

Report to:	Trust Board
Title of report:	Finance Service Improvement and Delivery Committee Assurance Report to Board
Date of meeting:	20 March 2018
Chairperson:	Gill Ponder Non Executive Director
Author:	Jayne Warner Trust Secretary

Purpose	<p>This report summarises the assurances received and key decisions made by the Finance, Service Improvement and Delivery Committee (FSID). The report details the strategic risks considered by the Committee on behalf of the Board and any matters for escalation for the Board's response. This assurance committee meets monthly and takes scheduled reports from all Trust operational committees according to an established work programme.</p>
Assurances received by the Committee	<p>Lack of assurance in respect of SO 6.6.1 Issue: Financial position Source of assurance: The committee received the month 11 financial position. The Financial position remained off plan. The Trust were currently reporting a deficit of £77.7m and expecting to end the financial year with a deficit of £84.4m. The agreed control total for the Trust was a £77m deficit.</p> <p>Actions requested by the Committee: The Committee requested assurance that fines that have not been transacted in the current financial year because the control total was agreed have been factored into the 18/19 calculations, as the Trust may not be able to agree the proposed control total for next year. In the absence of agreement, the Trust would be liable to pay any fines incurred.</p> <p>Lack of assurance in respect of SO 6.6.1 Issue: Financial Recovery Plan Source of assurance: The Committee received the updated Financial Recovery Plan. The Trust are expecting to deliver £16m of efficiencies in 17/18 and are moving forward with development of a £30m efficiency plan for 18/19.</p> <p>The Committee were asked to note the risks going forward. A substantial change programme would be required for the Trust which is already in Financial Special Measures. Efficiency savings of £30m would take the Trust to 10% of income on FEP delivery which would be a significant risk.</p> <p>The Director of Finance could not assure the Committee on the financial recovery position going into 2018/19.</p>

	<p>Lack of assurance in respect of SO 6.6.1 Issue: Cash position continued to deteriorate Source of Assurance: The committee received a cash report detailing the actions being taken by the Trust to mitigate the Trust cash position. The year end forecast cash holdings would be higher than forecast because slippage of capital work meant that bills would be settled later than originally expected. The work would be completed by the end of March, so cash would be committed and would be paid to suppliers in April.</p> <p>The Committee were not assured by the cash position, due to the level of loan refinancing due in October. This could have a significant impact on Trust finances because a new loan would be at a higher rate of interest.</p>
	<p>Assurance in respect of SO 6.6.1 Issue: Financial Efficiency Programme Update Progress Source of Assurance: Financial Efficiency Programme Report</p> <p>The Committee received a progress report basing specialty FEP targets relevant to their service line profitability position.</p> <p>The Committee acknowledged the significant work undertaken and in doing so recognised the work of Jonathan Young in bringing the paper together.</p> <p>The Committee were assured of progress being made on the development of the Financial Efficiency Programme.</p>
	<p>Assurance in respect of SO6.6.1 Issue: Annual Plan Source of assurance: Annual Plan Update</p> <p>The Committee were assured that a detailed discussion had taken place at Board Development. The Annual Plan is currently under review. The Board had reviewed the draft and it had been subject to detailed debate and challenge with regard to its contents and objectives. The Key areas are to be finalised.</p> <p>The Committee were assured of continued progression of the Annual Plan.</p>
	<p>Assurance in respect of SO3.3.2 Issue: Fire Enforcement Notice Update</p> <p>Source of assurance: Fire Enforcement Notice Update</p> <p>The Committee were assured on the progress being made in respect of Fire enforcement due to progress made and the favourable comments made by the Fire Service when reviewing the Trust’s progress against the enforcement notice timescales. The Committee noted that the risk remains securing additional capital required to continue with the improvement work and ensuring revenue is available to complete the</p>

	<p>testing work required. £2.1m capital had been agreed by NHSI from 1-4-18.</p> <p>The risk score had been reduced from 25 to 20.</p>
	<p>Lack of assurance in respect of SO 5.5.2 Issue: Delivery of Cancer performance.</p> <p>The Trust achieved 4 out of 9 of the cancer trajectories.</p> <p>The Trust 62 day standard had exceeded the improvement trajectory, but the position would deteriorate due to operations cancelled due to lack of ITU and High Dependency bed capacity in February and March.</p> <p>Actions requested by Committee: The Committee requested further information on actual monthly performance against trajectory.</p>
	<p>Lack of assurance in respect of SO 5.5.2 Issue: Failure to deliver Urgent Care performance.</p> <p>The Committee noted the positive impact of working with partners to improve Urgent Care Performance, however also noted that the improved position had deteriorated due to the impact of adverse weather.</p> <p>An improvement programme was under way on ambulance handovers which was delivering an improvement in waiting times.</p> <p>Actions requested by Committee: Trust to work with key partners in early April on Perfect Week.</p>
	<p>Lack of Assurance in respect of SO 5.5.2 Issue: RTT Performance</p> <p>The Committee noted the impact on RTT Performance due to a conscious decision to prioritise Cancer patients.</p>
	<p>Lack of Assurance in respect of SO 5.5.2 Issue: Women & Children Workforce</p> <p>The Women & Children's Directorate presented to the Committee. The Committee were not assured by the current position with Paediatric recruitment and retention for both clinicians and nursing.</p> <p>The current position posed a significant risk to service provision.</p>
Issues where assurance remains outstanding for escalation to the Board	<p>The Committee were assured that the SRR/BAF was reflective of the key risks in respect of the strategic objectives of the organisation but noted the work being completed to review the SRR/BAF for 2018/19.</p> <p>In respect of the corporate risk register the Committee requested</p>

	<p>updates on risks and assurance on the process the Risk Team have gone through with the Directorates to review their risk scores and put mitigations in place.</p> <p>The Committee requested the Risk Team undertake an internal validation to ensure no risks are being missed and to clarify link into relevant strategic objectives.</p> <p>The Committee noted the appointment of a Risk specialist to the Risk Manager position and welcomed the proposed review of the risk register. The Committee were assured that responsibility for management of risks was becoming embedded through the monthly performance review meetings with clinical directorates.</p>
Items referred to other Committees for Assurance	<p>The Workforce and Organisation Committee to review the risk to Stroke Services due to current workforce issues, following receipt of further information on risk mitigation. Risk 4029 refers.</p> <p>The Quality Governance Committee to seek continued assurance on how risk management is being embedded into business as usual for clinical directorates.</p>
Committee Review of corporate risk register	<p>Further assurances had been sought in respect of SO 6.6.1 Failure to achieve financial sustainability SO 5.5.2 Failure to maintain operational performance The Committee were not assured in respect of SO6.6.1 Failure to achieve financial sustainability SO 5.5.2 Failure to maintain operational performance</p>
Matters identified which Committee recommend are escalated to SRR/BAF	<p>The Committee reviewed its thematic risks and considered them to be Estates (Security, Statutory Compliance, Infrastructure Backlog, Environment/Space, Health and Safety), Medical Equipment, IT, Performance (Finance, delivery of constitutional standards and access to capital).</p>
Committee position on assurance of strategic risk areas that align to committee	<p>Following review of the strategic risks the Committee felt they were all appropriately reflected in the current BAF. Noting the BAF is being recast from 1 April 2018.</p>
Areas identified to visit in dept walk rounds	<p>None</p>

Attendance Summary for rolling 12 month period

Voting Members	M	J	J	A	S	O	N	J	F	M	A
Gill Ponder Non Exec Director	X	X	X	X	X	X	X	X	X	X	
Paul Grassby Non Exec Director	X	A	A								
Geoff Hayward Non Exec Director			X	X	A	X	X	A	X	X	
Chris Gibson Non Exec Director					X	X	X	X	X	A	
Deputy Chief Executive	X	X	X	X	X	A	X	X	X	X	
Director of Finance and Corporate Affairs	X	X	X	X	A	X	X	X	X	X	
Chief Operating Officer	X	D	X	X	A	D	D	A	D	D	
Director of Estates and Facilities	D	X	X	X	X	X	X	X	X	X	
Medical Director	A	X	X	X	X	A	A	A	A	A	

X in attendance A apologies given D deputy attended