

**FINANCE AND PERFORMANCE COMMITTEE
MINUTES, ACTIONS & DECISIONS**

Date:	Wednesday 29 th January 2020	Time:	08:30 – 10:30
Venue:	Conference Room, Field House, BRI	Chair:	Julie Lawreniuk, Non-Executive Director
Present:	<p>Non-Executive Directors:</p> <ul style="list-style-type: none"> - Ms Julie Lawreniuk, Non-Executive Director (JL) - Professor Laura Stroud, Non-Executive Director (LS) - Ms Trudy Feaster-Gee, Non-Executive Director (TFG) (tele-conference) <p>Executive Directors:</p> <ul style="list-style-type: none"> - Mrs Sandra Shannon, Chief Operating Officer (SES) - Ms Cindy Fedell, Chief Digital and Information Officer (CF) - Tanya Claridge, Director of Governance & Corporate Affairs (TC) - Mr John Holden, Director of Strategy & Integration (JH) 		
In Attendance:	<ul style="list-style-type: none"> - Mr Carl Stephenson, Head of Performance (CSt) - Mr Chris Smith, Deputy Director of Finance (CS) - Ms Adrienne Lake, Assistant Director of Finance (AL) – Minute taker 		

No.	Agenda Item	Action
F.1.20.1	Apologies for Absence	
	Mr Matthew Horner, Director of Finance (MH)	
F.1.20.2	Declaration of Interests	
	None.	
F.1.20.3	Minutes of the meeting held on 18th December 2019	
	Minutes to be updated to reflect discussion of risk around delivery of the 2019/20 control total due to the Wholly Owned Subsidiary (WOS) no longer proceeding.	AL
F.12.19.4	Matters Arising	
	<p>The committee noted that the following actions were closed.</p> <p>F.10.19.10 Contract Income Position MH to present a report on the contract income position to the Committee on a quarterly basis.</p> <p>F.12.19.4.2 Matters escalated from sub committees Major Projects Committee have requested report on the Pathology Joint Venture is produced annually.</p> <p>F.12.19.7 Finance & Performance Committee Dashboard JL requested the chair of the committee is updated to Julie Lawreniuk.</p> <p>F.12.19.15 2019/20 Capital Plan Condition Survey MH to share the survey in March 2020.</p> <p>F.12.19.16 Board Assurance Framework to be updated to state software</p>	

No.	Agenda Item	Action
	bug.	
F.1.20.4.1	Matters arising from Board of Directors	
	None	
F.1.20.4.2	Matters escalated from sub committees	
	It was noted that reference will be made to discussions that take place in the Partnership Committee relating to finance and performance.	
	Oversight	
F.1.20.5	Strategic Risks relevant to the Committee	
	Relevant risks were discussed as part of each agenda item to facilitate the flow of the meeting.	
F.1.20.6	Board Assurance Framework	
	The BAF will be reviewed at the end of the meeting in the context of the papers discussed and description of assurances.	
F.1.20.7	Finance & Performance Committee Dashboard	
	The dashboard was taken as read.	
	Finance	
F.1.20.8	Finance Report	
	<p>CS updated the key points from the summarised finance report:</p> <p>The regulators have agreed to discount the £6.1m non-recurrent impact of the WOS from the assessment of control total delivery for 2019/20.</p> <p>The monthly NHSI return submitted to the regulators has been amended to show a forecast deficit of £18.6m being £6.1m adverse to the control total. In this scenario PSF benefits will not be impacted therefore the forecast assumes the full £12.5m PSF will be received.</p> <p>The regulators have clearly stated that the difference between the control total and the yearend position cannot be anything other than the £6.1m WOS impact.</p> <p>TFG queried if the Trust reputation would be impacted by reporting an off plan position at the year end. JL responded that it is the regulators who use control total delivery as a metric to direct scrutiny rather than any other group.</p> <p>JH expressed that concern would be raised if the Use of Resources (UoR) metric were to be impacted by reporting an off plan position at the year end. CS confirmed that potentially there could be an impact; one of the UoR metrics is 'distance from financial plan'.</p> <p>The committee agreed that the Trust will seek recognition from the</p>	CS

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	<p>regulators that the UoR metric will not be impacted by the decision to not progress with the WOS.</p> <p>The committee agreed that the regulators decision was welcome. CS noted that the wider impact on other West Yorkshire organisations may have influenced this decision.</p> <p>The challenge remains to deliver the original control total of £12.5m excluding the impact of the WOS.</p> <p>The month nine position is on plan being a deficit excluding PSF of £10.4m which is on line with the recovery plan trajectory. The recovery plan trajectory included the use of £1.5m of non-recurrent measures and technical adjustments to deliver the quarter three position.</p> <p>Since the recovery plan was first produced, work has continued to firm up red rated plans in quarter four. Following this work a further £1.9m of red rated technical adjustment schemes can be moved to a rating of either green or amber.</p> <p>The key message at month nine is that there is a strong chance of delivering the 2019/20 control total. However, there is risk within the Care Group positions; each has ambitious recovery plans relating to increasing elective activity in quarter four.</p> <p>Whilst the report is positive regarding expected delivery of the 2019/20 control total, this is being achieved by non-recurrent measures and technical accounting adjustments which will result in a greater challenge for delivering the 2020/21 plan. Significant improvements to run-rate are not expected in quarter four. There are also risks associated with potential increased expenditure over the winter period.</p> <p>TFG questioned if changes to the control total regime over the next five years will improve the financial position of the Trust with regards to the System framework the Trust operates in. CS responded that this will probably not be the case based on the outlook of the long term plan.</p> <p>The Trust is projecting to underspend against the capital plan by £2.5m. The Trust has received an additional £1.5m of capital in the form of Public Dividend Capital (PDC) to spend in 2019/20. The Executive Directors have agreed this will be spent on initiatives to support flow and diagnostic/medical equipment and fitting out the sixth endoscopy room.</p> <p>The Trust has been notified that it will receive an additional £10m of Public Dividend Capital (PDC) funding over the next three years.</p> <p>JH questioned if there are any prerequisites for what the PDC capital can be spent on. CS will provide clarity at the next meeting.</p> <p>The Finance Report addresses the risk of the Trust having insufficient cash and liquidity resources to support the underlying income and expenditure run rate (strategic risk 3399). The finance report also covers in detail the risk that the Trust fails to maintain financial stability and sustainability in the current economic climate (strategic risk 3400).</p>	<p>CS</p>

No.	Agenda Item	Action
F.1.20.9	20/21 Financial Plan	

<p>CS summarised the key points of the report which are based on the draft version of the Annual Plan.</p> <p>Formal guidance from NHSE/I has not yet been published. Anecdotally, a deadline of the 21st February has been given for submission of the draft plan. There is no expectation that this will be a Board approved final plan at that date. It is anticipated that the final Board approved plan will be required at the end of April 2020.</p> <p>JL asked the Committee to consider how confidence and assurance will be provided against the actions within the plan as it moves forward. An update will be provided at the next meeting.</p> <p>The language of the regulators has changed from talking about control totals to financial trajectories. The national expectation is that all organisations will make a 1% improvement in the bottom line financial position. Organisations in deficit will make an additional 0.5% improvement in addition to the 1%. In reality, after completing the financial planning the challenge is much greater.</p> <p>The BTHFT target for 2020/21 is a deficit excluding external support (PSF/FRF) of £9.8m. This is a reduction on the 2019/20 target of £12.5m; therefore the challenge is £2.7m harder in 2020/21 compared to 2019/20. The trajectory to breakeven is broadly a reduction of £2m per year for the next four years.</p> <p>Based on the draft planning assumptions, efficiencies of £16.7m will be required to deliver the £9.8m deficit financial trajectory in 2020/21.</p> <p>It is assumed that the existing rate of underspend against pay budgets due to vacancies will continue. Budgets for the last two years have included a Vacancy Factor which is a negative budget applied to pay budgets to reflect expected vacancies. At a macro level across the Trust, there have been vacancies totalling £8.4m. Trust SLT have agreed that an £8.4m Vacancy Factor will be included in the plan to allow an efficiency plan of £16.7m.</p> <p>JL asked what assurance the Committee has to this approach being safe. SS confirmed that safe staffing levels are below the budgeted levels. CS added that the ward establishment budgets mirror the safe staffing review that is carried out every six months by the Chief Nurse. Wards are never restricted from recruiting to the levels set by the Chief Nurse. Safe staffing underpins the daily priority for running the Trust.</p> <p>CS confirmed that the Vacancy Factor is a reduction in the plan, not a reduction in run-rate.</p> <p>The efficiency target of £16.7m represents 4% of relevant Trust turnover. The long term plan produced in November 2019 included an efficiency target of £12m therefore there has been a deterioration of £4.7m due to actions taken in 2019/20. The increase is driven by two main factors, £2.5m relates to the recurrent impact of reversing the decision to progress the Wholly Owned Subsidiary, and £2m represents the impact of the non-recurrent actions taken in 2019/20.</p> <p>JL noted that the work required over the next two months is crucial as the Plan is based on indicative information. ⁵JL asked the Committee how assurance will be given. CS responded that a CIP framework is being revised and launched into the Care Groups. Regular progress updates will be provided to the Committee.</p>	<p>CS</p>
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	<p>JL questioned the level of confidence the Committee has in the Trust being able to deliver. SS responded that opportunity does exist. This year has been a learning curve on how to deliver Cost Improvement Plans (CIP). CBUs are at different stages of engagement and understanding of how to remove costs from the service.</p>	
F.1.20.10	Contract Update 19/20 & 20/21	
	<p>CS summarised the key points of the month nine report.</p> <p>The month nine income position is showing most high value Points of Delivery from a tariff perspective are behind plan with both local and out of Bradford commissioners.</p> <p>For Bradford commissioners the Trust is under-trading by £3.1m however, due to the Bradford CCG Fixed Income Agreement the Trust is reimbursed to plan for under-trades with the Bradford Commissioner. From a 2019/20 financial perspective there is a nil impact. Due to activity being behind plan there is an impact on performance and the Access Standard. In summary, fewer patients have been treated than planned.</p> <p>For non-Bradford commissioners the under-trade is £1.3m. This does have a cash impact on the Trust. Non-recurrent measures are being relied upon to deliver the 2019/20 control total in quarter four as a result of this under-trade.</p> <p>JL questioned why Elective spells are under-trading. SS confirmed this is due to downtime experienced in Modular Theatres (equating to 60 lists), a high number of Theatre staffing sickness/vacancies and a 100 Theatre sessions being lost due to staff sickness/vacancies between April and January. A Theatres workforce recovery plan is being developed.</p> <p>TFG enquired if the committee should be better sighted on activity that is reporting a below plan position. SS confirmed that a detailed explanation with actions taken is available at a CBU level which could be made available.</p> <p>TFG requested a brief slide pack providing an overview of the specific Theatre position, direction of travel and actions planned as part of the 2020/21 Planning paper .</p> <p>SES highlighted that in some Non-Elective areas activity is actively trying to be reduced e.g., frailty, an under-trade against the plan is a positive outcome from an activity perspective. CS added that in financial terms this represents a loss of income to the Trust of £600k.</p> <p>SES noted that there has also been a significant reduction in NEL infectious disease activity due to all ID Consultants having left the Trust. The activity has remained and is provided by other staff groups resulting in the Trust being unable to code the activity to infectious diseases. CS to confirm how the ID activity is being recorded and subsequently the tariff value paid by Specialist Commissioning.</p>	<p>SES</p> <p>CS</p>
	Performance	

F.10.20.11	Informatics Performance Report	
	<p>CF updated on the key points of the quarterly review.</p> <p>Out fixed line telephone system has been added to our list of mission critical systems. There have been five outages related the age of the PABX (Private Automatic Branch Exchange that runs the system) equipment and also from issues external to the Trust in the last six months. The PABX is on the Strategic Risk Register due to the age of the equipment. Procurement for the upgrade is in the final stage with completion for implementation estimated to be end of the summer 2020. Business continuity plans have been reviewed to ensure if further outages were to occur they could be effectively managed and a number of new mitigation actions taken. The Trust is also planning a tabletop unplanned downtime exercise to further inform mitigations.</p> <p>The coding metric is showing that the Service Level Agreement (SLA) of six days is not being met. This is a reflection of the capacity and demand mismatch which is being carefully managed. A plan is in place to bring the metric back into line in the coming months.</p> <p>The Late Reports indicator is rated amber. Although not red rated, it is important to note that the regulatory RTT Complete report is not being submitted. This is related to a bug in Cerner. The bug will be fixed as part of the upgrade in summer 2020.</p> <p>A new suite of indicators have been included in the Informatics Performance Report, the Green IT indicators. These are a reflection of the Green IT strategy approved in the Trust in December 2019. The indicators seek to evidence if the Trust is effectively using power and being environmentally friendly with kit. The indicators also highlight if the Trust is effectively using digital technologies to reduce the use of paper which is through the Digital Strategy.</p> <p>CF also noted strong benchmarking in particular related to clinical adoption.</p> <p>TFG queried if a date had been agreed for the replacement of the telephone system. CF confirmed that the last stage of procurement has been reached. It is anticipated that the replacements will be made by the end of summer 2020. An exact date is to be agreed with the supplier with the award of the contract.</p> <p>JH questioned if there is a timescale for the coding backlog. CF agreed to share this at the next meeting.</p>	CF
F.1.20.12	Performance Report	

SES updated the committee on the key points.

ECS

There have been significant bed waits in the Emergency Department which is uncharacteristic. This has been due to an increase in winter respiratory viruses generating an increase in 21 day length of stay. These patients are being reviewed daily.

The North Region dashboard produced by NHSI, shows for Type 1 patients BTHFT is ranked 50/123 nationally and 16/44 regionally.

Average performance this week has been 75.57% compared to a six week national average of 72%.

JL questioned if the Trusts position has deteriorated within the region. SS stated that it has not as at 26th January performance is 72% for Type 1.

The 6 week average for BTHFT reported in the NHSI dashboard is 69.2%; therefore slow recovery is being made.

The system Work As One week will take place from the 10th February. There will be three streams of focus, front door rapid assessment; right patient right place; and can I go home today?

Underpinning each stream will be a focus on lifting the mood and energy in the organisation.

There have been a number of engagement sessions with staff for the Blue Zone and acute dialysis. The tender will commence in April, work on reconfiguring beds and pathway development has begun. Blue Zone will be in operation for Winter 2020.

Cancer

There has been slow improvement. There has been increased demand for endoscopy and a staffing shortfall. Capital to open the sixth endoscopy room has been received.

A paper has been produced for the Quality Committee which demonstrates progress against endoscopy waits.

The Trust is compliant with the 2WW standard however there is risk around the endoscopy capacity.

For the cancer 62 day target, upper and lower GI is impacted due to the length of endoscopy waits. The target is 85%. Currently the Trust is at 75%.

There has been significant focus on clearing the 62 day backlog. This has been challenging in Urology due to insufficient theatre capacity and lack of Clinical Oncology capacity at Leeds.

For the 10% of patients that are not treated within 62 days a detailed review is completed to ascertain any likelihood of harm. Most of the delays are for prostate cancer. Successful treatment for prostate cancer is not time sensitive. The queue is managed by clinical priority and then time order.

Detailed recovery plans are in place for future months which includes two week trackers including a forecasting tool.

IL questioned when the 85% target is expected to be met. SS confirmed

No.	Agenda Item	Action
	<p>TFG asked if there is confidence in the Blue Zone being ready for winter 2020 noting that in the meeting with the CQC a summer timescale was given. SS responded that the rate limiting factor is physical capacity and also the logistical barriers. Work has progressed on developing the model.</p> <p>LS enquired about the plans in place in relation to the Corona virus. SS explained that in the event of a pandemic the Trust would trigger the business continuity plans. Guidance has been issued from NHSI. The Trust has not been asked to implement a change in operational plans at this point.</p> <p>RTT The waiting list is slowly being reduced. There have been issues with a bug and fix with Cerner. Work has been undertaken to validate and monitor the waiting list size and increase validation.</p> <p>External support from NHSI has been offered to the Trust to undertake a review of the waiting lists. This will commence imminently.</p> <p>There was an increase in patients waiting 40+ weeks. A target has been set to reduce this to zero by the end of March 2020.</p> <p>It is anticipated that the new standard will be 8.5 weeks waiting time. At present the Trust is at 9.5 weeks.</p> <p>The Committee discussed strategic risk 3154 JAG accreditation. SS confirmed that there are good mitigating actions in place; an improvement has been seen however, the Trust will not be JAG accredited until the recovery plan has been completed. The Committee agreed there is no reputational risk to not being JAG accredited.</p>	
F.1.20.13	Cancer Recovery Plan Report	
	SES explained that the report has been produced to provide background information on both improving cancer performance and also cancer care.	
F.1.20.14	Board Assurance Framework	
	<p>The Committee are satisfied that strategic objective 2a remains a score of 16.</p> <p>The Committee are satisfied that strategic objective 2b remains a score of 12.</p> <p>The Committee are satisfied that the BAF accurately represents the discussions that have taken place.</p>	
F.1.20.15	Draft Chair Report for ACC	
	JL feedback to the Committee a request received from the Audit Committee. The Audit Committee have asked the Finance and Performance Committee to undertake a review of how governance is conducted. The response will be used to provide assurance to the Audit Committee for the Trusts annual governance statement.	

No.	Agenda Item	Action
	A template has been drafted by JL, SES, CF and CS which will be circulated to Committee members. The template will be reviewed at the February meeting.	
F.1.20.16	Any other business	
	TC shared with the Committee that draft CQC report is expected in 2 – 3 weeks.	
F.1.20.17	Matters to share with other committees	
	There were no matters to share.	
F.1.20.18	Matters to escalate to the Board of Directors	
	MH to provide a verbal update to the Board at the Board Development Day on the impact of the £6.1m in relation to the WOS, 2020/21 CIP target and that the impact on the UoR metric is not yet known.	
F.1.20.19	Matters to escalate to Strategic Risk Register	
	There were no matters to escalate. JL suggested an area of improvement for the Committee going forward is to ensure all strategic risks rated 12 and above on the risk register are explicitly referenced in the supporting papers and discussed during the Committee meeting.	
F.1.20.20	Items for Corporate Communication	
	There were no matters to raise.	
F.1.20.21	Agenda items for the meeting on 26 February 2020	
F.1.20.22	Date and time of next meeting	
	Wednesday 26th February 2020 08:30 am – 10.30 am Conference Room, Field House, BRI	

**BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST
ACTIONS FROM FINANCE AND PERFORMANCE COMMITTEE – 29th January 2020**

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
29/01/20	F.1.20.3	Minutes of the meeting held on 18th December 2019 to be updated to reflect discussion of risk around delivery of the 2019/20 control total.	Minute Taker	30.01.20	Minutes updated. Action closed.
29/01/20	F.1.20.8	Finance Report the Trust will seek recognition from the regulators that the UoR metric will not be impacted by the decision to not progress with the WOS.	Director of Finance	26.02.20	To be updated as part of finance report agenda item. Action closed.
29/01/20	F.1.20.8	Finance Report clarity is required for what additional PDC capital can be spent on.	Director of Finance	26.02.20	Verbal update to be provided at committee.
29/01/20	F.1.20.09	20/21 Financial Plan an update on the progress of the actions within the annual plan is required for the next meeting.	Director of Finance	26.02.20	Update to be provided at Committee
29/01/20	F.1.20.10	Contract Income CS to confirm how the ID activity is being recorded and subsequently paid for by Specialist Commissioning.	Deputy Director of Finance	26.02.20	Verbal update to be provided at Committee.
29/01/20	F.1.20.11	Informatics Performance Report CF to confirm the timescale of the coding backlog	Chief Digital & Information Officer	26.02.20	This is on track for April 2020. Action closed.
29/01/20	F.1.20.10	Contract Income TFG requested brief slide pack providing an overview of the specific Theatre position, direction of travel and actions planned as part of the 2020/21 Planning paper.	Chief Operating Officer	25.03.20	