

Three Trusts Boards in Common – 6 February 2019

Report from the Finance and Performance Committee in common held 11 January 2019 & 30 January 2019

1. Introduction

The Finance and Performance Committee in common met on 11 January and 30 January 2019. Below is a summary of the main issues discussed.

2. Items discussed at 11 January 2019 meeting

a. Trusts Financial Performance – month 8

- The month 8 financial position was noted.
- The Committee challenged the forecast positions across the three Trusts and it was agreed that these should be further reviewed.
- The Committee commented on the inconsistencies in reporting across the three Trusts and it was noted that a common structure and format was being agreed to standardise the reporting.
- The Committee requested an explanation of the reasons behind the extraordinarily large deficit at MEHT to understand the financial performance of the MSB.

The Committee noted and received assurance from the report.

b. Financial Controls – MEHT

- The Committee was apprised on the current MEHT financial control processes.
- Additional control measures have been put in place at MEHT during 2018/19 that has facilitated a level of improvement in the financial run-rate position. These measures evaluated pay & non-pay controls and made recommendations to drive down costs.
- Changes to MEHT leadership has and will continue to develop the right culture and reduce unnecessary spend.

The Committee noted and received assurance from the report.

c. Operational Plan update

- An overview of 2019/20 national planning guidance issued on 21 December 2018 was presented.
- A draft operational plan will be presented to the next meeting on 30 January.

The Committee noted the report.

d. Multi-year Financial Improvements

- To support the transformational change agenda in 2018/19, JWB agreed an investment of £10.8m which was outside the Trust's original Operational Plans as submitted in March 2018.
- A Strategic Outline Case has been completed for the acute investment. The current phase of planning is the delivery of an Outline Business Case (OBC) and an Estates Strategy for the MSB group. In relation to the STP work-stream, the group has a number of Strategic Estates Development projects that are enablers for and consequences of the STP work, both within and outside of the acute Trusts.

- The Committee received an outline template for the multi-year reporting of the financial aspects of resourcing the transition, capital and the outline business case.

The Committee noted and received assurance from the report

e. Operational Performance

- A verbal update on the November operational performances of the three Trusts were discussed. A more formal reporting of performance will be received from the next meeting.
- Operational performances for November across the three Trusts continue to be challenging.
- Teletracking implementation is underway across the three Trusts.

The Committee received some assurance from the report noting the deterioration in performances.

f. Overview of Current IT Issues

- The Committee was provided with an overview of the current challenges and issues experienced within the Informatics services across the Group. The challenges arise from different systems being used between the Trusts. At this stage the cost of maintenance of these systems is cheaper than bringing all Trusts into one system.
- Plans to consolidate Medway in SUHFT and BUTH are underway, whilst MEHT will continue to develop Lorenzo free of charge for up to 5 years.
- The Committee requested that a working group reviews the BAF and financial risks associated to IT issues. The workgroup may also review the implementation of the shaping cloud system.

The Committee noted and received assurance from the report.

g. Update on Digital Transformation and Investment

- The Committee received an overview of progress on the Digital Transformation Programme.
- The 2018/19 programme consists of a mixture of high profile projects and smaller schemes to replace high risk end of life systems and infrastructure.
- Projects delivered to date include Teletracking (MSB), Medway ED (BTUH), Acute and GP Order Comms (BTUH), VitalPac (MEHT).
- Projects in progress include Acute Care Portal (MSB), Hybrid Cloud Assessment (MSB), Medway Maternity (BTUH), Patient Wifi (BTUH, SUHFT), Managed Print (BTUH, SUHFT), Telephony Netcall (MSB), HSCN (MSB).
- The Committee requested clarification on the funding required. It was agreed that a business case will be presented to the Committee in March for consideration. It was noted that the Shaping Cloud project will be funded by a combination of capital and revenue.

The Committee noted and received assurance from the report.

h. Integrated Care Record

- The Committee received an update on the Integrated Care Record which will enable clinical and care staff to view real-time health and care information across care providers and between different systems.
- The project team has undergone an in-depth tender process in partnership with experts in all organisations and will be announcing the preferred bidder shortly.
- The initial phase, to identify the system, access and spend the first phase funding, must be completed by the end of the March 2019. The second phase will allow us

more time to work with partners, patients and the general public to shape the record for use across mid and south Essex STP.

The Committee noted and received assurance from the report.

i. Estates Report

- An overview was provided on the Premises Assurance Model (PAM) throughout 2019/20. The PAM assessment process was undertaken throughout the financial year 2018/19 and overall compliance rating for each of the five domains was 'good'.
- The Committee suggested that for future reports the high risk Items identified by the 6 Facet Survey should be further categorised into funded, unfunded and completed, and the timescale for completion added.

The Committee noted and received assurance from the report.

j. BAF Risks

- The BAF Risks allocated to the Committee were reviewed.

3. Items discussed at 30 January 2019 meeting

a. Trusts Financial Performance – month 9

- The month 9 financial position was noted.
- There was a lengthy discussion on BTUH's deteriorating position for month 9 which was partly due to the adverse clinical income in the month.
- The Committee expressed its concerns with regards the robustness of the controls in place. It was noted that BTUH had undergone financial recovery in the last few years and the grip and control in place should have been sustained. It was noted that the Trust had a deteriorating run rate position which was not incorporated in the reforecast.
- RSM, the internal auditor, has been requested to conduct a review of the forecasting process in place and this will be reported to the Committee once completed.
- A deep dive has also been undertaken with the some of the Executives and NEDs to understand the reasons behind this unanticipated deterioration. A discussion will also take place with NHSI imminently.
- The Committee questioned the forecasting process used across the 3 Trusts and it was agreed that a consistent approach need to be followed.
- The Committee also challenged the accountability of the individual directorate and the budget setting process.
- It was acknowledged that the process across the three Trusts needed reviewing.

The Committee received assurance from the report, noting the deteriorating financial position at BTUH and the actions being taken.

b. 19/20 Operational Plan

- The Committee received an outline of the 2019/20 Operational plan.
- The draft operational plan will be discussed at the three Trusts Boards in common on 6 February 2019 with a view to submit to NHSI on 12 February. The deadline for submission of the final plan is the 4th of April.
- The three Trusts have taken a unified approach for the 2019/20 operational plan, using the same methodology and approach.
- NHSI issued control totals on 15 January 2019.

- The Committee thoroughly considered the indicative plans for the three Trusts and discussed whether the control totals are achievable.
- It was noted that a meeting with NHSI will be held on 31 January and it is expected that the rationale behind the numbers will be provided. A feedback from the meeting will be provided at the 3 Trusts Boards in common on 6 February.
- The Committee discussed the MRET, PSF, FRF funding that could be made available to the Trusts and the conditions that underpin these.
- The Committee highlighted the gap between the BTUH 19/20 potential outturn and the control total allocated. It was noted that discussion was ongoing with commissioners on the tariffs and delivery of some of the services at BTUH and the figures will be amended accordingly following these discussions.
- The Committee also considered the delivery of the CIP targets which have been assumed at 4%. It was agreed that these plans need to be worked through as early as possible in the year and there is a need to ensure the process is robust enough.
- The Committee reiterated the accountability of the directorates in delivering the CIP targets and the financial plans. It was agreed that an accountability framework for the delivery of the financial plans will be set out for the 3 Trusts to provide assurance to the Committee and this will be presented to the next committee meeting.
- There was a discussion on how the wider system could be involved to ensure a cohesive plan is produced for the system as a whole. It was recognised that NHSI will be required to facilitate these discussions.
- The Committee debated on whether the 3 Trusts can support each other to deliver their control totals.
- It was agreed that the draft operational plan to be submitted to the Boards in common will incorporate the process used and the assumptions behind the figures provided.

c. Minutes and action logs from the SUHFT, BTUH & MEHT Finance Committees

The Committee noted the minutes and action logs from the previous finance committees of the three Trusts and it was agreed that the actions will be monitored at the Site Governance Forums.

4. Recommendation

The three Trusts Boards in common is asked to note the update and receive assurance as appropriate from the report.