

Report to:	Trust Board
Title of report:	Finance, Service Improvement and Delivery Committee Assurance Report to Board
Date of meeting:	28 March 2017
Status:	For Discussion
Chairperson:	Gill Ponder, Non Executive Director
Author:	Jayne Warner, Trust Secretary

Purpose	This report summarises the assurances received, approvals and decisions made by the Finance, Service Improvement and Delivery Committee (FSID).
Background	This assurance committee meets monthly and takes scheduled reports from all Trust operational committees with a finance planning, estates and performance brief according to an established work programme.
1	<p>2017/18 Draft Business Plan</p> <p>The Committee were alerted to the fact that the Trust had not been able to agree financial and service plans for the start of the financial year as required by SO's SFIs. The committee agreed that this failing should be escalated to Trust Board.</p> <p>The Interim Director of Finance described the context to the plans. The Trust had signed a control total Of £48.5m predicated on STF £14.7m.</p> <p>Fin performance in 2016/17 was a control total of £47.9m revised forecast. Not receiving STF appeal money likely to be £54.9m.</p> <p>The Committee were advised of the detailed process to establish the plans. Meetings had been held with every CD to look at draft plans. Sign off meetings over next fortnight. Risk about getting them signed off.</p> <p>Baseline budgets and establishment in good position.</p> <p>Organisation has significant investment proposals following the CQC visit of c£5m. These proposals being considered.</p> <p>Efficiency programme has target of 4%. £24m. of which only £7-£8m identified. £6m has been carried forward from 2016/17. Still in confirm and challenge process. £6m has been carried forward from 2016/17</p> <p>Assumptions include substantial issue of challenges from CCG on activity for 2016/17. The Trust has written o the CCGs.</p>

	<p>The Committee challenged what would be different for 2017/18 to achieve efficiency programmes. Interim Director of Finance stated that CDs need to formally sign off the plans. They accept what is agreed within the fragility of the service delivery.</p>
	<p>Clinical Strategy Implementation Group</p> <p>Link to STP – shortlist of options presented to senate in February. Pre consultation business cases being prepared.</p> <p>Consultation was likely to commence in October and would run for 19 weeks. Medical Director would write to SET to say services are too fragile to delay for this length of time.</p> <p>The Committee advised that significant Capital requirement was identified in programme which would further burden the rest of the capital programme. Chance of getting additional capital was slim in current financial climate. Clarity would be needed as a Board about what needed to turn the situation around. Conducting existing estate infrastructure review. Significant investment already required.</p>
	<p>Finance Performance Report Month 11</p> <p>Last month highlighted revised forecast £54.9m against control total. Lack of STF income, slippage on efficiency programme. Increase in bank and agency usage. Failure to deliver CQUIN .</p> <p>Month 11 didn't plan to receive any STF due to performance issues. Activity slightly worse than plan. £1.3m shortfall financial efficiency programme. CQUINS have adjusted percentage estimated.</p> <p>Risks to financial performance were highlighted STF appeals still not confirmed. Activity notices still in dispute. Around £3.5m rejected robustly and would continue to do so. Taken issue to SET through CEO. To look for collective resolution.</p> <p>Nothing in forecast to fall back on for unforeseen events.</p> <p>The Committee requested assurance that the Financial controls introduced last year would be in place at start of year. The Interim Director of Finance advised that the key was sign off at directorate level and then cascade to every budget holder.</p>
	<p>Working Capital Strategy</p> <p>The Committee received the annual update. How to ensure org has cash and liquidity. Supports audit committee in going concern assumptions.</p>

	<p>Overall sits with TB but delegated to FSID. Very similar to last year. Profiles updated. No material change</p> <p>Assurance to Trust Board that committee has considered working capital and cash position.</p>
	<p>IR35 Implementation Update</p> <p>HRMC introduced new rules to satisfy HMRC taxing for NI appropriately with agency staff. Number of areas of risk in relation to this which are difficult to quantify. Being placed on corporate risk register may lead to business continuity planning. Risks to patient care in high locum areas.</p> <p>Some locums want to move to umbrella companies. This would secure work but waiting for guidance from NHSI. The Committee agreed that the risk to business continuity should be escalated to the Trust Board.</p>
	<p>Overseas Patient Update</p> <p>Legislation in place from 1 April. The Committee were advised that the Trust was not currently compliant with legislation. This was an issue faced by other Trusts.</p>
	<p>Integrated Performance Report</p> <p>The Committee reviewed the integrated performance report.</p> <p>RTT performance for February was 88.27%. The Trust had not achieved for last year. Factors affecting junior doctors industrial action, fire at Grantham, partial booking waiting list, increased urgent care pressures, cancellations and outliers. Requirement to reduce bed occupancy rate from December added to pressure. Way off trajectory. Unlikely to recover 92% by June. Committee were advised that STF funding will be linked only to urgent care not other standards. Revised op structure and the governance for the delivery and recovery of RTT and Cancer. Looking for improvement in March but may only be marginal.</p> <p>Diagnostics – achieved in Feb for 3 months. Watching couple of areas.</p> <p>Improved cancer 3 of the 9 standards met. Demand has been at unprecedented level. Very small number of breaches in some areas. Recovery action plans reviewed fortnightly.</p> <p>A&E 4 hour waits. Performance deterioration in February worse than last year. Not meeting triage or first treatment. Attendances have reduced. Ambulance handover times have deteriorated. Occupancy levels have risen significantly. Grantham delivering.</p>

	<p>Pilgrim vacancies in nursing and medical. Pride and joy system not brought benefits expected. Poor flow</p> <p>Lincoln Red to Green. Same vulnerabilities. Encouraging early signs of improvement allowing elective work to proceed. Due to be rolled out at Pilgrim on 24th April 2017, where it will operate alongside Pride and Joy.</p>
	<p>Urgent Care Short Term Actions</p> <p>Worked with CD's on 7 key actions to focus</p> <ul style="list-style-type: none"> • Zero tolerance minors breaches • Escalate when initial first assess not met • Increased amb care • Increased use of discharge lounge • Reducing dtoc
	<p>Integrated Strategic Risk Register/ BAF Update</p> <p>Trying to rapidly improve quality of content of risk register. Reviewing all. Taking longer than thought it would. Capacity issues. All review work done ahead of next meeting. The Committee requested that the IR35 issues were included. Nothing further to bring to this committee attention.</p> <p>Ext gov review being undertaken completed this week Including review of risk.</p>
Risks to refer to risk register	<p>IR35 and the impact of the changes</p> <p>No adjustment required to existing scores</p>
Key decisions taken	
Issues to escalate to Board	<p>Minor amendment to ToR</p> <p>Failure to have in place financial and service plans before start of 2017/18</p> <p>Suggestions to achieve greater accountability from business units/ CD's</p> <p>Impact of IR35</p> <p>Assurance on working capital and cash position</p> <p>Non-compliance with charging processes for overseas visitors</p>
Challenges and exceptions	
Future exceptional items	

Attendance

Voting members

Gill Ponder ,Non Executive Director (Chair)

Paul Grassby, Non Executive Director

Peter Hollinshead, Interim Director of Finance

Kevin Turner, Deputy Chief Executive

In attendance

Neil Morton, Interim Deputy Director of Finance

Paul Boocock, Director Estates and Facilities

Jayne Warner, Trust Secretary

Julie Pipes, Ass Dir Strategy and Change

Michael Woods, Int Dir of Operations

Observing Alex Coull NHS I