

## FINANCE AND PERFORMANCE COMMITTEE MINUTES, ACTIONS & DECISIONS

<b>Date:</b>	Wednesday 31st October 2018	<b>Time:</b>	08:30 – 10:30
<b>Venue:</b>	Conference Room, Field House, BRI	<b>Chair:</b>	Mrs Pauline Vickers, Non-Executive Director
<b>Present:</b>	<p>Non-Executive Directors:</p> <ul style="list-style-type: none"> <li>- Mrs Pauline Vickers, Non-Executive Director, Chair (PV)</li> <li>- Mr Jon Prashar, Non-Executive Director (JP)</li> <li>- Professor Laura Stroud, Non-Executive Director (LS)</li> <li>- Dr Trevor Higgins, Non-Executive Director (TH)</li> <li>- Mr Andrew McConnell, Associate Non-Executive Director (AM)</li> </ul> <p>Executive Directors:</p> <ul style="list-style-type: none"> <li>- Mrs Sandra Shannon, Chief Operating Officer (SES)</li> <li>- Ms Karen Dawber, Chief Nurse (KD)</li> <li>- Mr Matthew Horner, Director of Finance (MH)</li> <li>- Ms Cindy Fedell, Director of Informatics (CF)</li> </ul>		
<b>In Attendance:</b>	<ul style="list-style-type: none"> <li>- Mr Chris Smith, Deputy Director of Finance (CS)</li> <li>- Mr Carl Stephenson, Head of Performance (CSt)</li> <li>- Ms Jacqui Maurice, Head of Corporate Governance (JM)</li> <li>- Mr Rob Jones, Divisional Head of Finance – Minute taker</li> </ul>		
<b>Observing</b>	<ul style="list-style-type: none"> <li>- Mr Barry Senior, Non-Executive Director (BS) - Observer</li> </ul>		

No.	Agenda Item	Action
F.10.18.1	<b>Apologies for absence</b>	
	None.	
F.10.18.2	<b>Declaration of Interests</b>	
	None.	
F.10.18.3	<b>Minutes of the meeting held on 26<sup>th</sup> September 2018</b>	
	The minutes were accepted as an accurate record.	
F.10.18.4	<b>Matters Arising</b>	
	<p>The following actions were closed.</p> <ol style="list-style-type: none"> <li>1. F.8.18.7 - F&amp;P Committee Dashboard. Additional benchmarking information added. <u>Action completed.</u></li> <li>2. F.8.18.7 - F&amp;P Committee Dashboard. Stranded and super stranded patients added. <u>Action completed.</u></li> <li>3. F.9.18.4 - Matters arising: Top five highest volume / greatest impacting specialties capacity and demand analysis to be presented including findings from the Urology pathway audit. Added to the agenda. <u>Action completed.</u></li> <li>4. F.9.18.4 - Matters arising: Formal paper to be presented on the agreed CCG contract following the meeting on the 17th October 2018. Added to the agenda. <u>Action completed.</u></li> <li>5. F.9.18.4 - Matters arising: Capital Committee to risk stratify the capital programme. Added to the agenda. <u>Action completed.</u></li> </ol>	

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	<p>6. F.9.18.4.1 - Matters arising from the Board: A narrative report developed to support the Integrated Dashboard. Action log to be updated. <u>Action completed.</u></p> <p>7. F.9.18.5 Corporate Risks Relevant to the Committee. Presentation of document to be amended to aid review. Presentation addressed. <u>Action completed.</u></p> <p>8. F.9.18.9 – Performance Report, implications of annual leave to be reviewed following reduction in August activity and 18 week incomplete recovery plan to be reviewed and assumptions validated. This was covered in the Performance Report. <u>Action completed.</u></p> <p>9. F.9.18.9 - Performance Report: 18 week incomplete recovery plan to be reviewed and assumptions validated. Included on the agenda. <u>Action concluded.</u></p> <p>10. F.9.18.14 - Matters to share with other Committees. Theatre quality risks to be reported by exception if issues noted. This shared with Quality Committee. <u>Action concluded</u></p> <p>PV presented a matter arising from the Quality Committee, with reference to their meeting in September. The Quality Committee was not assured by the data presented regarding readmissions and they have requested that the Finance Committee review the data. SES stated that the data quality of readmissions needs validating/auditing to support understanding of the trends. This would be undertaken as part of the planned ‘deep dives’ at which point the position would be reported back to the Quality Committee following presentation of information to Finance and Performance Committee in January 2019</p>	<b>SES/KD</b>
<b>F.10.18.4.1</b>	<b>Matters arising from Board of Directors : Model Hospital</b>	
	<p>MH presented the Model Hospital Briefing paper which:</p> <ul style="list-style-type: none"> <li>• Introduced the Model Hospital as an improvement tool.</li> <li>• Summarised the current position.</li> <li>• Highlighted recent developments in the latest refresh.</li> <li>• Layout opportunities for improved use.</li> <li>• Updated on next steps.</li> </ul> <p>TH recognised that the paper represented significant opportunities for productivity improvements.</p> <p>KD explained that the paper highlighted the main opportunities but did not recognise where we were doing well.</p> <p>SES added that there was a lot of good work happening which will improve productivity and that the Trust is implementing deep dives into the top 6 specialities. This process will be facilitated by use of the Model Hospital data.</p> <p>LS suggested that all Non-exec directors sign up to Model Hospital to understand the dashboards. PV said that the committee should take this as an action.</p> <p>LS wanted to understand how far down ownership goes and that the model should be used as a tool to increase support improvement but also accountability.</p>	<b>ALL Non-Executive Directors</b>

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	<p>LS asked how soon the benefits could be made.</p> <p>SES explained that we now have much more clarity than we did before and that it had taken several months to get to this point.</p> <p>MH recognised that the benefits from Model Hospital would need to be delivered as part of the 2019/20 Bradford Improvement Programme, with the 2017/18 reference cost information to be uploaded in December 2018.</p> <p>PV concluded that it was a valuable report and that the Trust must truly embrace it.</p> <p>In summary, the work required to be undertaken included agreement on the governance process. MH advised that consideration of how to use the information provided by the model hospital as part of the new CBU new structure would be discussed at the next Board Development Session.</p> <p>It was expected that the Trust would start using the data from Q4. An update on progress and the next steps would be provided at the next meeting.</p>	<p style="text-align: center;"><b>MH</b></p> <p style="text-align: center;"><b>MH</b></p>
<b>F.10.18.4.2</b>	<b>Matters escalated from sub committees</b>	
	There were no actions escalated from the Sub Committees of the Quality Committee.	
<b>F.10.18.5</b>	<b>Corporate Risks relevant to the Committee</b>	
	Corporate Risks to be reviewed considering the Model Hospital discussion.	<b>MH</b>
<b>F.10.18.6</b>	<b>Board Assurance Framework</b>	
	The framework was reviewed and discussed.	
	<b>Board Dashboard</b>	
<b>F.10.18.7</b>	<b>Finance &amp; Performance Committee Dashboard</b>	
	<p>SES updated that the two main performance risks are delivery of the Emergency Care Standard and the cancer access targets.</p> <p>MH updated that the two main financial risks are delivery of the income plan and the Bradford improvement programme.</p> <p>SES expanded that the key was staffing in terms of physical capacity. The Trust needs more ambulatory care. Modelling has demonstrated that the A&amp;E department is 7 cubicles short in majors and that the minors area is too small. The National Support team advised that there is a gap in senior decision makers. The Trust does not have enough consultants in A&amp;E and is 50% down in middle grade staffing. The good news is that nursing is now fully recruited. It will take time to fix the issues. It will take 1 year for the medical recruitment and 2 years to increase the clinical</p>	

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	<p>practitioner workforce.</p> <p>PV explained that we need a robust strategic plan which is longer term than the recovery plan.</p> <p>SES explained that the GE modelling work needed to be completed first and that all actions on the recovery plan are still valid. The A&amp;E recovery plan is on track and progress and actions are being monitored.</p> <p>SES advised the Committee that a strategic ECS presentation would be bought back next month.</p>	<b>SES</b>
	<b>Finance</b>	
<b>F.10.18.8</b>	<b>Finance Report</b>	
	<p>MH updated on the key points from the Finance report:</p> <ul style="list-style-type: none"> <li>As at month five the Trust is reporting an 'on plan' position. The Year to Date (YTD) plan was a pre-PSF deficit of £8.4m which was achieved.</li> <li>YTD the Trust has used £2m of non-recurrent measures to deliver the current financial position. A total of £1.3m technical adjustments and £0.7m relating to the establishment of the Alternative Delivery Model (ADM). Without these measures the actual underlying deficit was £10.4m.</li> <li>There are 3 big risks in the delivery of the year end position. Delivery of the ADM, contract income and the Bradford Improvement Programme.</li> <li>With respect to contract income Bradford CCGs are overtrading by £4.5m at month 6 whilst other commissioners are under trading by £3.5m. The main risk sits with Bradford CCGs paying the Trust the £4.5m over trade.</li> </ul> <p>The Trust is in a heightened process of discussion and negotiation with the Bradford CCG's in an effort to resolve both the YTD and forecast position. Reporting a robust contract activity and income position has been materially hampered by the data quality issues. A significant amount of effort has been invested into correcting the situation and reporting a position (albeit estimated) that reflects the current trading position. The discussions with the CCG are currently focusing on the detail (at a patient level), to allow both parties to agree a jointly understood position.</p> <ul style="list-style-type: none"> <li>The 18/19 plan was originally set at £254m the revised plan based on the activity that could be expected is £259m and the current FOT is £263m. The forecast out-turn over trade for Bradford CCGs is £9m. The Trust is aiming to agree a forecast position with the CCG by the end of November.</li> <li>A key issue from the Commissioners is their challenge that the depth of coding has improved and it is this issue that is driving the</li> </ul>	<b>MH</b>

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	<p>overtrade. The Trust has a 'Better Notes, Better Care' improvement programme and has for the last 3 years issued the CCG's with a coding notice that comments on the plans to improve coding, with a further notice issued for 2019/20. Their challenge of improved coding will be discussed as part of the negotiations, which will also include understanding the system wide affordability challenge.</p> <p>TH enquired into what would happen if the Trust ran out of cash before the year end.</p> <p>MH explained that the Trust was is trying to do everything possible to deliver the control total and avoid having to apply for distressed funding (i.e. a loan) and the resulting regulatory sanctions and interest rates that would then be applied. MH commented that access to distressed funding would be subject to a robust recovery plan and the Trust must demonstrate it is taking all appropriate measures to protect the cash position. AM reinforced this position and further emphasised the medium to longer term implications and the expectation that the cash flow forecasting should stretch beyond the yearend (i.e. a 2 – 3 plan).</p> <p>The Trust needs an immediate plan to address the underlying run rate to achieve the control total and also needs to consider the medium term plan in anticipation of the planning requirements for 2019/20.</p> <p>To improve BIP delivery SES explained the proposal to redirect additional PMO resources into the outpatients and elective care improvement programmes.</p> <p>MH added that the Trust must consider all measures to control cost including reviewing the capital programme and treasury management processes. The Trust should jointly share the risk with commissioners but must focus on cost out.</p> <p>MH updated that the Trust was having a series of planning days with the divisions over the next few months as part of building the 2019/20 plan.</p> <p>The draft plan that aligns activity and income with the Commissioners will need to be submitted to NHSI by 14<sup>th</sup> January.</p>	
F.10.18.9	<b>CCG Contract</b>	
	This item was covered under the Finance Report	
F.10.18.10	<b>18/19 Capital Programme</b>	

	<p>MH updated the Committee on the 2018/19 capital programme. To date the Trust has spent £2.4m against a plan of £18.3m for the year. The Trust is currently forecasting total capital spend of £15.5m. To protect the cash position, the Trust need to decide how much expenditure it can defer without compromising patient care.</p> <p>AM asked whether there was significant backlog maintenance.</p> <p>MH responded that there were no significant risks with backlog maintenance.</p> <p>A Capital reprioritisation paper will be presented to the next committee.</p>	<b>MH</b>
	<b>Performance</b>	
<b>F.10.18.11</b>	<b>Performance Report</b>	
	<p>As the elective care recovery plan was on the agenda the performance report was considered by exception.</p> <p>SES updated that the key focus of the 62 day cancer target was Urology. Breaches are running at 64% and the increase in the number of referrals is 32%. The wider system is under capacity for clinical oncology which is delaying prostate cancer treatment.</p> <p>SES added that the Trust had a remaining £130k of Cancer Alliance monies to support recovery of the 62 day target.</p>	
<b>F.10.18.12</b>	<b>Elective Care Recovery Report</b>	
	<p>SES explained that the target for RTT was 92% but that the Trust reported 75.09% as at the end of September.</p> <p>The elective care improvement programme will focus on the top 6 specialities in order understand how to recover the position.</p>	
<b>F.10.18.13</b>	<b>Capacity and Demand analysis (to recover RTT)</b>	
	<p>SES reported that to recover 92% 18 week RTT the Trust would need 3,309 more clock stops, 11,427 more outpatient slots, and 1,857 more inpatients slots.</p> <p>The focus has been on the top 6 specialities as they represent 75% of the Trust recovery requirement.</p> <p>The RTT recovery trajectories for ENT, General Surgery, Ophthalmology, Orthopaedics, Urology and Vascular Surgery were discussed as per the presentation.</p> <p>PV enquired as to when the plan goes through the next process.</p> <p>AM suggested that some of the activity should be able to be done without additional cost. The Trust needs to identify how much it will cost and what the next steps are.</p> <p>PV explained that an update would need to come to the next committee.</p> <p><i>PMN: update provided to Closed Board of Directors Meeting on 8 November (action concluded)</i></p>	<b>SES</b>

No.	Agenda Item	Action
F.10.18.14	<b>Informatics Performance Report</b>	
	<p>CF presented the Informatics report.</p> <p>TH said that it was very positive and showed that the Trust was heading in the right direction.</p> <p>Following discussion the Committee agreed that quarterly reports only would be received. Only reporting by exception would be required for other meetings.</p>	CF
F.10.18.15	<b>Bradford Improvement Programme Board Report</b>	
	The paper was covered under the finance section.	
F.10.18.16	<b>JAG Accreditation exception report</b>	
	<p>SES updated the Committee regarding JAG accreditation.</p> <p>In July 2017, the endoscopy unit's JAG accreditation was assessed and it was reported that improvements were required.</p> <p>In March 2018 upon re-inspection, the JAG accreditation team were satisfied that significant progress had been made to resolve the keys issues identified.</p> <p>However, at that time, following EPR implementation the Trust was no longer in a position to provide accurate information regarding the endoscopy waiting list and the waiting times were outside the JAG limits.</p> <p>On this basis the award of the accreditation was declined. The Trust was asked to contact JAG for re-inspection once the waiting list issues had been resolved and were in a sustainable position for a minimum of three months.</p>	
F.10.18.17	<b>Any other business</b>	
	MH highlighted the Waste Management Contract Paper which described that Leeds Teaching Hospitals were leading on a solution for the whole of West Yorkshire which could be significantly more expensive than the Trust's previous supplier. The Committee noted that, given the circumstances the Trust had no option but to sign.	
F.10.18.18	<b>Matters to share with other committees</b>	
	The Model Hospital should be an item on the agenda at all Committees.	
F.9.18.15	<b>Matters to escalate to the Board of Directors</b>	
	<p>PV stated that the key areas of focus for the highlight report should be the escalation of the following matters to the Board of Directors.</p> <ul style="list-style-type: none"> <li>• Delivery of the control total</li> <li>• Re-evaluating capital expenditure</li> <li>• Concentrating on key deliverables for A&amp;E, RTT and Cancer.</li> </ul>	
F.9.18.16	<b>Matters to escalate to the Corporate Risk Register</b>	
	There were no matters to escalate	
F.9.18.17	<b>Items for Corporate Communication</b>	
	There were no items for corporate communication	

No.	Agenda Item	Action
F.9.18.18	<b>Date and time of next meeting</b>	
	Wednesday 28 <sup>th</sup> November 2018 - 08:30 am - 10:30 am Conference Room, Field House, BRI	



### ACTION LOG - FINANCE AND PERFORMANCE COMMITTEE - 31<sup>st</sup> October 2018

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
26/09/2018	<b>F.9.18.4.1</b>	<b>Matters arising from the Board</b> Report to be presented on the findings of the 'Are we getting better?' review. SES to undertake a 3 year analysis	Chief Operating Officer	28/11/2018	Added to the agenda. <u>Action concluded.</u>
31/10/2018	<b>F.10.18.4.1</b>	<b>Model Hospital</b> All Non-Executive Directors should sign up to Model Hospital to understand the dashboards.	Non-Executive Directors	28/11/2018	The link is available here <a href="https://improvement.nhs.uk/resources/model-hospital/">https://improvement.nhs.uk/resources/model-hospital/</a> <u>Action concluded.</u>
31/10/2018	<b>F.10.18.4.1</b>	<b>Model Hospital</b> An update required to show progress and discuss next steps.	Director of Finance	28/11/2018	Item included on the agenda to provide an update. <u>Action concluded.</u>
31/10/2018	<b>F.10.18.7</b>	<b>Finance and Performance Committee Dashboard</b> Strategic ECS presentation to be presented next month	Chief Operating Officer	28/11/2018	Added to the agenda. <u>Action concluded.</u>
31/10/2018	<b>F.10.18.8</b>	<b>Finance Report</b> To agreed FOT position with Bradford CCG by the end of November.	Director of Finance	28/11/2018	Included within the Finance Report. <u>Action concluded.</u>
31/10/2018	<b>F.10.18.10</b>	<b>18/19 Capital Programme</b> A reprioritised capital programme will be presented at the next committee meeting.	Director of Finance	28/11/2018	Added to the agenda. <u>Action concluded.</u>
31/10/2018	<b>F.10.18.13</b>	<b>Capacity and Demand Analysis</b> RTT recovery plan update to the next committee	Chief Operating Officer	28/11/2018	Update provided to Closed Board of Directors Meeting on 8 November. <u>Action concluded:</u>
31/10/2018	<b>F.10.18.14</b>	<b>Informatics Performance Report</b> The committee agreed that quarterly reports only would be received. Only reporting by exception would	Chief Information Officer	28/11/2018	The next quarterly report would be expected in January 2019. The Work plan has been updated. By JM. <u>Action concluded.</u>

		be required for other meetings.			
26/09/2018	<b>F.9.18.4.1</b>	<b>Matters arising from the Board</b> A Theatres deep-dive is to be completed.	Chief Operating Officer	30/01/19	A theatres deep dive will be presented to Committee in January 2019
31/10/2018	<b>F.10.18.4</b>	<b>Matters arising</b> The Quality Committee was not assured by the data presented regarding readmissions and they have requested that the Finance Committee review the data. SES stated that the data quality of readmissions needs validating/auditing to support understanding of the trends. This would be undertaken as part of the planned 'deep dives' at which point the position would be reported back to the Quality Committee.	Chief Operating Officer and Chief Nurse	30/01/19	
31/10/2018	<b>F.10.18.5.1</b>	<b>Corporate Risks relevant to the Committee</b> Corporate Risks to be reviewed considering the Model Hospital discussion.	Director of Finance	30/01/19	This will form part of the next review of the Corporate Risk Register.
31/10/2018	<b>F.10.18.4.1</b>	<b>Model Hospital – Next Steps</b> To be discussed at the next Board Development Session how the Model Hospital should be used as part of the new CBU structure.	Director of Finance	28/02/2018	Board development session scheduled for early February 2019