

Meeting Title	Council of Governors		
Date	17/01/2019	Agenda item	CGo.1.19.17

A report from the Chair of the Finance and Performance Committee November & December 2018

Presented by	Trevor Higgins, Non-Executive Director
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Lead Directors	Sandra Shannon, Chief Operating Officer; Matthew Holden, Director of Finance
Purpose of the paper	This paper is to provide the Board of Directors with an overview of the work of the Finance and Performance Committee in November & December 2018.
Key control	This paper is a key control for the strategic objective to deliver our financial plan and our key performance indicators
Action required	To note

Background

The purpose of the Finance and Performance Committee is

- to maintain a detailed overview of the Trust's assets and resources in relation to the achievement of financial targets, business objectives and the financial stability of the Trust
- to provide detailed scrutiny of performance matters

and if necessary, raise concerns or make recommendations to the Board of Directors.

The Finance and Performance Committee uses the assurance presented throughout its meeting, which is aligned to key controls for identified risks associated with delivering the Trust's strategic objective

- To deliver our financial plan and our key performance indicators

in combination with a review of the relevant risks on the strategic risk register to review the Trust's Board Assurance Framework. It was agreed that for the Board Assurance Framework the strategic objective is split into two (2a: to deliver our financial plan and 2b: to deliver our key performance indicators. Following each meeting consensus is achieved in relation to the assurance level and associated statement. This is presented in the Board Assurance Framework.

Key Matters Discussed

1. Strategic Objective 2a: To deliver our financial plan

1.1 Strategy: Finance Dashboard

The Finance Dashboard is reviewed at every meeting and the Committee considers specific areas of financial performance and risk. The Committee continues to be concerned in relation to the delivery of the financial plan, specifically in relation to the cash position. This is reflected in the Finance Report to the Board of Directors.

1.2 Strategy: Bradford Improvement Programme (BIP)

The Committee recognized that the fundamental issue as a Trust is the delivery of the BIP. They were concerned to note that, though the Trust is currently forecasting delivery of £22.8m efficiencies, there is a high degree of risk in this forecast. Removing the high risk plans from this forecast would leave the Trust £8.6m short of the target. A run rate improvement of £8.6m would be required if the high risk plans do not deliver.

1.3 Risk: Mitigation of the risk to the financial position

The Committee queried the latest position with the CCG negotiations and were assured that the Trust was working with the CCG to reach a common understanding of the month six activity position of which the commissioners have accepted in principle. The Committee also explored at length the Implications of the improved coding resulting from better information now being available through the use of the Electronic patient record. The Committee also noted the requirement to detail the progress with the CCG to NHS

Meeting Title	Council of Governors		
Date	17/01/2019	Agenda item	CGo.1.19.17

Improvement.

The Committee has challenged the Financial Recovery Plan, seeking additional assurance in relation a number of elements, for instance, cash forecast, staff engagement and the sharing of responsibility across Executive Directors

The Committee also highlighted the importance of raised the importance of and need for consistency with the financial values being quoted in various documents being shared with external organisations.

The Committee were assured that the Trust has developed a recovery plan that it is committed to deliver.

1.4 Risk: Use of resources

The Committee were informed that the Use of Resources rating is currently 3. This is anticipated to move to 4 in March 2019 which may prompt NHS Improvement to consider closer scrutiny.

2. Strategic Objective 2b: To deliver our key performance indicators

2.1 Strategy: Performance Dashboard

The Performance Dashboard is reviewed at every meeting and the Committee considers specific areas of performance. The Committee has become increasingly concerned in relation to the progress with delivering key performance indicators, specifically in relation to the Emergency care (ECS), Cancer and Referral to Treat (RTT). This is reflected in the Performance Report to the Board of Directors, however the Committee recommended that an urgent escalation to the Board should be made in respect of

- The delivery of key performance indicators (ECS, RTT, Cancer)

2.2 Risk: Emergency Care Recovery Plan

The Committee received an update to the Emergency Care Recovery Plan, and were assured that it is in progress, and that the aim is to reach 95% compliance by March 2019.

2.3 Risk: Cancer Care Recovery Plan

The Committee received a further update in relation to the elective care recovery plan, including a summary of the capacity and demand analysis being undertaken. The Committee was assured that there was progress in the delivery of RTT.

Recommendation

To note the work of the Finance and Performance Committee in scrutinising the Foundation Trust's financial matters: maintaining a detailed overview of the Trust's assets and resources in relation to the achievement of financial targets, business objectives and the financial stability of the Trust and providing detailed scrutiny of performance matters.

It is also asked to note the assurance level and statement agreed by the Committee which is provided on the Board Assurance Framework.

Strategic Objective 2a: To deliver our financial plan

Limited Confidence: *The Income & Expenditure (I&E) financial plan is being delivered in month 6, noting that this is against a planned pre-PSF deficit of £8.4m with an annual control total of £7.5m deficit requiring a £0.9m surplus over Quarters 3 and 4. It is doubtful that run rates will improve quickly enough to deliver this improvement and a number of unmitigated variables cast further doubt on the Trust's ability to deliver its 2018/19 control total. The Trust's cash and liquidity forecasts are increasingly challenged by the I&E projections. Following discussion at Finance & Performance Committee, consideration will be given to increasing the risk rating and reducing the assurance level in November. (31st October)*

Strategic Objective 4: To deliver our performance targets

Limited Confidence: *Limited confidence: current trajectories indicate that there is limited confidence in*

Meeting Title	Council of Governors		
Date	17/01/2019	Agenda item	CGo.1.19.17

delivering the required standard in quarter. Although there has been a small increase in performance against standard there is still significant variation in performance on a day to day basis.
Additional support being provided by ECIST including staffing modelling against demand and escalation tools.

The 62 day backlog is reducing slightly but still a higher level than required to meet the 62 day standard. There are also 2ww demand and capacity gaps for dermatology and LGI. Both of these indicate limited confidence that cancer standard will be achieved in quarter.
There are a number of specialties showing a significant demand and capacity gap. Many have waiting lists that are over-sized and unless there is a reduction in waiting list sizes the trust will be unlikely to be able to achieve 18 weeks RTT. Overall waiting list size has reduced for 4 months in succession.

Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients			g			
To deliver our financial plan and key performance targets			g			
To be in the top 20% of NHS employers			g			
To be a continually learning organisation				g		
To collaborate effectively with local and regional partners					g	
The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes.	Low		Moderate	High	Significant	
	Risk (*)					
Explanation of variance from Board of Directors Agreed General risk appetite (G)						

Risk Implications (see section 4 for details)	Yes	No
Corporate Risk register and/or Board Assurance Framework Amendments	▪	
Quality implications	▪	
Resource implications	▪	
Legal/regulatory implications	▪	
Diversity and Inclusion implications		▪

Regulation, Legislation and Compliance relevance
NHS Improvement: Risk assessment framework, quality governance framework, code of governance , annual reporting manual
Care Quality Commission Domain: Safe, caring, effective, responsive, well led
Care Quality Commission Fundamental Standard:
Other (please state):

Relevance to other Board of Director's Committee:					
Workforce	Quality	Finance & Performance	Partnerships	Major Projects	Other (please state)
	▪				