CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST

DIRECTORATE OF FINANCE

BOARD OF DIRECTORS

NOVEMBER 2008

MINUTES OF THE PRODUCTIVITY EFFICIENCY SAVINGS COMMITTEE HELD ON 09 OCTOBER 2008

PRESENT:	Roy Neville	(Chair)	Ken Bremner
	David Clifford		Julia Pattison

IN ATTENDANCE:	Carol Scholes	Agenda Item 4: Financial Forecast
	Brent Kilmurray	Agenda Item 4: Financial Forecast
	Irene Stables	Agenda Item 4: Financial Forecast
	Jackie Butterworth	Agenda Item 4: Financial Forecast
	Vivien Ennew	

1 APOLOGIES

John Anderson

2 MINUTES OF THE MEETING HELD ON 11 SEPTEMBER 2008

Confirmed as a true record.

3 CIP PLANS TO DATE

JP presented a paper giving an overview of the detailed plans produced by Divisions at the end of Month 5.

JP advised that the Divisions set themselves a target to the end of August 2008 of £1,778k CIP achievement - the Monitor plan to date is slightly behind this at £1,730k. However the actual position to date after some further work following the September Board paper is £1,680k, giving a Monitor variance of £50k (£97k against local plans).

The Committee discussed:

- Procurement: on track. Divisions actively working with the Procurement Team to maximise opportunities. Almost £1m of the overall £5 plan has been identified through specific targeted savings. JP to meet with KWB this week regarding figures. Some plans include market testing, corporate hospitality, changes to prices in car parking charges and staff dining room. GWH to bring a paper to Rubicon and BoD.
- Therapies: DGM in post since July. JP in process of focusing work in that area - work through how they go forward as a department - needs close scrutiny.

- PbR Flows/Tariffs
- Rate Rebate £350k
- Springwell Pharmacy: now sold to Boots and will help with pressures.
- Houses: still renting due to current climate.
- THQ: including one off adjustments.

JP advised that all CIPs on track with the exception of Estates & Facilities, Therapies, Theatres and Medicine.

4 FINANCIAL FORECASTS

JP presented a paper detailing the financial forecasts to the end of August 2008. Discussion ensued regarding the data and JP confirmed that a full forecast across the whole Trust will be produced based on Month 6 clinical income numbers, which are due imminently.

- **Clinical Income**:
  Two Divisions have assumed a significant level of clinical income over-performance at £6.1m (Surgery at £2.1m and Medicine at £4m). Key areas include:
  - Bariatric over-performance +£180k
  - Lucentis Drugs +£1,547k
  - Chemotherapy activity over-performance and other Medicine high cost drugs +£1,169k
  - General continued over-performance on PbR In Patient and Outpatient Categories.

Discussion ensued which included:
- Lucentis over-performance
- Increased activity pressures
- Physical Capacity issues for the Trust.

JP highlighted the two areas of concern and the Committee discussed:
- **Surgery:**
  £2.7m overspend position of which £1.7m is Orthopaedics
  Lean Approach to T&O
  SLR information
  External approach needed
  First cut data and impact on the organisation
  Theatres/Anaesthesia
  Clinics (start/finish times)
  National Tariff and Casemix
  Turnover

The Committee agreed that formal work needs to be done on T&O. JP to come back to the next meeting with a proposal.

- **Medicine:**
  Overtime and agency work, including Winter Pressures
  SLA recharges
  Internal activity
  Drugs overspend
  Additional funding

Mobile Theatres
MRSA Screening

Medicine:
Carol Scholes and Jackie Butterworth attended to give an overview of plans for the Division.

Discussion included:
- Division slightly ahead on CIP
- Discussions with PCT regarding monies towards staffing costs for contingency beds
- Staff in permanent posts
- ISLAs

Surgery:
Brent Kilmurray and Irene Stables attended to give an overview of plans for the Division.

Discussion included:
- Division slightly over-delivering on CIP
- Progress on reducing Medical Staffing Costs
- Increasing ISLAs
- Improvement in H&N Income
- Under-performance in T&O accelerating
- Key problem area is Orthopaedics - operational pressures - lot of work to be done
- £800k risk in GS&U

5 RESERVES DISTRIBUTION

JP presented a paper with proposed approved bids.

The Committee discussed the bids which were categorised as:
- Approved without the need for a Business Case
- Approved in principle subject to the need for a Business Case
- Identified Pressures - alternative funding streams to be considered
- Approved to Progress - separate funding stream available to cover costs
- Other Bids to be considered further.

The total of the bids was £9.3m, but only £4.1m was awarded and discussion ensued which included:
- Potential PCT funding
- Springwell Pharmacy sale
- Upper GI Ward
- Budget Setting funding
- Bed pressures
- Redecoration issues
- Capital Development Programme
- Capital Development Steering Group

6 ANY OTHER BUSINESS

None.

7 DATE, TIME OF NEXT MEETING(S)

13 November 2008	12 noon	-	02.00 pm	CHMR
11 December 2008	12 noon	-	02.00 pm	CHMR

Roy Neville
Chair

VE/PESCm091008