

**MINUTES OF FINANCE & PERFORMANCE COMMITTEE MEETING
HELD ON 22 MAY 2018
Edith Cavell, Education Centre**

Present:

Richard Kearton	Non-Executive Director (RK) - Chair
Tony Thompson	Non-Executive Director (TT)
Andrew George	Non-Executive Director (AG)
Simon Rudkins	Interim Director of Finance (SR)
Dawn Scrafield	Director of Finance, Colchester (DS)
Simon Hallion	Director of Operations (SH)
Claire Thompson	Interim Director of Nursing (CT)
Crawford Jamieson	Medical Director (CJ)

In Attendance:

Jason Kirk	Head of Planning & Cost Improvement (JK)
Michelle Appleby	Interim Risk Manager, Division 4 (MA) - item 81/18
Lorna Fraser	EA to Director of Finance (Minutes)

	Chair's Business	
71/18	Apologies for Absence: Neill Moloney, Ann Alderton	
72/18	Minutes of last meeting The minutes of the meeting held on 17 April 2018 were reviewed and agreed.	
73/18	Action Chart from last meeting The Action Chart was reviewed and updated.	
74/18	End of Life (EOL) Care Programme Board Briefing 1. A briefing on the progress of system developments for End of Life Care (EOL) across Ipswich and East Suffolk was provided as requested by the Committee to complete action <i>47/18 20 March 2018</i> . Outcome: The Committee received the report and noted the content.	
	Matters arising	
75/18	Accountability Framework Oversight Performance Month 12 Report and Performance Reporting Development Group Report 1. SH presented the AF Report noting that the report summarised each Divisions monthly performance and the Accountability Framework escalation level; the AF Policy and copy of the Division 2 M12 AF oversight meeting notes were also attached for information, to complete action <i>8a 19 December 2017</i> . <u>Questions and Comments</u> 2. SH advised that the moderation of the scores was carried out by the Trust Executive with acceptance of the moderation then agreed by the EMC, the numbers reported were not changed by the moderation process, only the overall score being amended with the rationale for the decision reported. 3. DS advised that a similar debate had been held at Colchester regarding moderation with the decision taken to introduce a "2 x 2 grid approach" and it was proposed to use this approach in ESNEFT. 4. TT questioned how the Committee would see the information back at "Trust level" view. 5. JK noted that the team were currently looking at refreshing the scores in order to get better alignment of indicators to the priorities of ESNEFT with the aim to achieve a more balanced score. 6. AG highlighted the need for the assurance committees to have the reason why the moderation decision had been reached documented. 7. TT agreed that the report had identified a number of indicators which did not provide the results wanted and these had then be subject to "moderation", however, the reason why the decision was reached was not shown. 8. SH stated that he felt that the reason for the decision was shown in the moderation documentation and suggested that he provided detail of the moderation debate for each division for the next meeting. Action: SH Outcome: The Committee received the report and noted the content.	SH

76/18	<p>Accountability Framework (AF) review impact on assurance committees</p> <ol style="list-style-type: none"> DS presented the report on the AF review impact on the assurance committees, acknowledging the work undertaken by JK on the review and highlighted the following: The AF had been adopted and embedded as a core part of the way both organisations did business, but needed to be reviewed to ensure it was fit for ESNEFT. The Performance Reporting Development Group (PRDG) had been undertaking a review of the AF in preparation for day 1 readiness. The report focused on the impact of this review on AF reporting to assurance committees and DS stated that she expected that the assurance committees would look at “the totality of the organisation”. A number of issues which could affect the way information, and the AF, was reported to assurance committees had come out of the review and there was some concern regarding the manual collection of data, especially during the transition period. By standardising and aligning a number of principles and processes full alignment between the AF and assurance committee reporting could be achieved. Numbers reported would be consistent throughout the organisation. The AF would automatically trigger escalation action that an assurance committee would request, with a single escalation reaction and assurance process. Reporting by the AF and assurance committees would be based on a risk assessed set of indicators, reflecting core metrics, regulatory interest, and local priorities. Therefore, it was proposed that detailed AF reporting would be presented to assurance committees every quarter. <p><u>Questions and Comments</u></p> <ol style="list-style-type: none"> TT challenged that the Integrated Performance Report (IPR) should be the “single source of truth”. RK agreed that the Committee and Board had been informed previously that the IPR would become “a forward looking document providing the full information”. DS advised that the going forward it was planned that the IPR focused on the national standards with the AF reviewing divisional performance. JK stated that it was proposed to have a greater element of linkage between the IPR and AF with the IPR becoming the document which was focused on at the assurance committees and by the executive. TT questioned whether EMC would be looking at all areas and providing detail of which specific national standards the assurance committees should be looking at and then there being some flexibility regarding other issues EMC felt should be looked at with any problems being escalated into the IPR. DS agreed that the IPR was the report which was published and open to public scrutiny, with the AF being the tool which allowed more granular investigation. TT challenged that the Board was able “to fully review” the IPR during its meetings. DS stated that she would take away an action to the review the IPR. Action: DS AG stated that in his view it was up to the assurance committee to raise areas which it wanted to comment on. RK stated that he was “disappointed” that the IPR did not give a forward view of any arising issues. SH agreed that the work which was previously being undertaken to amend the IPR had ceased and further work to provide the “forward view” was required. CJ commented that “professional judgement” was integral to the forward view. RK questioned the timescale for this work. DS advised that the first iteration would be available in July for the assurance committees, but noted that it would be challenging to combine the AF at the two organisations and there would be a “transition period”. <p>Outcome: The report was received and noted by the Committee.</p>	DS
77/18	<p>Performance Monitoring</p> <p>Finance Report</p> <p>SR presented the Finance Report for M1:</p> <ul style="list-style-type: none"> 2018/19 plan is a deficit of £15.3m. The position reported for Month 1 includes £375k of Provider Sustainability Funding. Month 1 was £55k adverse to plan. Month 1 YTD I&E position is £0.06m adverse against profile. Clinical Income of £24.2m is £0.1m adverse to plan. YTD Pay expenditure of £16.6m is £0.2m favourable to plan. YTD EBITDA adjusted is (£1.4m), which is £0.06m adverse of plan. <p><u>Questions and Comments</u></p> <ol style="list-style-type: none"> RK questioned the process for the 3 month accounting period until July. SR/DS confirmed that the same “rules” would apply for STF and the same processes would be applied for the 3 month period until the merger. TT noted that whilst the “headline message” appeared to be that the Trust was only “£55k adrift” for Month 1, agency spend was substantially adrift of target and there was under delivery for CIP and he questioned what these factors said about the ability to deliver Q1. 	

	<ol style="list-style-type: none"> 3. SR advised that the figures showed the challenges and that there was risk against delivery of Q1, noting that agency spend was a large component of the overspend on pay. 4. JK advised that there was an “element of catch-up required for CIPS, with 87% identified”. It was expected that the CIP position would improve for next month. 5. DS agreed that whilst there were issues with the agency position more confidence could be given if this was compared with the trends from last year and this information provided to the assurance committees. 6. TT noted that there was no forward looking view of what to expect and questioned the assurance that the Trust would be “on track” at the end of June. 7. DS agreed there was more to be done and that the Divisions had provided “variable responses” when questioned about their plans to improve the position. CT noted that the meetings with the Divisions had been based on March data. 8. DS informed the Committee that ESNEFT would have improved combined rostering and improvements to forward planning of agency staff bookings. The assurance and controls had been circulated to the divisions and the focus would be on the divisions which had challenges for delivery. 9. In response to a question raised by TT, SR confirmed that the Risk and Opportunities Log would be available for review by the Committee next month. 10. TT concluded that the message for the Board was that the position was on track for M1 with a number of pressures, the F&P Committee would review the Risks and Opportunities Log next month and all staff were aware of the need to deliver for Q1. <p>Outcome: The report was received and noted by the Committee.</p>	
78/18	<p>Operational Performance Report</p> <p>SH/JK highlighted the following items from the Operational Performance Report:</p> <ol style="list-style-type: none"> 1. ED performance was 88.4% in April, below the trajectory of 91%. Latest performance in May (16th) was 91.2%, in line with the trajectory. JK advised that the position was “getting back on track” and highlighted that ambulance hand over delays were reducing and emergency admissions were down against the plan. 2. In April DToCs increased to 6.1%, rising from 4.9% in March, against a target of 3.5%. The details were currently being investigated. 3. The benefits of the End of Life Programme were beginning to be seen with in-hospital deaths reducing to 90 against a baseline of 98 in April. 4. Stroke ward stay, 87% of patients met the stroke standard of 90% of their stay on a stroke ward. 5. SH noted that the stroke target had now moved to reporting against the 14 hour standard and had been adversely impacted by the emergency admissions in March. CJ noted that the result against the 14 hour standard was disappointing; however, the Committee was informed that a funded team had now been appointed to achieve the 14 hour standard. 6. The Trust's RTT incomplete performance was 91.3% in April, subject to final validation. Current performance in May was 92.6%. 7. At the end of March the Trust had met 5 out of the 9 cancer standards, although results were still subject to validation. 8. Diagnostic 6 weeks performance improved to 0.24% in April from 2.5% in March. 9. Mortality data – CJ highlighted that one mortality indicator could be affected by the complexity of the data and that the Trust generally trended well in crude mortality, although January had been adversely affected by “flu cases”. The HSMR was expected to drop to previous levels, with SHMI providing the best long term indicator of risk. The Learning from Deaths meetings provided the assurance that the practice within the Trust was “safe”. 10. CJ highlighted that the VTE data was not yet available following the change to paper auditing; however, this change in process was expected to result in an improvement of data collection. <p><u>Questions and Comments</u></p> <ol style="list-style-type: none"> 11. AG questioned whether the ED performance adversely affected stroke performance. 12. SH noted that conversation regarding the “dip” in ED performance had been held by the Trust Board and CJ advised that more formal conversations had been instigated with the ED team. AG questioned the timeframe for improvement in ED performance. CJ advised that improvement would be expected assisted by the Alliance work. 13. RK questioned the follow-up appointment backlog. SH advised that a backlog clearance plan had been agreed with the CCG and the team had been working with the divisions to develop a “bottom up plan” which had been agreed and was achievable. 14. TT questioned the overall reduction in follow-ups. SH advised that conversations with the CCG had been held regarding the 3% reduction in follow-ups. TT questioned this move away from the premise that reduction of the follow-ups would reduce the backlog. SH stated that most specialities were using available clinic capacity to reduce the backlog together with validation and all areas had plans in place. Work was also underway with the CCG regarding joint funding of a validation team. 15. CJ commented that validation would help improve the picture. 16. In answer to a question raised by TT it was confirmed that the plans would support the delivery of the 	

	<p>annual plan financially.</p> <p>Outcome: The report was received and noted by the Committee.</p>	
	<p>Reports</p>	
79/18	<p>Winter Plan</p> <p>1. The Winter Plan Report was presented by SH for information who advised that Carolyn Tester, Head of Operations Medicine would provide the Committee with a full update at the next F&P meeting in June.</p> <p><u>Questions and Comments</u></p> <p>2. SH advised that as a result of the lessons learned the “extremes of winter” had been built into the plans for next year. The bed model was being refreshed also looking at further opportunities outside the hospital.</p> <p>3. TT questioned whether the view was that the Trust had “managed last winter better than previous years”. SH agreed that overall the schemes had worked better than previously, however, this had been offset by the “extreme weather and flu which had continued for 4 months”.</p> <p>4. CJ commented that it should be noted that the Trust had largely maintained elective surgical capacity whereas other organisations had had to cancel elective surgery.</p> <p>5. CT noted that the introduction of the bed modelling process did bring confidence that a robust planning process was in place, despite this year being affected by the “extreme” factors.</p> <p>Outcome: The report was received and noted by the Committee.</p>	
	<p>Assurance</p>	
80/18	<p>ESNEFT Finance and Performance Assurance Committee Terms of Reference</p> <p>Outcome: The Committee received and noted the ESNEFT F&P Terms of Reference.</p>	
81/18	<p>Finance and Performance Risks</p> <p>MA presented the F&P Risk Report. The Committee noted:</p> <p>1. At the 1 May 2018, there were 8 open risks scoring 12+, 4 risks were “critical” scoring 15+ and there were 2 operational and 5 strategic risks under the remit of the finance and performance committee.</p> <p>2. One new “critical” risk had been added within the reporting period - <i>Risk 175 (score 16) – Trust wide Delivery of CIP target for 18/19</i> (Impact score of 4 - Major and likelihood score of 4 Likely). The score had been based upon the current £10M shortfall in schemes identified for delivery of CIP programme 18/19.</p> <p>3. Two risks had been de-escalated in the reporting period:</p> <p>4. <i>Risk 129 – Delivery of Financial Plan 17/18</i> – This has been rescored to 8 pending closure at the end of the month subject to final sign off and submission of Accounts for 17/18. The Trust Control total was met.</p> <p>5. <i>Risk 11 (Risk score 10) – DH Capital Constraints</i> (catastrophic impact 5 and likelihood 2) -This risk had been rescored as the STP capital bid of £69.2m had been confirmed and therefore the likelihood had been reduced, however, the impact score remained high to reflect the importance of the delivery against strategy of the ring fenced capital schemes.</p> <p><u>Questions and Comments</u></p> <p>6. TT questioned whether an “annual” view was being taken for the risks or whether a “3 month” view should be taken prior to the merger. DS stated that as the control environment was beyond the 3 month period the organisation was thinking of the longer term.</p> <p>Outcome: The Committee received the report and noted the content.</p>	
82/18	<p>NEESPS Quality Assurance Report – April 2018</p> <p>1. The Committee received the report for information.</p> <p><u>Questions and Comments</u></p> <p>2. Tony Thompson questioned the “performance benefits to Ipswich against the benefits to NEESPS”, noting that he did not feel that the report had made this clear.</p> <p>3. DS advised that NEESPS had the expected performance standards; however, the primary focus had been around the quality standards and accreditation being in place, although a reduction in “non-conformities” relating to the Ipswich labs and recruitment could be seen.</p> <p>4. RK questioned whether NEESPS was “sustainable”. DS responded that NEESPS was part of Colchester Hospital and provided services to the “partners”.</p>	

83/18	<p>F&P Annual Report</p> <p>1. The F&P Annual Report was received for review and agreement. Following agreement by the F&P Committee the Trust Board would be requested to endorse the Annual Report.</p> <p><u>Questions and Comments</u></p> <p>2. TT questioned whether the Committee were “happy regarding the conclusion for the AGS” - 7.3 <i>The Committee believes the above areas and all other areas covered by the Terms of Reference remain compliant with the risk management and assurance requirements to support the Governance Statement.</i></p> <p>3. The Committee confirmed that there were no issues escalated for disclosure in the AGS.</p> <p>Outcome: The F&P Committee agreed the statement (7.3) for the Annual Governance Statement and confirmed that there were no issues escalated for disclosure in the AGS. The Trust Board was requested to endorse the F&P Annual Report.</p>	
84/18	<p>Any other business</p> <p>1. Richard Kearton noted that he would be unable to attend the meetings scheduled for June and would, therefore, like to express his thanks to Tony Thompson and Andrew George, who would be stepping down as Non-Executives following the merger, for their work and support for the Trust and specifically the Finance & Performance Committee.</p>	
85/18	<p>Date of Next Meeting – Tuesday 19 June 2018, 10.00 am – 1.00 pm</p>	

Finance & Performance Committee Action Chart							
Blue	Completed and will be removed from chart for next iteration.						
Green	Status updated and on track within the timescale.						
Amber	Status not updated/completed and the deadline passed.						
Red	Status not updated/completed and deadline passed by more than one month.						
Action	Minute reference	Agreed action	Responsibility	Deadline for completion	Item for future meeting	Action status	
22 May 2018							
75/18	Accountability Framework Oversight Performance Month 12 Report	SH to provide detail of the moderation debate for each division for information at the next meeting.	SH	June 2018			
76/18	Accountability Framework (AF) review impact on assurance committees – Integrated Performance Report	DS to review the IPR format and information.	DS	June 2018			
17 April 2018							
59/18	Theatre Utilisation update	Follow-up report to be presented by Sam Fuller to the F&P Committee Agenda in 4 months in order for the Committee to monitor theatre utilisation going forward and the implementation of the new theatre utilisation model.	Sam Fuller/ Simon Hallion	August 2018	August 2018		
61/18	Operational Performance / Portfolio Board Report	SH to organise for Carolyn Tester, Head of Operations for Division 1 to attend the next F&P Committee to provide an update on the winter plan.	SH	May 2018	June 2018	22/5/18 - Latest Winter Plan report on Agenda SH advised that a further report would be provided at the June F&P meeting by Carolyn Tester.	
61/18	Operational Performance / Portfolio Board Report	Q1 trajectory to be provided for the reduction in follow-up appointments against the 15% target.	SH/JK	May 2018	CLOSED	22/5/18 - Trajectory for follow up backlog and revised target for follow-ups included in report	Blue
61/18	Operational Performance / Portfolio Board Report	Plans for Q1 and the performance against plan with 6 months historic data to be included in the monthly report.	JK	May 2018	CLOSED	Action completed.	Blue
63/18	F&P Annual Report	F&P members to be requested to consider the F&P priorities for 18/19 with feedback by 1 May 2018.	AA	1/5/18	CLOSED	On Agenda.	Blue
65/18	F&P Risk Register	Action: AA to seek clarity from Denver Greenhalgh, Director of Governance regarding the F&P risk register.	AA SH	May 2018 26 June 2018	June 2018	22/5/18 - SH advised that he would take this action forward with Denver Greenhalgh with feedback provided prior to the F&P joint meeting.	
20 March 2018							
47/18	Operational Performance / Portfolio Board Report	RK requested that an update on the output of the End of Life Programme Board was provided to the F&P Committee. Action: JK/CT to provide an update to the F&P Committee in May.	JK/CT	May 2018	CLOSED	Item to be taken forward by the Quality Committee. 17/4/18 - RK requested that JK provided an End of Life report to the F&P, following which this issue would be taken forward by the Quality Committee. 22/5/18 – Briefing report provided.	Blue
48/18	CKI report from the Audit Committee reflecting the matters to be referred to the F&P Committee	<i>04/18 Framework for Governance of Future Major Transactions - It was agreed that the outstanding Audit Committee action relating to the framework for the governance of future major transactions be reassigned from the Director of Governance and the Audit Committee to the F&P committee and the Director of Finance.</i>	SR	May 2018	May 2018 26 June 2018	17/4/18 - SR advised that the action was "on track" for May. Update May 2018 – SR suggested deferring to joint F&P to be held on 26 June.	

		<p>23/18 <i>Better Payment Practice Code - The committee requested that F&P consider the root causes of the Trust's failure to comply with the Better Payment Practice Code and the actions required to resolve it.</i></p> <p>SR advised that he would take these matters as actions to provide the required information for response by the F&P Committee. Action: SR to bring back information to the May F&P Committee.</p>					
50/18	Policy on Implementing the Overseas Visitors Hospital Charging Regulations	Action: SH to bring back assurance to the next F&P meeting regarding the "communication" of the Policy and the status of the progress against the Red RAG ratings.	SH	May 2018	June 2018	17/4/18 – The Committee was informed that the Policy had been loaded onto the Trust's Intranet. SH advised that Jan Ingle was ready to send out communications of the Policy in the Staff Briefing, but he needed to check the "red RAG ratings" and would bring back an update to the next meeting. Update May 2018 - Meeting arranged with Jan Ingle on Monday 21 st May 2018.	
16 January 2018							
16/18	Strategic KPIs	TT questioned whether the "correct numbers were shown for the financial plan". Action: JK and SR to consider the figures outside the meeting. TT requested an end of year forecast view of whether the Strategic KPIs would be delivered. Action: JK.	JK/ SR JK	Feb 2018	CLOSED	Update by JK: The financial plan numbers had been updated for the version presented to Trust Board. The next KPI report would be presented at the end of the financial year. Update March 2017: Action to be kept open, awaiting report at end of financial year. 17/4/18 – SH advised that this action would be dealt with by JK in his report. 17/4/18 – SH advised that this action would be dealt with by JK in his report. 17/5/18 - SH advised discussion had been held with NM who advised, given the size of agenda, that priority was now on the future organisation.	Blue
19 December 2017							
6a	NEESPS	SH to provide report on NEESPS to the F&P Committee.	SH	May 2018	June 2018	16/1/18 - February meeting item, update on Agenda for this meeting. February - On Agenda. Update March 2018: SH advised that a regular report would be provided monthly. 17/4/18 – Report on agenda for information. SH advised that it was planned to provide a monthly update report, with a 3 monthly detailed discussion. Action: SH to request the NEESPS Lead to attend the May F&P Committee meeting to provide an	

						update in person. Update May 2018 - Mark Campbell, NEESPS not available to attend May meeting. Latest report on Agenda.	
8a	Accountability Framework Oversight Performance Month 7 Report and PRDG Report	Report to be provided to the F&P Committee regarding the Accountability Report view that the Trust "was not well led". Action: SR to discuss the comments from F&P with the executive lead.	SH	May 2018	CLOSED	<p>20/2/18 – Discussion held at TX. Briefing to be added to Oversight Report for March. SR advised that the AF model was being reviewed and the moderation/true data was being looked at and a briefing would be provided in the Oversight Report in March.</p> <p>Update March 2018 – SR advised that a statement had been included in the Executive Summary of the AF report. Moderation discussion had been held at TX with an Action for DoN/DoF to report back in April as part of the AF refresh. TT questioned what would be presented to F&P and whether this would include detail of the criteria for moderating the score. SR stated that the issue was related to the process for moderation and the amalgamated score and detail of the criteria for moderation would be provided in the report.</p> <p>17/4/18 – TT questioned the "moderation which the divisions were being measured against". SR noted that the PRDG meetings were now being chaired by Dawn Scrafield and this would be taken forward with DS. SH noted that there was a prescribed set of parameters which were used by the Executive at the Moderation meetings and the rationale applied would be presented back to F&P in the M12 report in May. Action: SH</p> <p>Update May 2018 – On Agenda.</p>	Blue