

## FINANCE AND PERFORMANCE COMMITTEE MINUTES, ACTIONS & DECISIONS

<b>Date:</b>	Wednesday 26 <sup>th</sup> June 2019	<b>Time:</b>	09:30 – 11:30
<b>Venue:</b>	Conference Room, Field House, BRI	<b>Chair:</b>	Trudy Feaster-Gee, Non-Executive Director
<b>Present:</b>	Non-Executive Directors: - Professor Laura Stroud, Non-Executive Director (LS)  Executive Directors: - Mr Matthew Horner, Director of Finance (MH) - Mrs Sandra Shannon, Chief Operating Officer (SES) - Ms Cindy Fedell, Chief Digital and Information Officer (CF) - Mr John Holden, Interim Chief Executive (JH)		
<b>In Attendance:</b>	- Mr Max McLean, Trust Chairperson (MML) - Mr Chris Smith, Deputy Director of Finance (CS) - Dr Tanya Claridge, Director of Governance & Corporate Affairs (TC) - Mr Rob Jones, Divisional Head of Finance (RJ) – Minute taker - Mr Carl Stephenson, Head of Performance (CSt)		

No.	Agenda Item	Action
F.6.19.1	<b>Apologies for absence</b>	
	There were no apologies for absence	
F.6.19.2	<b>Declaration of Interests</b>	
	None	
F.6.19.3	<b>Minutes of the meeting held on 29th May 2019</b>	
	The minutes were agreed and accepted as an accurate record.	
F.6.19.4	<b>Matters Arising</b>	
	<p>The committee noted that the following actions were closed.</p> <p><b>F.5.19.10 Finance Report</b> – MH provided a year end update to the Senior Leaders Forum on 17.6.19. Position to be reported in a 'Let's Talk' Article.</p> <p><b>F.5.19.16 Matters to shares with other committees</b> - MH attended Quality Committee on 29.5.19. Meeting arranged (26.6.19) with QC Chair, Medical Director and Chief Nurse to discuss QIA process.</p> <p>TFG suggested that the Trust develop a strategy for implementing innovations.</p> <p>MH explained that the Trust needs to consider this in the light of the potential Capital Control Targets that are being considered by NHSI with a communication expected.</p>	

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	<b>F.5.19.16 Matters to share with other committees</b> The strategic objective of 'being a continuously learning organisation' should be discussed at Quality Committee and then the Finance and Performance Committee and fed back to the Trust Board. Update - Will be discussed at Quality Committee in June. To be added to the agenda for Finance and Performance in July.	<b>TFG</b>
<b>F.6.19.4.1</b>	<b>Matters arising from Board of Directors</b>	
	There were no items escalated.	
<b>F.6.19.4.2</b>	<b>Matters escalated from sub committees</b>	
	There were no items escalated.	
<b>F.6.19.4.5</b>	<b>Review F&amp;P Committee Terms of Reference</b>	
	TC explained that the process would begin in September for final approval in January.	
	<b>Oversight</b>	
<b>F.6.19.6</b>	<b>Strategic Risks relevant to the Committee</b>	
	<p>The committee considered items from the strategic risk register relevant to the committee.</p> <p>CF asked if the committee should consider the risk with regards to capital funding in future years.</p> <p>JH asked if diagnostics should be a risk relevant to this committee.</p> <p>TFG asked if these items could be added to matters to share with other committees.</p>	
<b>F.6.19.7</b>	<b>Board Assurance Framework</b>	
	<p>The committee noted the update and suggested two amendments.</p> <p>2a to be updated to include both the Year End risk and the New Year risk. MH explained that he would agree the format with TC.</p> <p>2b needs to be clear that it relates to ECS.</p>	<b>TC</b>
<b>F.6.19.8</b>	<b>Finance &amp; Performance Committee Dashboard</b>	
	<p>The key points of the Performance Committee Dashboard were discussed and noted elsewhere on the agenda.</p> <p>It was noted that the Trust's approach to super stranded patients was being rolled out nationally which was seen as a great success.</p> <p>The RAG ratings on the dashboard need to be reviewed to reflect the current finance and liquidity positions.</p>	<b>MH</b>
<b>F.6.19.9</b>	<b>Report from Finance &amp; Performance Oversight Sub Committee</b>	

No.	Agenda Item	Action
	<p>SES updated on performance.</p> <p>The ECS improvement work stream is progressing well. There are still vacancies to recruit to.</p> <p>As part as the improvement work it is apparent that the key roles are the front door navigator and the major's consultant. The team recognise that they need to ensure that these roles are protected throughout all shifts.</p> <p>As part of the ECS work the Trust has seen improvements to inpatient pathways.</p> <p>There is still too much variability in performance. The team recognise that development of the blue zone is the rate limiting step. Blue zone will remove patients from majors and ultimately reduce the number of admissions.</p> <p>Blue zone is on the capital plan for later this year which will also relocate the acute dialysis unit to ward 10 (the old ICU).</p> <p>The focus now is on same day ambulatory care. The Trust has a been allocated a place on the NHSI acceleration programme.</p> <p>LS supported that we should be proud of the changes that we are making.</p> <p>JH reflected that the team are working together and being consistent in their approach which is building confidence.</p> <p>SS added that the Trust needs to be conscious about celebrating success to early.</p> <p>The plan for winter is to fill ACU to capacity and implement hot clinics to reduce demand through ED.</p> <p>The Trust is starting to see an increase in the number of patients with an estimate date of discharge.</p> <p>LTHT visited to see how the Trust was managing its long length of stay patients and recognised the good working the team are doing.</p> <p>JH added that EDD is really important to us as part of the SAFER initiative which has been successfully implemented on 4 wards. He recognised that the QI model is becoming established across the Trust.</p> <p>MML queried how Majors was being defined.</p> <p>SES explained that it is the central area in A&amp;E where patients are more likely to be admitted.</p> <p>For cancer, the Trust saw an increase in 2 week wait referrals for Breast of 25% in Dec 2018 and has now levelled off at a 15% increase which it is expected will be maintained. Breast cancer 2ww is now back on track. The other area of focus has been Endoscopy. An endoscopy summit has been arranged in order to better understand the issues and identify</p>	

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	<p>effective solutions.</p> <p>For the 62 day target the main area of focus is Head and Neck. When patients are being referred to LTHT for further treatment, if we send them after 38 days the Trust is allocated the breach in its entirety.</p> <p>The focus is on earlier diagnosis in order to prevent the breaches.</p> <p>The cancer alliance is looking into how the Trust can better secure and deliver its clinical oncology service.</p> <p>MH updated on finance.</p> <p>The two key strategic risks highlighted are delivery of the financial plan and liquidity which are both reliant on the delivery of the cost improvement programme (CIP).</p> <p>The current target for the CIP is £16.2m with £3m of it to be identified through external system change.</p> <p>SS, MH and CS sit on the system wide group which is tasked with identifying and delivering the £3m. NHSI are meeting with the wider group on Monday to gain assurance around delivery of the £3m.</p> <p>MH and SES are to meet Clinical Business Units (CBU)/Care Groups on a weekly basis to develop CIP's through a supportive process.</p> <p>JFG queried that last month the Trust identified £0.5m of non-recurrent savings which needs to be made recurrent.</p> <p>MH highlighted slide 20 in the pack, and explained, using planned care as an example, how they had an overall overspend of £38k gap, however the CIP was showing a £591k under delivery. The under delivery is offset by unplanned underspends. MH added that these underspends would need be converted to non-recurrent CIP on a monthly basis and where possible into recurrent CIP's. The run rate is not expected to change until such time that recurrent savings are identified and implemented to offset the non recurrent underspends.</p> <p>LS added that the Trust needs to help people with the transformation and is more confident that the improvements will take place.</p> <p>It was recognised that of the £16.2m target, Planned Care had been allocated £7m and Unplanned Care £5m but each care group had only identified £1.8m and £0.8m respectively. The gap was being covered off by £7m of offsetting underspends against budgets.</p> <p>MML asked to understand the process to increase the value of CIP plans in more detail.</p> <p>MH expanded that the process involved weekly CIP meetings at CBU level with himself and SES plus bi-monthly CBU performance reviews.</p>	
	<b>Finance</b>	

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F.5.19.10	<b>Finance Report</b>	
	<p>MH updated on the Finance Report.</p> <p>At month 2 the Trust is delivering its financial plan however it must be recognised that the CIP plans have been phased towards the back end of the year which makes Q3 and Q4 much more challenging.</p> <p>Agency spend is running below target which is encouraging.</p> <p>The forecast is still on plan to deliver.</p> <p>The level of un-coded activity is improving with the backlog expected to be cleared by the end of June. It is anticipated that timely coding will occur thereafter. The backlog has impacted on the reported position for the year to date position as insufficient volumes of coded activity were available to report an accurate position for May. As such it is reported that Mays position is on plan from an income perspective.</p> <p>The Care Groups financial positions at month 2 are broadly on plan.</p> <p>TFG asked to understand the reduction in the working capital.</p> <p>MH explained that this was due to increased investment in the capital programme.</p> <p>TFG asked to understand why liquidity had changed from -9 days to -2 days.</p> <p>MH explained that this was due to the Provider Sustainability Fund (PSF) bonus received at year end which was not included in the original plan that was submitted on the 4<sup>th</sup> of April 2019. MH emphasised that the forecast liquidity position is dependent on delivery of the I&amp;E position and in particular delivery of the CIP target.</p> <p>TFG referred to annex 1 and the capital servicing capacity risk rating of 4.</p> <p>MH replied that this KPI evaluated the Trust's ability to repay its loans. The rating of 4 was driven by the planned and actual deficit position at the end of May. NHSI is aware as this is the Trusts planned position, with CS commenting that the rating of 4 for this metric is part of the overall 'Use of Resources' rating of 2 at the end of May.</p>	
F.6.19.11	<b>19/20 Capital Plan</b>	
	<p>The capital plan for 19/20 is £15.6m which has been funded by depreciation of £10.1m, less Loan Repayments of £3.1m, plus Cash Reserves £5.4m, plus PDC £0.082m.</p> <p>An estimate of £3m bonus PSF was included in the plan. The actual bonus to the Trust was confirmed as £7.2m. Due to the restrictions on capital expenditure it is not possible to increase the 2019/20 capital programme for the additional funding.</p> <p>The funding for 19/20 is laid out in the appendices. Highlights include the command centre, the telephony system, Ward 22 refurbishment, A&amp;E blue</p>	

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	<p>zone, and maternity theatres.</p> <p>There is £500k of contingency which may be required to support the CQC inspection expected at the latter part of the year.</p> <p>Schemes built into the 20/21 plan will require a business case as part of next years' planning round in order that the funding can be agreed as part of the commissioning round and built into the baseline.</p>	
	<p>The committee also considered the key risks most noticeably the issues with ventilation systems across the site.</p> <p>MH explained that a condition survey is currently being completed and will be bought back to Committee in August.</p> <p>JH added that capital is getting tighter and that the direction of travel is going to continue unless improvements occur at a national level.</p> <p>MH commented on the national position regarding capital spend and that current plans exceed the national funding available. The over commitment equates to around 20% with the likely outcome being a request to the ICS to manage a rationalisation process to bring plans back into line with available funding. If an ICS request is received The Trust will review schemes for potential slippage.</p> <p>The committee approved the capital programme. The paper will be presented to the Board for information.</p>	<p><b>MH</b></p> <p><b>MH</b></p>
<b>F.6.19.12</b>	<b>Treasury Management Report</b>	
	<p>The 18/19 cash plan was £28.4m. The Trust closed the year with £21.2m in the bank and received £7.2m of bonus PSF which bought the cash position back to plan.</p> <p>The overall movement for 2018/19 is an increase in liquidity of 2 days with the overall use of resources metric score remaining as 1. This is largely due to the inclusion of the PSF bonus in March 19 leading to an in month improvement of 9 days.</p> <p>The 2019/20 cash plan submitted to NHSI was for cash to reduce by £8.2m from £20.1m to £11.9m. This plan was submitted prior to confirmation of the final 2018/19 PSF allocation. When this additional cash is included in the plan the year movement will be a reduction of £2.6m to a closing balance of £18.6m.</p> <p>This plan assumes:</p> <ul style="list-style-type: none"> <li>• Capital expenditure of £15.5m;</li> <li>• Delivery of £16m cash generating CIP; and</li> <li>• Receipt of £12.5m PSF and Financial Recovery Funding (FRF) for 2019/20.</li> </ul> <p>The Trust is committed to dealing fairly and professionally with all of its supplier partners.</p> <p>One way that the Trust can do this is by working to the Better Payment Practice Code ("BPPC"). In short, this means that the Trust aims to pay at least 95% of invoices within the agreed terms, unless there is a dispute.</p>	

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	<p>For most of the Trust partners, this would be within 30 days of the date of invoice.</p> <p>However, for suppliers who can demonstrate that they are a Small or Medium Enterprise (SME), the Trust may bring payments forward to 10 days or sooner.</p>	
<b>F.6.19.13</b>	<b>Five year capital plan</b>	
	Updated as part of the 19/20 Capital Plan paper.	
<b>F.6.19.14</b>	<b>Budgetary Management Framework</b>	
	<p>MH presented the Budgetary Management Framework.</p> <p>The purpose of this document is to:</p> <ul style="list-style-type: none"> <li>- Complement the SFIs, scheme of delegation and reservation of powers to the Board of Directors.</li> </ul>	
	<ul style="list-style-type: none"> <li>- Describe the operational business rules in order to deliver the financial plan.</li> <li>- Support the transition to the new Care Group/Clinical Business Unit structure.</li> <li>- Set out the expectations of budget holders and act as a reference tool.</li> </ul> <p>It is expected that this document describes the arrangements in the first year of the new structure. It is anticipated that once the CBUs become more developed, many of the functions and authorities delegated to the Care Groups will be devolved to CBUs. The document will be reviewed and updated at that point.</p> <p>MML and LS recognised that the document will really help with the transition to the new structure and is definitely the right direction of travel.</p> <p>The committee approved the Budgetary Management Framework subjective to a further round of consultation at Senior Leadership Team with further dissemination to the Care Groups and CBU's.</p>	<b>MH</b>
<b>F.6.19.15</b>	<b>Bradford Improvement Programme Board Annual Report</b>	
	The BIP is now reported as part of the finance report.	
<b>F.6.19.16</b>	<b>Internal Audit Plan</b>	
	TC to share with the committee by e-mail.	<b>TC</b>
	<b>Performance</b>	
<b>F.6.19.17</b>	<b>Performance Report</b>	
	The performance report was covered elsewhere on the agenda	
<b>F.6.19.18</b>	<b>Cancer Recovery Plan</b>	
	The cancer recovery plan was covered elsewhere on the agenda	

No.	Agenda Item	Action
F.6.19.19	<b>Any other business</b>	
	None.	
F.6.19.20	<b>Matters to share with other committees</b>	
	To consider the risks with regards to capital funding in future years.	<b>TC</b>
	To consider whether diagnostics should be a risk relevant to this committee.	<b>TC</b>
F.6.19.21	<b>Matters to escalate to the Board of Directors</b>	
	No matters were escalated	
F.6.19.22	<b>Matters to escalate to Strategic Risk Register</b>	
	No matters were escalated	
F.6.19.23	<b>Items for Corporate Communication</b>	
	There were no matters to raise.	
F.6.19.24	<b>Agenda items for the meeting on 24 July 2019</b>	
	No items were discussed.	
F.6.19.25	<b>Date and time of next meeting</b>	
	Wednesday 24 July 2019. 08:30 am - 10:30 am Conference Room, Field House, BRI	



**BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST**  
**ACTIONS FROM FINANCE AND PERFORMANCE COMMITTEE – 26<sup>th</sup> June 2019**

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
29/05/2019	<b>F.5.19.16</b>	<b>Matters to share with other committees</b> The strategic objective of 'being a continuously learning organisation' should be discussed at Quality Committee and then the F and P Committee and fed back to the Trust Board	Committee Chair	24/07/2019	Will be discussed at Quality Committee in June. To be added to the agenda for Finance and Performance in July.
26/06/2019	<b>F.6.19.7</b>	<b>Board Assurance Framework</b> Section 2a to be updated to include both the Year End risk and the New Year risk.	Director of Governance & Corporate Affairs	24/07/2019	
26/06/2019	<b>F.6.19.8</b>	<b>Finance &amp; Performance Committee Dashboard</b> The RAG ratings on the dashboard need to be reviewed to reflect the current finance and liquidity positions.	Director of Finance	24/07/2019	
26/06/2019	<b>F.6.19.16</b>	<b>Internal Audit Plan</b> The latest plan to be shared with the committee via e-mail	Director of Governance & Corporate Affairs	24/07/2019	
26/06/2019	<b>F.6.19.20</b>	<b>Matters to share with other committees</b> To consider the risks with regards to capital funding in future years.	Director of Finance	24/07/2019	
26/06/2019	<b>F.6.19.20</b>	<b>Matters to share with other committees</b> To consider whether diagnostics should be a risk relevant to this committee.	Director of Finance	24/07/2019	
26/06/2019	<b>F.6.19.11</b>	<b>19/20 Capital Plan:</b> MH explained that a condition survey is currently being completed and will be brought back to Committee in August	Director of Finance	28/08/2019	