primary, Community & Specialist Medicine CPG and the Women’s Services CPG were not yet at a stage where they would be affected by capital spend.</p> <p>The Committee noted the report</p>	
<p>FP11/093 FINANCE REPORT – UPDATE ON FINANCIAL CONSEQUENCES OF THE ORTHOPAEDIC ACCESS TIMES PROGRAMME</p> <p>Mr B Evans presented the paper which updated the Committee on the work to assess the financial implications of delivering and funding the Orthopaedic Access Times to meet Welsh Government targets. The revenue shortfall had been revised downwards and was now estimated at £4.259m.</p> <p>The Committee noted the current position</p>	
<p>FP11/094 62 DAY CANCER TARGETS</p> <p>FP11/094.1 Mr D Heron provided a verbal report to the Committee on the Health Board’s performance around specific targets relating to access to cancer services. He reported that breaches in the last year had primarily been around delays in imaging, delays in first out-patient appointments, process errors, national diagnostic delays, and more latterly delays in endoscopy. Some issues remained of concern, particularly around first out-patient appointments, endoscopy delays and some imaging issues – specifically tests for bowel cancer.</p> <p>FP11/094.2 Mr Heron reported on the importance of ensuring patient pathways were appropriate and effective in order to achieve the 62 day target. He indicated that the CPG had focused on ensuring diagnostic tools were being utilised effectively, and working with</p>	

clinicians regarding the downgrading of referrals, where appropriate, including for suspected prostate cancer. These changes were complex and involved issues that cross over between CPGs.

FP11/094.3 Mr Heron summarised key actions for the Health Board as the modernisation of cancer pathways; the reduction in variations across investigation and diagnostic pathways and the reintroduction of 10 day rule for first out-patient appointment for USC classifications.

FP11/094.4 Dr C Tillson highlighted that education of GPs would help in rationalising referral rates and reduce inappropriate referrals.

FP11/094.5 Mr M Common noted that capacity would need to be created in order to undertake the 10 day appointments either through additional capacity or downgrading.

FP11/094.6 Mr K Griffiths asked whether the CT scanner within the Cancer Treatment Centre in Glan Clwyd was fully utilised. Mr D Heron indicated that this equipment was not necessarily for the exclusive use of the Cancer CPG and there might be feasibility in its use

The Committee *noted* the report.

FP11/095 PERFORMANCE REPORT

FP11/095.1 Mr M Common presented the report which summarised performance against key government targets. He highlighted that there had been 1520 breaches against the Referral to Treatment 36 week target - 1517 of which were in orthopaedics. Orthopaedic performance profiles had been resubmitted to Welsh Government, with performance being monitored weekly. Officers were specifically targeting the over 26 weeks waiters, with CPGs being asked to focus on core activity.

FP11/095.2 Dr C Tillson sought assurance on the ability of the Health Board to deliver the orthopaedic agenda, bearing in mind the loss of core activity. Mrs M Burrows stated that the Board had to have confidence in the clinicians, and the constant factor remained that patients had to be treated. Mr K McDonogh requested that the Committee receive exception reporting on any continued adverse variances.

FP11/095.3 Mr M Common referred to a section in the report which compared BCUHB to other Health Boards in Wales against efficiency indicators. It was noted that the performance was generally positive.

FP11/095.4 Mr G Lang was encouraged to report an improvement in Mental Health Care Programme Approach performance, and that detailed action plans were in place and being monitored. He also reported an improved position with regards to Elderly Mental Health Services. With regards to crisis resolution the accuracy of data from the last report had been verified; and whilst there remained some issues around intervention, further positive improvement was expected. The Committee were pleased to receive the report that all three acute units were reporting 100% compliance with the follow up admission target for crisis resolution and home treatment.

FP11/095.5 Mr M Common reported that the planned activity table on page 18 of the report was new to F&P reporting, and would be refined. He noted that some of the variance was due to non-delivery of core activity. It was also reported that 1400 patients for GUM had not been included in the "new out-patients" figures, and that the figures for "New ED Attendances" should read 52,965 (Planned), +3629 or +7% (Variance). Mr K McDonogh

<p>requested a model paper specifically on planned activity which outlined the potential for financial adjustment, together with some clinical narrative. This would be developed.</p> <p>The Committee <i>noted</i> the report</p>	<p>MC HS</p>
<p>FP11/096 DISCRETIONARY CAPITAL PROGRAMME 2011-12</p>	
<p>FP11/096.1 Mr N Bradshaw presented a paper outlining how the orthopaedic plan and the rebalancing of acute beds, would impact upon the Board's capital programme. It was noted that the discretionary capital allocation for 2011-12 was £9.1m and that potential alternative sources of funding to meet the additional pressures were being identified. These included the potential of slippage money from the All Wales capital programme; Welsh Government "invest to save" initiatives and support from charitable funds. Mr Bradshaw reported however that these sources of funding could not be relied upon, and a proposed reduction in existing capital plans had been identified across the areas of Estates, IM&T/Informatics, Medical Devices and Contingencies.</p> <p>FP11/096.2 Ms J Dean expressed concern at the impact upon the Maternity and Child Health Review if the repatriation of maternity patients from Powys is slipped. She also stated that the potential delay in investing in video conferencing facilitates would mean a continuation in travel costs that could otherwise be reduced. She also had concern over the plans to slip on the catering trollies scheme. Mr N Bradshaw confirmed that the repatriation plans were not being halted, just delayed for a period of months.</p> <p>The Committee <i>approved</i> the revisions to the Capital Programme for 2011-12 as outlined in the paper.</p>	
<p>Mrs M Burrows, Mrs H Simpson and Mrs J Galvani left the meeting at this point</p>	
<p>FP11/097 RECONFIGURATION OF BEDS</p>	
<p>FP11/097.1 Mr G Lang presented a paper which updated the Committee on timescales for completing the bed balancing exercise between the Surgery & Dental CPG and the Primary, Community & Specialist Medicine CPG. He reminded members that the need to realign bed allocation had been established in 2010, and work had been ongoing to identify an appropriate solution which had now been agreed by both CPGs, with a timescale to be operational by the end of October 2011. Mr Lang also indicated that interim proposals had been made to increase bed capacity during September. It was noted that the plans for both Bangor and Glan Clwyd were reliant upon the recruitment or availability of sufficient bank nursing staff.</p> <p>FP11/097.2 Dr C Tillson welcomed the paper and the intention that the new arrangements would be operational for the winter period. He suggested that the detail is shared with primary care at an appropriate point.</p> <p>FP11/097.3 Ms J Dean welcomed the plans and hope that the initiative would improve patient flows and the number of medical outliers. She queried the definition of "over established" as in reality there were no actual additional beds being created in Bangor.</p> <p>The Committee <i>noted</i> the report</p>	

FP11/098 COMMISSIONING GENERAL DENTAL SERVICES 2011-12 & BEYOND	
<p>FP11/098.1 Mr G Lang presented the paper which had been prepared in response to members concerns over access to NHS dentistry across North Wales. He indicated that aspects of oral health improvement would form part of a subsequent report. It was noted that there was approximately £1.7m available for investment into primary care dental services for 2011-12 which would enable the Health Board to secure dental provision in areas of most need.</p> <p>FP11/098.2 Mr K McDonogh asked for clarification on the status of the paper and it was confirmed it was not for wider circulation at this stage.</p> <p>FP11/098.3 Ms J Dean supported the development of the paper and the intention to target investment into areas of greatest need.</p> <p>FP11/098.4 Mr K McDonogh queried what would happen if dentists could not be attracted to the determined geographical areas. Mr G Lang acknowledged there could be challenges with this which would have to be addressed.</p> <p>The Committee supported the paper.</p>	
FP11/099 ANY OTHER BUSINESS	
None raised.	
FP11/100 ISSUES OF SIGNIFICANCE FOR REPORTING TO BOARD	
<ul style="list-style-type: none"> • Health Board Financial Position • Theatres at Glan Clwyd • Reconfiguration of beds • Proposals for investment in primary care dental services • Reprofiling of discretionary capital monies 	
FP11/101 DATE OF NEXT MEETING	
Tuesday 20 th September 2011 @ 1.30pm	

Signed (Chairman)		Date:	
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