

## Report from the Finance and Performance Committee - 30 May 2018

<b>Presented by:</b>	Pauline Vickers, Non-Executive Director	<b>Author:</b>	Jacqui Maurice, Head of Corporate Governance and Paul Pallister, Trust Secretary
<b>Previously considered by:</b>	Board of Directors on 12 July 2018		

Key points	Purpose:
1. This paper provides a brief summary of the key matters that were discussed at the meetings of the Finance and Performance Committee held on <b>30 May 2018</b> and on <b>27 June 2018</b> .	To discuss and note

Executive Summary:
<p>The purpose of the Committee is two-fold:</p> <ul style="list-style-type: none"> <li>- to maintain a detailed overview of the Foundation Trust's assets and resources in relation to the achievement of financial targets, business objectives and the financial stability of the Foundation Trust</li> <li>- to provide detailed scrutiny of performance matters.</li> </ul> <p>The Committee will provide assurance and, if necessary raise concerns or make recommendations to the Board of Directors. In fulfilling this purpose, the Committee will at all times seek assurance that patient safety is not compromised by any proposed recovery or action plan.</p> <p><b>Key messages to the Board of Directors from the meeting of 27 June 2018</b></p> <p>At this meeting the Committee:</p> <ul style="list-style-type: none"> <li>- reviewed in detail the Trust's operational and financial performance</li> <li>- received a presentation detailing the Trust's estimated income for 2018/19 and the internal divisional income budgets</li> <li>- received a presentation detailing the great achievements made during the recent Work as One week</li> <li>- received a detailed report into the recovery plans for cancer care.</li> </ul> <p>Assurance</p> <p>The Committee can provide assurance to the Board of Directors regarding:</p> <ul style="list-style-type: none"> <li>- the recovery plan for cancer services which includes the Cancer Care Improvement Programme having been established in line with the Bradford Improvement Programme approach; this recovery plan covers both the Elective Care Recovery Plan and the Emergency Care Recovery Plan</li> <li>- the approach for forecasting the Trust's income for 2018/19; however there is an issue regarding data quality</li> <li>- the response provided to NHS Improvement to their letter of 8 June 2018 regarding our 2018/19 Operational Plan submission</li> <li>- the Trust's performance for the month of May 2018 noting the actions underway to address those areas of under-performance.</li> </ul>

**Council of Governors: 19.07.18**

**Agenda Item: CGo.7.18.13**

## Risks

The committee was sighted on the following risks:

- The risk of delivering the Month 4 control total (and the subsequent risk to the full year control total)
- The risk to the Trust's income recovery for 2018/19 resulting from the data quality issue.

The Committee reconfirmed its risk appetite as 'cautious' on the Board Assurance Framework.

## Key messages to the Board of Directors from the meeting of 30 May 2018

### 1. Key Matters discussed

The Committee drew particular attention to the key items below.

- Finance Report
- Performance regarding the Cancer 2 Week Waits
- The improved performance in relation to the Emergency Care Standard as reported in 2.2
- The benefits that should be realised from the implementation of the Activity Tracker

### Finance Report

The Committee focussed discussion on the following key areas within the Finance Report and noted that;

- The month end deficit of £2m which was in line with plan.
- The income planned for April was £32.8m and actual achievement was £31.1m (£1.7m behind on contract income).
- Pay expenditure is online with plan and non-pay expenditure is under plan by £1.8m, which offsets the income under recovery.
- The planned pre-Sustainability and Transformation fund ("STF") control total is for an increasing deficit until September (£8.4m deficit). The plan for September onwards shows a more flattened trend line and a planned £7.5m deficit by year end. The committee noted that the planned post-STF total has a slightly different trajectory due to the planned value of STF achieved in quarter three and quarter four (planned STF achievement is for £3.6m in quarters one and two, and £6.7m in quarters three and four).
- From a balance of £25.6m in cash at the beginning of the year, the in-month planned cash trajectory broadly tracks to the I&E profile for the year.
- The bonus STF achieved in 2017/18 by the Trust hasn't, as yet, been allocated to specific schemes within the capital programme and is undergoing an internal prioritisation/review process before being submitted for approval.

The Committee discussed the positive outcomes from the work as One Week, including better performance with regard to the ECS standard however, concerns were expressed with regard to the potential for 'initiative overload'. The Committee noted the support provided to staff so that they were not overwhelmed and, noted that previous experience has shown that the structured nature of such initiatives does help to support improvements which impact both finance and performance.

With regard to assurance the committee noted that;

- A fundamental budget reset has taken place (which was presented at the last Committee

**Council of Governors: 19.07.18**

**Agenda Item: CGo.7.18.13**

meeting)

- All internal monitoring and management governance around the Bradford Improvement Programme (BIP) has been completed
- Performance meetings are focused on run rates and issues have been identified around stock control issues leading to the development of mechanisms to allow Finance to be informed and for the Divisions to introduce improved grip and control.
- BIP meetings are focused on CIP schemes and achievements.
- A new process for receiving income and expenditure requests through Executive Management Team (“EMT”) meeting has been introduced.
- Enablers to manage the financial position in more real time have been developed as have enablers are maximising the financial benefits of the embedded ePR.
- It is imperative that the Trust ensures full ownership of BIP . A lot of clinical and non clinical staff have a genuine interest and as such the Trust needs to harness this – ideas are being developed on how to engage with staff.
- The importance of protecting the cash position and noted that slippage on the I&E plan could compromise the capital programme.
- The negative assurance was that some of the key lines are not delivering at the moment

### **Performance Report**

The key positive messages noted by the committee were:

- ECS for April was 83% and is 87% in May
- The Diagnostic waiting times (DM01) position has improved but noted the increased trend on cardiac CT referrals. EMT has discussed what is driving this
- The VTE target was achieved for first time since 2016
- There is one never event being discussed at Quality Committee

### **Weekly activity tracker & trajectories by specialty update**

- The Trust started developing a tool for capacity and demand analysis by specialty in November 2017, focusing on the true core capacity. I
- The tool has been tested and rolled out to main the Referral to Treatment (“RTT”) specialties and the next step is to focus on cancer pathways and capacity.
- The Trust wants to ensure all specialties have sustainable waiting lists.
- The annual capacity and demand exercise is based on job plans and using all capacity resource, looking at waiting lists, theatre capacity, clinic templates etc. and this ultimately gives the Trustwide core capacity to inform what the Trust can deliver sustainably.
- Going forward, specialties will be provided with a dashboard showing activity versus plan, with reference to associated income and performance metrics.
- Next phase of development for the tool will be to look at capacity for urgent pathways for patients to be seen by a specialist within 14 days of an urgent GP referral for suspected cancer.

The committee received a demonstration of the weekly tracker and noted that increasing tracking enables the possibility of assessing for positive assurance as one of the biggest risks to patients is waiting too long and the tracker addresses this by showing the waiting list and if patients are being treated in chronological order. There is an opportunity for patients to come back in urgently if required.

*The Council of Governors is asked to note the report.*

**Agenda Item: CGo.7.18.13**