

FINANCE AND PERFORMANCE COMMITTEE MINUTES, ACTIONS & DECISIONS

Date:	Wednesday 24 th July 2019	Time:	08:30 – 10:30
Venue:	Conference Room, Field House, BRI	Chair:	Professor Laura Stroud, Non-Executive Director
Present:	<p>Non-Executive Directors:</p> <ul style="list-style-type: none"> - Professor Laura Stroud, Non-Executive Director (LS) <p>Executive Directors:</p> <ul style="list-style-type: none"> - Mr Matthew Horner, Director of Finance (MH) - Mrs Sandra Shannon, Chief Operating Officer (SES) - Ms Cindy Fedell, Director of Informatics (CF) - Mr John Holden, Interim Chief Executive (JH) 		
In Attendance:	<ul style="list-style-type: none"> - Mr Chris Smith, Deputy Director of Finance (CS) - Mr Carl Stephenson, Head of Performance (CSt) - Ms Jacqui Maurice, Head of Corporate Governance (JM) - Ms Adrienne Lake, Assistant Director of Finance (AL) – Minute taker 		

No.	Agenda Item	Action
F.7.19.1	Apologies for absence	
	<ul style="list-style-type: none"> - Trudy Feaster-Gee, Non-Executive Director - Tanya Claridge, Director of Governance & Corporate Affairs 	
F.7.19.2	Declaration of Interests	
	None.	
F.7.19.3	Minutes of the meeting held on 26th June 2019	
	The minutes were agreed and accepted as an accurate record.	
F.7.19.4	Matters Arising	
	<p>The committee noted that the following actions were closed.</p> <p>F.5.19.16 Matters to share with other committees 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</p> <p>F.6.19.7 Board Assurance Framework Section 2a to be updated to include both the Year End risk and the New Year risk.</p> <p>F.6.19.8 Finance & Performance Committee Dashboard The RAG ratings on the dashboard need to be reviewed to reflect the current finance and liquidity positions.</p> <p>F.6.19.16 Internal Audit Plan The latest plan to be shared with the committee via e-mail</p> <p>F.6.19.20 Matters to share with other committees To consider the risks with regards to capital funding in future years.</p> <p>The committee noted that for the August meeting to be quorate an</p>	JM

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	additional NED will be asked to attend.	
F.7.19.4.1	Matters arising from Board of Directors	
	There were no items escalated.	
F.7.19.4.2	Matters escalated from sub committees	
	There were no items escalated.	
	Oversight	
F.7.19.5	Strategic Risks relevant to the Committee	
	LS suggested that relevant risks should be discussed as part of each agenda item to facilitate the flow of the meeting.	
F.7.19.6	Board Assurance Framework	
	The committee noted that the strategic objectives would be reviewed as part of the upcoming Board development day.	
F.7.19.7	Board Assurance Framework – 12 month formal review: Strategic Objective 4	
	JH stated that each committee is to have the opportunity to comment on the relevance of strategic object four – To be a continually learning organisation, to the committee. LS recognised the success of CF and the Informatics team.	
F.7.19.8	Finance & Performance Committee Dashboard	
	The key points of the Performance Committee Dashboard were discussed and noted elsewhere on the agenda.	
	Finance	
F.7.19.9	Finance Report	
	<p>MH updated the key points from the summarised finance report:</p> <p>At the end of quarter one, the Trust reported a pre-PSF deficit of £5.2m which is in line with the plan. PSF is ahead of plan by £0.5m due to the bonus PSF received in June however this is discounted by NHSI when assessing achievement of the control total.</p> <p>The Trust's annual control total target is a deficit £12.5m, significant run-rate improvements will need to be seen for the rest of the year to meet the annual control total and achieve the full PSF and FRF.</p> <p>Current internal forecasts are indicating a financial gap of between £5m (based on the top down forecast) and £7m (based on the CBU forecasts) if the run rate does not improve. Failing to achieve the control total will mean up to £10.6m of PSF cash would not be achieved (dependent on achievement of Q2, Q3 and Q4 control totals) which is crucial for the capital programme and ongoing liquidity.</p>	

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	<p>JH queried if there are robust plans to address the gap. MH advised ideas are being put forward by the CBU General Managers, however greater engagement is required from the CBU triumvirate teams.</p> <p>Based on the top down forecast, achieving quarter two is dependent on the timing of when loans received in 2018/19 from other NHS organisations are paid back. The assumption in this scenario is that they are not paid back until after quarter two.</p> <p>Based on the current financial position and forecast, assurance cannot be given that the Trust will meet the year end control total.</p> <p>When reporting outside of the organisation forecasts are given on best, most likely and worst case scenario. Best case is achievement of the £12.5m deficit pre-PSF control total. Most likely is reporting a pre-PSF deficit of £18m, worst case equals a pre-PSF deficit of £20m.</p> <p>LS asked if there had been a reduction in direct payments received from Health Education England (HEE) and is this contributing to the forecast financial gap.</p> <p>MH advised that this reduction had been accounted for in the annual plan for 2019/20.</p> <p>Cash projections of £21m have been based on achievement of the year end control total. Available cash would be reduced to £9m if no improvement in run rate is seen.</p> <p>The year to date CIP position has been supported by non-recurrent underspends from both within the CBUs and centrally. This is a short term measure and will need to be replaced with recurrent savings to ensure continued financial sustainability.</p> <p>LS asked what new interventions are being put in place to turn the position around.</p> <p>SS advised that focus has been on getting the new organisational structure correct. There are weekly CIP review meetings and also performance meetings have been introduced. Work is commencing to establish the internal governance frameworks within the Care Groups. Previously there has been emphasis on meetings rather than actions. Clarity has been given to the CBUs that there should be focus on three areas only in terms of delivery, these being finance, performance activity and transformational programmes to facilitate delivery. Balance is needed between intervening too early and too late to allow people to learn and develop.</p> <p>JH noted that moving from a regime of command and control to one of empowerment and trust results in significant cultural change whilst trying to retain autonomy from the Centre and the trust of the Non-Executive Directors.</p> <p>LS noted that all of the work being undertaken is the correct approach to take. It is important that the Trust empowers General Managers during</p>	

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	<p>transition.</p> <p>MH stated there is a wealth of information and analytics available to the CBUs that they are not potentially aware of. It is the Executives' role to support and coach so that the CBUs have all of the tools and techniques required.</p> <p>The impact of the upcoming strike action was discussed. SS confirmed that external resource will support the day to day activities.</p> <p>LS queried if the regulator will make any allowances due to the industrial action. JH confirmed it is unlikely the control total will be changed due to the industrial action however exceptional items will be noted.</p> <p>MH continued to highlight the Use of Resources rating is three, the presence of two ratings of 4 (capital servicing capacity and the I&E margin) means the Trust cannot achieve a rating better than 3.</p> <p>The new reports produced by the Finance department for the CBUs and Care Groups were showcased. These reports provide a granular view of the financial position combining both contract income and expenditure at both a summary and detailed perspective. A comparison is given based on the annual plan and forecast. This is the first time that both income and expenditure is reported together in a timely way.</p>	
F.7.19.10	Quarterly Capital and Treasury Update	
	<p>MH updated the key points of the capital and treasury position.</p> <p>At the end of quarter one the position is on plan. The reduction to the capital plan of £2.4m was noted. The following schemes have been impacted by this reduction, Maternity Theatres, Blue Zone and Renal Self Care. The reduction has been achieved by reassessing the timing of capital works.</p> <p>The plan set at the start of the year totalled £15.6m this is reduced to £13.2m. The £2.4m has been added to the capital plan for 2020/21.</p> <p>The year to date cash position is behind plan. This is largely due to higher than planned prepayments and lower receivables.</p> <p>The Cash Committee have worked hard to improve the cash position by over £2m since last year. They have been tasked with reviewing the large number of outstanding purchase orders that are greater than six months old.</p> <p>The PDC forecast is £1m better than plan.</p>	
	Performance	
F.7.19.11	Performance Report	
	<p>SS updated on the Trust's performance against national targets.</p> <p>The Trust is performing well against the Emergency Care Standard. There are still high attendances reported in the regional dashboard produced by</p>	

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	<p>NHSI. This shows that the Trust has positive exceptional causes, there has been significant improvement in the number of longer stay patients and overall length of stay is showing an improvement despite growth in attendances.</p> <p>Focus has been on embedding the new role of Majors Consultant. The sustainability of the post over an 18 hour period of the day is being impacted by recruitment. There has been good progress in recruiting to the Acute Physician roles. A facilitated workshop is taking place to look at how to optimise out of hospital pathways.</p> <p>As a System the improvement focus is on attendance avoidance for working age adults, frailty, mental health and respiratory. A task and finish approach to rapid transformation will be delivered using QI methodology and the Trusts Work as One initiative.</p> <p>For winter the focus will be attendance avoidance, admission avoidance and length of stay reductions</p> <p>LS enquired about the shape of the workforce and development of different roles. SS stated that in 2018/19 Paramedics were used in the emergency department but there were skills gaps preventing the success of this role.</p> <p>There has been slow progress with 18 week recovery. There was a reduction in elective activity in June due to annual leave. The impact of reduced PRA sessions linked to the pension changes is also having an impact resulting in an increase in waiting list. There is a work plan to review all of the demand and capacity models in October.</p> <p>There has been slow improvement to the Cancer performance. The Trust is forecast to achieve the 2WW standard in June. Areas of pressure are lower and upper GI where 1800 patients are being seen per month on a 2WW pathway. There is also an increase in referrals. July saw 200 more than the previous month.</p> <p>The largest pressure in relation to the 62 day target is Urology, contributing 25% of all breaches due to Clinical Oncology capacity pressures in Leeds. Work is being undertaken with Leeds to improve this going forwards. Head and Neck have been challenged by complex pathways and late inpatient transfers to and from other organisations resulting in the Trust taking the full breach. More detailed tracking of patient transfers and earlier diagnosis period are being focused on.</p> <p>LS enquired whether the uptake of PRA sessions had been reduced due to the impact of the tax rules on Consultants with long service. CSt confirmed that the Trust benchmarks high for costs against peers which would suggest that the workforce is more experienced.</p> <p>There has been slow progress in the DMO1 target driven by balancing the Endoscopy position.</p>	
F.7.19.12	Planned Care Improvement Programme Update	
	SS shared the key points from the quarterly report.	

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	<p>The focus is on three key improvement areas, patient safety, demand and capacity and pathway management and monitoring.</p> <p>JH noted that it is reassuring to see the significant progress that has been made since last year.</p> <p>Having a centralised Performance team has been a key driver to enable this level of progress to be achieved.</p>	
F.7.19.13	Informatics Performance Report	
	<p>CF gave an overview of the standard report highlighting the Trust came seventh of all trusts in the data maturity assessment undertaken by NHS England.</p> <p>The Informatics team have won Health Informatics team of the year.</p> <p>The PBX upgrade was flagged as an area of focus with plans in place to address. There is also a licensing issue relating to Cerner licenses being over-subscribed. The supplier has confirmed that these licenses are now to be paid for. The team have reduced the value by 60%, negotiations are continuing with the supplier.</p> <p>Un-coded episodes are flagged as red but this is believed to be a data quality issue rather than un-coded episodes.</p> <p>Staffing levels are rated red however recruitment is underway to address this.</p>	
F.7.19.14	Board Assurance Framework	
	<p>The committee confirmed that the quarterly assurance rating of strategic object 2a, to deliver the financial plan should be green. This is reflective of the conversations and evidence presented. It was agreed that the composite risk of 16 was reflective of the current position.</p> <p>JH asked if the Committee should suggest to the Board that the risk appetite is 'open' rather than 'cautious'.</p> <p>MH queried if the composite risk rating of 16 aligns to a risk appetite of open. JH responded that it helps to reinforce the point.</p> <p>The Committee agreed to suggest to the Board that the risk appetite should be 'open'.</p> <p>The committee agreed to reflect on the quarterly assurance rating of strategic object 2b, to deliver our key performance targets should be green rather than amber.</p> <p>SES agreed to reduce the principle risk relating to objective 2b of 20 within the framework to reflect the committees' discussions.</p>	SES
F.7.19.15	Finance & Performance Committee Terms of Reference - Review	

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	<p>The Terms of Reference were reviewed. JM sought feedback from the Committee regarding the effectiveness of the ToR.</p> <p>JH noted that they are consistent with all other committees, the presentation is much more helpful. The reference to the F&P Oversight Committee should be removed.</p> <p>MH queried if the Joint Venture reports form part of the work-plan. There is an expectation from the Major Projects Committee that the JV report should be reviewed. JM advised that the JV report was now included on the Committee Workplan.</p>	JM
F.7.19.16	Any other business	
	None.	
F.7.19.17	Matters to share with other committees	
	There were no matters to share.	
F.7.19.18	Matters to escalate to the Board of Directors	
	There were no matters to escalate.	
F.7.19.19	Matters to escalate to Strategic Risk Register	
	There were no matters to escalate.	
F.7.19.20	Items for Corporate Communication	
	There were no matters to raise.	
F.7.19.21	Agenda items for the meeting on 28 August 2019	
	Agreed standard agenda for the August meeting.	
F.7.19.22	Date and time of next meeting	
	<p>Wednesday 28th August 2019</p> <p>08:30 am - 9:30 am</p> <p>Conference Room, Field House, BRI</p>	

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

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
26/06/19	F.6.19.20	Matters to share with other committees Review minutes of previous meeting minutes to consider whether diagnostics should be a risk relevant to this committee.	Director of Finance	28/08/19	
26/06/19	F.6.19.11	19/20 Capital Plan: MH explained that a condition survey is currently being completed and will be brought back to Committee in August	Director of Finance	28/08/19	
24/07/19	F.7.19.4	Matters Arising: The committee noted that for the August meeting to be quorate an additional NED will be asked to attend.	Head of Corporate Governance	28/08/19	Due to the cancellation of the August Committee meeting no additional NED required. <u>Action closed.</u>
24/07/19	F.7.19.16	Finance & Performance Committee Terms of Reference – Review: reference to the F&P Oversight Committee should be removed.	Head of Corporate Governance	28/08/19	Reference has been removed. <u>Action closed.</u>
24/07/19	F.7.19.14	Board Assurance Framework: SES to reduce the principle risk relating to objective 2b of 20 within the framework to reflect the committees' discussions	Chief Operating Officer	28/08/19	