

Report to:	Trust Board
Title of report:	Finance, Service Improvement and Delivery Committee Assurance Report to Board
Date of meeting:	25 April 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.
	<p>2017/18 Draft Financial Plan</p> <p>The Committee were alerted to the fact that the Trust continued to work to address the 2016/17 contracting issues with the CCG and had no agreed activity levels or contract in place for 2017/18.</p> <p>The Trust had agreed positions for specialised contracting.</p> <p>In December the Trust had agreed to a control total of £48.5m which was predicated on Sustainability and Transformation Funding of £15m. The Trust had not delivered against A&E standards and meeting the financial target therefore the assumption for the STF was that this would be £0 which resulted in a significant impact on the bottom line.</p> <p>The Trust had seen an increase in pay expenditure in 2016/17 final quarter this was being investigated to establish if it was likely to continue into 2017/18.</p> <p>The plan included £4m contingency reserve and £12m investment provision. The Efficiency Plan assumes £18m plans were in place for £12m but these were still subject to Quality Impact assessment.</p> <p>The plans leave a projected deficit of £75m The Trust would also need to include in the plan the level of CQC investment which would be required.</p> <p>The Committee agreed that the projected level of deficit should be escalated to Trust Board acknowledging that the Trust would be under pressure to reduce this and to ensure delivery of the efficiency programme.</p>

	<p>The Committee considered the risks to this position and the actions required to mitigate. In addition to the risks highlighted in the plan The Chief Operating Officer highlighted winter and urgent care. No allocation this year for Winter and the Trust usually incurred expenditure of £4m. Urgent Care expenditure was greater than income. The Trust was not keeping up with activity. The Trust had Business cases for up to £4m for urgent care with only £950,000 allocated. The Committee agreed that these two matters should be added to the specific risk section.</p> <p>Recommending that Board adopt the plan with additional risks highlighted.</p>
	<p>Finance Performance Report Month 12 Month 12 The Trust had delivered the External Financial Limit and Capital Resource Limit. The Trust had planned to spend £5.8m of capital in March and that was achieved. The Cash position had also been delivered.</p> <p>The Trust had not agreed year end balances with the CCG. Disputed payments from the CCG amounted to £3.1m. The Committee were advised that it was likely will end in arbitration. The Committee members challenged how the Trust had been left open to challenge. £2m was made up of differences in two information systems reconciliation. Balances had been agreed at month 9. The Trust felt that the CCG were not following due process for the challenge. Notice periods not being applied. The Committee were advised that there was no provision in the accounts for the £3.1m which had been submitted by the CCGs.</p> <p>Main factors driving outturn deficit. Plan requested to address areas that were the main factors driving the outturn deficit.</p>
	<p>Loan Conditions The Committee received a position statement against the conditions attached to the two revenue loan facilities. The Committee were concerned about the Trusts compliance with the conditions and agreed that this would be raised with NHSI.</p>
	<p>Deep Dive Review NHSI The Committee received the interim report and agreed that a formal Trust response would be drafted and agreed by the Committee.</p>
	<p>Integrated Performance Report</p> <p>The Committee reviewed the integrated performance report.</p> <p>RTT performance continued to be a challenge. Waiting lists were reducing but the backlog of those waiting over 18 weeks was not reducing at the same rate.</p> <p>The diagnostic 6 week standard had been met for four months.</p>

	<p>The Trust had improved its position against the 9 cancer standards and had achieved four of the nine in February. There had been no improvement in the Breast position since the previous month. The Trust had no plan to get back to the standard. Still struggling for capacity. The Trust had approached other Trusts for support. Shared details at risk summit. Can confirm actions still continuing. On the agenda at contract meeting the Trust had raised an AQN about the contracted level. No response had been received.</p> <p>Planned Care Number of specialties not achieving. The follow up backlog is increasing and 2ww waits increasing. Big changes would be needed to address the scale of the problem and the Trust was looking to external partners. Out Patients had been under pressure since 2013 when the Trust took capacity and put it in to the wards. STP actions were expected to take patients out but no impact until Q4 2017/18.</p> <p>Urgent care The pressures and availability of workforce and demand on Lincoln site continue. 7 key actions put in place to improve performance. Both sites seeing growth in attendances. More work needed on ambulatory /emergency care areas. Working with NHSI.</p>
	<p>Partial Booking Waiting List The Committee were advised of a backlog of patients overdue for a follow up appointment. The backlog had increased during Q3 and Q4 with four specialties making up over 50% of the patients. New referral waiting lists had also grown and there were concerns that some people were missing from the PBWL . The Committee were advised of the actions being taken to recover the position including additional sessions, use of locums, standardisation of pathways and suspension of some routine referrals.</p>
	<p>Integrated Strategic Risk Register/ BAF Update</p> <p>Committee noted continued work to improve content of CRR.</p> <p>The Committee noted the following emerging risks</p> <ul style="list-style-type: none"> • Outpatients sustained growth in waiters. New and follow ups • Compliance with loan conditions escalate discuss NHSI • No signed 17/18 contract <p>The Committee discussed how to strengthen the way it sought assurances against the strategic risks. It was agreed to cross reference the SRR/BAF to the agenda for future meetings.</p>
<p>Risks to refer to risk register</p>	<p>No new risks</p>
<p>Key decisions taken</p>	

Issues to escalate to Board	Risks arising from not having agreed activity levels with CCG's and from having no signed contract for 2017/18 Risk to achievement of agreed control total for 2017/18 Growing pressure on Outpatients with increases in waiting times for new referrals and patients on partial booking waiting lists. Risks arising from non-compliance with conditions of loan
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

Mark Brassington, Chief Operating Officer

In attendance

Karen Brown, Interim Director of Finance Designate

Amanda Brown, Interim Assistant Director of Commissioning and Performance

Jayne Warner, Trust Secretary

Jon Young, Assistant Director of Finance