

Report to:	Trust Board
Title of report:	Finance Performance and Investment Committee Assurance Report to Board
Date of meeting:	26 January 2016
Status:	For Discussion
Chairperson:	Ron Buchanan/Trust Chairman
Author:	Mrs Jayne Warner/Trust Secretary

Purpose	This report summarises the assurances received, approvals and decisions made by the Finance, Performance and Investment Committee.
Background	This assurance committee meets monthly and takes scheduled reports from all Trust operational committees with a finance, estates and performance brief according to an established work programme.
	<p>Financial Performance Report</p> <p>The Trust was reporting that it would not deliver its control deficit of £40.3m. The adjusted forecast deficit for the year has been amended to £61.8m, with a £4m capital to revenue transfer giving a revised forecast of £57.8m.</p> <p>The Trust has agreed a capital to revenue transfer with the DOH, reflected in a £4.0m reduction in the Trust CRL and EFL. The committee was advised that there was still a risk to achieving the CRL.</p> <p>The committee was advised that guidance from the TDA/Monitor/NHSE may result in increased reinvestment from financial sanctions.</p> <p>A term loan on £35.6m had been agreed and the Trust continues to access in year working capital facility. The committee was advised that some concerns remained in respect of liquidity in month 1 of 2016/2017.</p> <p>The committee discussed the factors continuing to drive the deficit - unfunded escalation beds, premium cost of agency staff, slipping on cost improvement programme and CCG fines and penalties.</p> <p>The committee considered the assumptions made and risks to achieving the revised control total.</p> <p>The commitment to remove the escalation beds continued to be a priority for the Lincolnshire Recovery Board.</p> <p>Norovirus in month 9 had serious financial implications, £300,000, support for this.</p>

	<p>The Trust continued to be at risk of not meeting agency cap. Medical agency costs starting to fall.</p>
	<p>Trust loan conditions update</p> <p>The committee reviewed compliance with the conditions of the loan agreement. The risk of failing to achieve agency cap noted.</p>
	<p>Financial Governance review</p> <p>Findings were discussed. The report would be presented to the Trust Board and Audit Committee when finalised. The report highlighted a lack of strategic financial narrative to Trust Board and FPIC and a failure to agree an aligned strategy for Lincolnshire with Commissioners.</p>
	<p>Sustainability and Transformation Fund</p> <p>The committee considered the Trust offer from the fund and recommended the Board accept the offer made.</p>
	<p>Operational Performance Report</p> <p>The Trust did not achieve the 4 hour waiting time target in A&E in December. Norovirus had seriously impacted with 11 wards closed and 153 beds affected at worst position.</p> <p>18 week RTT was still being validated – it was currently at 91.3%</p> <p>8 out of 9 cancer targets met. Best performance for some time. The committee noted continued improvement and the actions being taken to sustain.</p>
	<p>Carter Review</p> <p>The committee was advised that all key themes were being reviewed.</p>
	<p>Procurement Strategy</p> <p>Feedback provided.</p>
	<p>Board Assurance Framework (BAF)</p> <p>The BAF risks related to the committee had been updated and reviewed. No further assurances were sought by the committee further than those highlighted during discussions of the agenda items.</p>
Risks to refer to risk register	None
Key decisions taken	Recommendation to Trust Board to accept offer of sustainability fund.

Issues to escalate to Board	<p>Risk of not meeting agency cap, impact for loan agreement. Revised control deficit.</p> <p>Achievement of 8 out of 9 cancer standards.</p> <p>Output from the independent financial governance review.</p>
Challenges and exceptions	
Future exceptional items	

Attendance date

Voting members

Ron Buchanan, Trust Chairman (Chair)
Peter Hollinshead, Interim Director of Finance
Gill Ponder, Non Executive Director
Mark Brassington, Chief Operating Officer

Non Voting members

Ian Warren, Director of Human Resources and Organisational Development
Jan Sobieraj, Chief Executive

In attendance

Jayne Warner, Trust Secretary
Neil Morton, Interim Deputy Director of Finance
Barry Pogson, Head of Procurement
Mike Rocke (Item 8 only)