

FINANCE AND PERFORMANCE COMMITTEE MINUTES, ACTIONS & DECISIONS

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| Date: | Wednesday 24 th April 2019 | Time: | 08:30 – 10:30 |
| Venue: | Conference Room, Field House, BRI | Chair: | Trudy Feaster-Gee, Non-Executive Director |
| Present: | <p>Non-Executive Directors:</p> <ul style="list-style-type: none"> - Professor Laura Stroud, Non-Executive Director (LS) - Mr Trevor Higgins, Non-Executive Director (TH) - Ms Trudy Feaster-Gee, Non-Executive Director (TFG) - Mr Andrew McConnell, Associate Non-Executive Director (AM) <p>Executive Directors:</p> <ul style="list-style-type: none"> - Mrs Sandra Shannon, Chief Operating Officer (SES) - Ms Cindy Fedell, Director of Informatics (CF) - Mr John Holden, Director of Strategy & Integration (JH) - Ms Tanya Claridge, Director of Governance & Corporate Affairs (TC) | | |
| In Attendance: | <ul style="list-style-type: none"> - Mr Chris Smith, Deputy Director of Finance (CS) - Mr Carl Stephenson, Acting Head of Performance (CSt) - Ms Tanya Claridge, Director of Governance & Corporate Affairs (TC) - Ms Adrienne Lake, Assistant Director of Finance (AL) – Minute taker | | |

| No. | Agenda Item | Action |
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| F.4.19.1 | Apologies for absence | |
| | Matthew Horner, Director of Finance | |
| F.4.19.2 | Declaration of Interests | |
| | None. | |
| F.4.19.3 | Minutes of the meeting held on 27th March 2019 | |
| | The minutes were agreed and accepted as an accurate record. | |
| F.4.19.4 | Matters Arising | |
| | <p>The committee noted that the following actions were closed.</p> <ul style="list-style-type: none"> • F.3.19.9 Finance Report Contact NHSI to discuss changes to the control total. • F.3.19.9 Finance Report KPMG ADM and MEAV option to be shared and discussed with Deloitte. • F.3.19.18 Matters to share with other Committees The Governance Committee to determine when the risks on the risk register should be updated for Finance and Performance Committee. | |

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| F.4.19.4.1 | Matters arising from Board of Directors | |
| | <p>F.4.19.6a In response to the recommendation of the Board Assurance Framework Quarter 4 2018/19 to consider and debate if the Committee is assured by the content of component sections of the Board Assurance Framework (BAF).</p> <p>AM raised that actions were not being closed after completion.</p> <p>It was agreed that the BAF would be locked down once a quarter. The draft BAF will be updated following the April Finance and Performance Committee meeting to reflect the end of year outcomes.</p> | TC |
| F.4.19.4.2 | Matters escalated from sub committees | |
| | There were no items escalated. | |
| | Oversight | |
| F.4.19.5 | Strategic Risks relevant to the Committee | |
| | <p>TH suggested that relevant risks should be discussed as part of each agenda item to facilitate the flow of the meeting.</p> <p>TC advised that the EU exit risk is to be reassessed based on communication from the Centre. BTHFT will run a virtual lessons learnt process at the request of NHSE.</p> <p>CF enquired if the transition to CBUs has been appropriately accounted for in the BAF. It was agreed to document how the high level controls will be implemented in the BAF.</p> | SES |
| F.4.19.6 | Board Assurance Framework | |
| | AM noted that the cash risk level has been updated with a reduction from extreme to high following the discussions at the last meeting. | |
| F.4.19.7 | Finance & Performance Committee Dashboard | |
| | The key points of the Performance Committee Dashboard were discussed and noted elsewhere on the agenda. | |
| F.4.19.8 | Report from Finance & Performance Oversight Sub Committee | |
| | <p>JH raised that there is a question to the longevity of this subcommittee. The view of the executive team is that the subcommittee was time limited with a purpose to deliver the financial target and drive performance improvement to the year end.</p> <p>It is recognised that the Finance and Performance Oversight Committee has brought a level of focus not previously experienced. However, the Clinical Business Unit (CBU) model has been introduced to maintain this new focus. There is a risk that the way the subcommittee works will stifle the CBUs. The CBUs need to take responsibility for managing financial, quality and performance risks.</p> | |

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| | <p>The subcommittee meetings are scheduled until the end of June. The accountability framework will be embedded in the CBUs in the period to the end of June. From June onwards it is proposed that the Finance and Performance Sub Committee will be withdrawn.</p> <p>The subcommittee met on the 15th April and discussed and noted the positive performance on 18 weeks, cancer waits and emergency care.</p> <p>LS commented that the Finance and Performance Oversight Committee is detailed in the BAF as a high level control.</p> <p>JH responded that this is correct at this point in time but will change as the CBUs are embedded at which point the accountability framework will become the high level control.</p> | |
| | Finance | |
| F.4.19.9 | Finance Report | |
| | <p>CS updated the key points from the summarised finance report:</p> <p>The conclusion from the delegated decision making committee following review of the various options presented was that the Trust should do all it could to meet the 2018/19 control total.</p> <p>It should be noted that there is a difference in opinion with the external auditors relating to some of the items entered into the accounts that may impact materiality.</p> <p>The position reported to the regulators is a pre-PSF deficit of £7.5m which is in line with the pre-PSF control total.</p> <p>A communication was received from NHSI notifying that if the reported position is supported by the external auditors the Trust will receive an additional £6.5m PSF cash. This is based on the draft position and subject to change following the results of the external audit.</p> <p>JH noted that the share of additional PSF cash was a factor considered when deciding whether to work to strive to deliver the control total and whether to take a managed risk in terms of the conclusions of the external auditors. The value of additional PSF suggests that aiming to achieve the control total was the correct course of action to take.</p> <p>LS commended the efforts of the Finance team.</p> <p>LS enquired if there are known items that may impact the reported position. CS replied that the Trust has not had any material items in the financial statements of prior years. There has been less time this year end to produce the accounts due to the time taken to reach a decision about which position to report. JH added that in so far that the sub-committee were able to reasonably test, there were no other foreseen risks to the position.</p> <p>AM questioned if more detail had been received following the communication from Deloitte which inferred their attitude had softened.</p> | |

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| | <p>CS confirmed that there had not. CS added that it will be at the end of the audit before Deloitte's decision will be made.</p> <p>TH thanked the Finance Team for their efforts. JH also recorded his thanks to Matthew for his leadership and to the efforts of the NEDs and Finance Team.</p> | |
| F.4.19.10 | Budgetary Control Framework | |
| | <p>CS updated the key points of the tabled Budgetary Control Framework.</p> <p>The Trusts overall financial plan is based on 2018/19 outturn adjusted for inflation and known cost pressures.</p> <p>The contract income plan is based on proposals put forward by specialties for activity levels adjusted for growth and activity requested by the commissioners. This was then reduced by £10m to reflect commissioner affordability on the basis of the fixed income contract of the Bradford CCG's. All other commissioners remain on a PBR contract.</p> <p>Specialties had previously been asked to identify efficiencies of 5%. The exact target will be shared with the specialties next week.</p> <p>There are no uncommitted central reserves held centrally. The reason for this is to keep the efficiency target as low and as achievable as possible. If CBUs and Corporate department overspend against their budgets there will not be scope to fund centrally. This strengthens the need for a robust Budgetary Control Framework.</p> <p>LS enquired where there is an overspend in a CBU, would permission need to be sought. CS confirmed that the Budgetary Control Framework would clearly state that in line with the SFIs, Budget Holders do not have permission to overspend against their budgets.</p> <p>AM questioned if the accounting system automatically prevented budget overspends. CS confirmed it does not.</p> <p>The Budgetary Control Framework will describe how CBUs can achieve earned autonomy. The aim is that CBUs will strive for autonomy and be liberated of onerous approval processes.</p> <p>JH stated that mind-sets and the culture where there has always been a central reserve to draw from and the Trust will always somehow achieve its financial targets needs to be challenged. CBUs are required to own the budget and have the opportunity to make decisions for themselves. This will be achieved through CBUs demonstrating that they can manage their budget, if they cannot then control will be more centrist.</p> <p>LS asked from an NHS perspective, in terms of earned autonomy, what is the evidence base for moving to the CBU structure. SES responded that many organisations have moved to a CBU structure. The focus is on accountability and performance frameworks, it has been evidenced that where there is authority to act, people take more responsibility.</p> | |

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| | <p>BTHFT will achieve this through coaching rather than adding more strict controls which will not work. Any level of intervention will be proportionate to the issue within the CBU, the confidence of the executive that the CBU understands the issue and is able to resolve it, and the detail and confidence in the recovery plan. The intervention may be advice and guidance at the lowest level, moving to more regular meetings and reviews, to the highest level of assigning an executive mentor. It will depend on the issue, it may not just be financial, but quality or performance. The performance framework takes performance in its widest sense so includes, finance, quality and access performance.</p> <p>SES continued to explain that each of the CBUs will have a balanced scorecard which will provide a full picture of what is happening in the CBU which will facilitate better oversight of all metrics, not just finance or performance.</p> <p>CS added that the divisional structure did not deliver from the perspective of delivering the financial plan. The Trust has had to rely on command and control measures over the last six months and non-recurrent means to meet the control total. The new structure is replacing an existing structure that did not work.</p> <p>JH suggested that an example balance scorecard is reviewed at the June meeting to evidence what is being used in practise to mitigate the risks raised.</p> <p>LS added that whilst the CBU structure will engage the middle managers more and see them take responsibility, the Board will want to be satisfied that there is oversight and even enhanced oversight whilst the new structure beds in.</p> <p>SES highlighted that the Care Group Cabinet made up of Senior Managers will support the CBUs. There will also be regular performance and accountability reviews at each level.</p> <p>SES agreed to present the accountability framework at the next meeting.</p> <p>There is an expectation that RTT will be delivered within the planned income quantum.</p> <p>To ensure transparency and reflect reality within the CBUs, their share of the £10m affordability adjustment with the Bradford and Airedale CCGs will be allocated on a pro-rata basis to each specialty.</p> <p>Within expenditure budgets the premium for bank and agency usage has been maintained.</p> <p>The vacancy factor has been maintained reducing pay budgets by £6.5m. This is to reflect the significant number of vacancies carried. This is comparable to 2018/19 outturn.</p> <p>Historic unmet CIP targets have been removed.</p> <p>Reserves have only been held for committed expenditure.</p> | <p>SES</p> <p>SES</p> |

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| | <p>The Trusts efficiency target is £16.2m which represents 4% of Trust turnover and is comparable to other Trusts.</p> <p>£3m of the £16.2m target is to be addressed by the Bradford and Airedale combined system. There is doubt as to the extent the system will meet the £3m target therefore the Trust needs to be targeting to save the full £16.2m.</p> <p>Planned investments were rationalised by £1.8m to keep the efficiency target as low as possible. £1.5m of savings have been identified corporately relating to deferred income thus reducing the target to be allocated to CBUs to £12.9m.</p> <p>The Accident and Emergency (A&E) department will be exempt from the generic efficiency target.</p> <p>TH questioned if staffing levels were being reviewed against admissions within A&E. SES proposed that targets will be set against the new A&E standards to reduce unnecessary admissions and focus on same day emergency care. This will support the other CBUs by reducing the number of inpatient beds required. A&E staffing levels will be reviewed on an annual basis.</p> <p>The Budgetary Control Framework will align to the Accountability Framework detailing how the organisation will manage its finances.</p> <p>The document will be a reference point for budget holders setting out expectations.</p> <p>LS noted that whilst the restructure and introduction of budgetary and accountability frameworks is an exciting opportunity the Trust needs to be able to evaluate outcomes and appreciate the associated risks. CF added that ensuring staff have the correct tools and resources will enable development. SES explained that as part of the consultation process everyone that applied to be in the CBU leadership teams signed up to undertake a CBU development programme.</p> <p>The historic business case process is no longer fit for purpose under the fixed income contract. CBUs wishing to invest in new resources without having secured additional funding will be expected to identify existing expenditure to turn off to fund the new investment.</p> <p>AM asked if there will be opportunity to bid for centrally held funding for growth. CS confirmed that there is no slack in the income and expenditure plan. Reserves have been held for committed expenditure only. This will not be available for reallocation. JH mentioned where available, funding from national programmes and projects could be sought. The onus will be on the CBU to source this funding.</p> | |
| | Performance | |
| F.4.19.11 | Performance Report | |
| | SES updated on the Trust's performance against national targets. | |

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| | <p>All Trusts had to reduce their waiting list size to be lower in March 2019 than it was in March 2018 with no 52 week waits. BTHFT achieved this by reducing the waiting lists and having no 52 week waits for the past five months.</p> <p>There has been significant improvement in the cancer two week wait standard being achieved in March 2019 at 95.06% against a standard of 93%. There has been a 25% increase in breast cancer referrals which equates to an additional 80 patients per month. This is a national issue. BTHFT are currently performing better than peers in this area.</p> <p>Conversations have been held with commissioners requesting that GP's select the appropriate referral route.</p> <p>Focus is on clearing the 62 day backlog. There are currently 27 patients in backlog, this is a reduction from the 148 backlog patients in September 2018. There has been significant improvement in Urology month on month.</p> <p>The number of patients waiting over 40 weeks has reduced from 450 last year to 103 patients.</p> <p>ECS is impacted by peaks in attendance and crowding in the department.</p> | |
| F.4.19.12 | Elective Care Recovery (RTT) Plan Quarterly Report | |
| | <p>The improvement program is going well with progress in the Command Centre. There have been 40 staff engagement sessions. The Command Centre is on track to go live with the first tile in early June.</p> <p>Improvement enabling projects such as ambulance handover have seen a 50% reduction in breaches over 60 minute waits from last year to this year. There has been a significant improvement in the number of handovers that take place within 15 minutes. The target is 85%, current performance is 79%.</p> <p>The streaming roles are ensuring patients are being navigated to the correct zone.</p> <p>The plan is to maximise ACU capacity. The opportunity is approximately 75 patients per day.</p> <p>There are a number of patients seen on the same day emergency pathway who go straight to an assessment or emergency clinic and not through A&E. This data needs to be captured to inform the denominator.</p> <p>AM queried the 25% increase in breast referrals and number of ambulance attendances. SES advised that the increase in breast referrals is directly linked to the national breast cancer campaign. The committee discussed the number of ambulance attendances and noted that this is specific to Bradford. Yorkshire Ambulance Service (YAS) are addressing this by looking at alternative pathways such as Paramedics treating patients at home. BTHFT has regular dialogue with YAS. It was noted that the issue is broad and encompasses educating the population to understand what</p> | |

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| | <p>the emergency services exist for.</p> <p>LS noted that the lack of other options for treatment in Bradford will be a contributing factor.</p> | |
| F.4.19.13 | Focus on Delivery of Emergency Care Standard | |
| | The key points were addressed elsewhere on the agenda. | |
| F.4.19.14 | Informatics Performance Report | |
| | <p>CF noted that the report is quarterly and in line with the report from last month.</p> <p>It was highlighted that EPR adoption metrics have been added to the standard report showing that BTHFT benchmark well.</p> <p>It was also noted that an assessment has been completed of the Trust's EPR use against the international standard from HIMSS's Electronic Medical Record Adoption Model (EMRAM). The Model measures the adoption and utilisation of EPR functions required to achieve a paperless environment. The Trust scored 5 against a European average of 1.5 on a scale with a maximum score of 7 meaning completely paperless. This is a positive and expected outcome.</p> <p>TH congratulated CF and the team for this success.</p> | |
| F.4.19.15 | Any other business | |
| | None. | |
| F.4.19.16 | Matters to share with other committees | |
| | There were no matters to share. | |
| F.4.19.17 | Matters to escalate to the Board of Directors | |
| | <p>It was agreed that the Finance report will be shared with the Board of Directors.</p> <p>AM queried how the considerable savings of £8m reported in Model Hospital are being achieved. JH responded that Model Hospital data is an enabler. It is the responsibility of the CBUs supported by the senior team to sense check the information from Model Hospital, ascertain the true level of opportunity available and put plans in place to deliver. A Model Hospital group has been set up chaired by MH and the Medical Director to drive this forward.</p> | |
| F.4.19.18 | Matters to escalate to Strategic Risk Register | |
| | A new risk will be opened to capture that JAG continues to be a risk from a capacity perspective. The fixed income contract mitigates the financial risk. | TC |
| F.4.19.19 | Items for Corporate Communication | |
| | There were no matters to raise. | |

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| F.11.18.24 | Agenda items for the meeting on 29 May 2019 | |
| | No items were discussed. | |
| F.11.18.25 | Date and time of next meeting | |
| | Wednesday 29 May 2018. 08:30 am - 9:30 am Conference Room, Field House, BRI | |

BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST
ACTIONS FROM FINANCE AND PERFORMANCE COMMITTEE – 24th April 2019

| Date of Meeting | Agenda Item | Required Action | Lead | Timescale | Comments/Progress |
|-----------------|------------------|---|--|------------|---|
| 27/03/2019 | F.3.19.12 | Five year forward looking capital programme Capital Committee to review the long term capital plan in light of the operational plans that will be produced by the new care groups. | Director of Finance | On-going | Added to June and July agenda. |
| 27/03/2019 | F.3.19.3 | Matters Arising The new governance arrangements under the transition to the CBU structure will be presented at the next meeting. | Chief Operating Officer | 29/05/2019 | Added to the May agenda. |
| 24/04/2019 | F.3.19.4 | Matters Arising Update to be presented on the 2019/20 one year capital plan. | Director of Finance | 29/05/2019 | Added to June agenda |
| 24/04/2019 | F.3.19.4 | Matters Arising Update to be presented on the five year capital plan following the establishment of the CBU structure. | Director of Finance | 26/06/2019 | Added to June agenda |
| 24/04/2019 | F.3.19.5 | Strategic Risks relevant to Committee The high level controls in place during the transition to CBUs will be accounted for in the BAF. | Chief Operating Officer | 29/05/2019 | Covered in May agenda item F.5.19.9 action closed |
| 24/04/2019 | F.3.19.10 | Budgetary Control Framework An example Balanced Scorecard to be reviewed to show how risks to total performance will be mitigated at a CBU level. | Chief Operating Officer | 26/06/2019 | Covered in May agenda item F.5.19.9 action closed |
| 24/04/2019 | F.3.19.18 | Matters to escalate to Strategic Risk Register A new risk will be opened to capture that JAG continues to be a risk from a capacity perspective. | Director of Governance & Corporate Affairs | 29/05/2019 | |