

Report to:	Trust Board
Title of report:	Finance, Performance and Estates Committee Assurance Report to Board
Date of meeting:	18 December 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, Performance and Estates Committee (FPEC). 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.</p> <p>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 2d Issue: Financial position</p> <p>Source of assurance: The Committee received details of the Trust financial position. The Trust were reporting a year to date deficit of £57.5m this was £11.2m worse than the forecast position. Income was below plan and expenditure was above plan.</p> <p>Actions requested by the Committee: The Committee recognised the work being done in T&O at Grantham and questioned whether this could be developed further, along with considering capacity at Louth to do additional income-generating work. The Committee asked for assurance that the necessary level of grip and control was in place over the management of agency as the Trust moved to divisional structures. The Committee were assured that the operational teams continued to be held to account through the performance review meetings.</p> <p>The Committee challenged the use of service line reporting and agreed that they would wish to see a more contribution-based approach broken down to specialty and divisional level. The report should also be clear on the basis on which recharges had been applied, so it was clear where a contribution to fixed costs was being made and where it was not.</p> <p>The Committee also wished to see how service line reporting data was being used to drive improvements in costs and efficiency.</p>
	<p>Lack of assurance in respect of SO 2d Issue: Capital spend</p> <p>Source of assurance: Financial report showed that the Trust had spent £10.7m less than plan and, therefore, there was a significant risk that the Trust would not spend all the Capital available by the end of 18/19, due mainly to slippage in some of the fire enforcement work.</p>

	<p>Actions requested by the Committee: Given the scarcity of capital and the many competing demands for it across the Trust, a plan to deliver the Capital spend was requested for review at the January meeting</p> <hr/> <p>Lack of assurance in respect of SO 2d Issue: Financial Efficiency Plans</p> <p>Source of assurance: The Committee received the updated Financial Efficiency Plans. The Trust had delivered £6.9m of efficiencies in the year to date against a plan of £13.7m. The Committee noted that the Trust were two months in to the revised plan from month 6. Achieving slightly better than plan, due to earlier sale of Welland.</p> <p>Actions requested by the Committee: The Committee asked that the QIA should be explicitly referred to within the gateways for FEP scheme approvals, so it was clear that QIA was a critical part of the approval process and there was evidence that schemes were being rejected when appropriate as a result of the QIA process.</p> <hr/> <p>Lack of assurance in respect of SO 2d Issue: CQUIN Achievement</p> <p>Source of Assurance: The committee received a report detailing the risks to the achievement of the 2018/19 CQUIN monies.</p> <p>The Committee were more assured about the format of the reporting, however continued to have concerns that the process was not adequately formalised and regularised and requested further assurance on the grip and control being applied to the achievement of CQUINs.</p> <hr/> <p>Lack of assurance in respect of SO 2d Issue: Financial Recovery Plan</p> <p>Source of Assurance: The Committee received the FRP which had been considered in detail at the Board meeting in November. The plan had been amended to take account of the additional funding to support the Pilgrim ED. The plan had been accepted by NHSI.</p> <p>Actions requested by the Committee: The Committee asked for assurance on when the plan would move in to detail on the longer term trajectory to significantly reduce the Trust's deficit. This would be developed after budget setting for 2019/20 was complete.</p>
	<p>Lack of assurance in respect of SO 2e Issue: H&S Compliance Standards</p> <p>The Committee reviewed the report produced on current and planned compliance against statutory and non-statutory standards, but requested further details on the allocation of available funds. The Committee feel that the Board should be sighted on the risks of non-compliance with statutory requirements and, should therefore have a discussion about the</p>

	<p>Board's risk appetite, which may influence how scarce funds are allocated in future.</p>
	<p>Lack of assurance in respect of SO 2e Issue: Estates Ordering and Invoicing</p> <p>The Committee considered the review of the audit report on estates ordering and invoicing, following the fraud at Gloucester. It was noted that although there was not any suggestion or evidence that fraud had occurred at the Trust, the report had given limited assurance and identified possible scope for fraud</p> <p>Actions requested by the Committee: The Committee requested a report to confirm that recommendations had been implemented by the due date of 31st January 2019.</p>
	<p>Lack of assurance in respect of SO 2b Issue: ICT Assurance Report</p> <p>Source of Assurance: The Committee received assurances across all aspects of ICT including trajectory for compliance with the data security and protection toolkit, application of patches, IG training and the bid for funding for e prescribing.</p> <p>Actions requested by the Committee: The Committee asked for details of plans to achieve compliance with outstanding areas of data security and protection toolkit and also a milestone plan for e prescribing, with clear ownership, accountability for actions and timescales. The Committee also asked the ET to consider how continuity plans could be tested to ensure they worked in practice, without preventing critical services from being delivered to patients.</p> <p>The Committee also asked for the lack of completion of IG training to be escalated to the ET for action, as this was a barrier to compliance with the IG Toolkit.</p>
	<p>Lack of assurance in respect of SO 5.5.2 Issue: Failure to deliver Cancer Standards</p> <p>The Committee were advised that the Trust continued to see a consistently improved position. The key risks remained, but 75% performance was expected in December.</p> <p>Actions requested by Committee: The Committee agreed to continue to focus on receiving assurances that the plans in place would continue to deliver the improvement trajectory by the end of March.</p>
	<p>Lack of assurance in respect of SO 5.5.2 Issue: Failure to deliver Urgent Care performance.</p> <p>The Trust continued to struggle to deliver satisfactory performance in delivering the 4hour A&E standard, due to attendances, insufficient</p>

	<p>staffing and high bed occupancy, with the Pilgrim site causing greatest concern. A risk summit had been called following a CQC visit. The Trust had agreed investment between December and the year end. Assurances could not be given to the Committee that necessary actions had been found to address the concerns. A further risk summit was scheduled on 21st December 2018.</p> <p>Actions requested by Committee: Recovery plan considered at QGC to be shared with Committee. The Committee asked for further updates on whether primary care streaming was performing at necessary level.</p>
	<p>Lack of Assurance in respect of SO 5.5.2 Issue: RTT Performance</p> <p>The Committee noted that progress was being made with 52 week waits. These had reduced to 16 with a plan in place to achieve 0 by 31 March 2019. Committee noted still issues with data validation of waiting lists and additional funding for validators had been agreed with CCG as part of outpatient improvement plans.</p> <p>The Trauma and Orthopaedics trial at Grantham continued to show encouraging signs, with a 98% reduction in cancelled operations and 96% theatre utilisation. The trial would be fully evaluated before a decision was made on whether or not it had been successful against all measures.</p> <p>Actions requested by the Committee: The Committee requested improvement trajectories for scrutiny and discussion at their meeting in January.</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. Updates were made to the BAF control gaps and mitigations.</p> <p>Terms of reference for all Groups reporting through the Committee were reviewed, but significant additional work was required before these could be agreed.</p>
Items referred to other Committees for Assurance	No matters to refer to other committees
Committee Review of corporate risk register	Corporate risks were noted.
Matters identified which Committee recommend are escalated to SRR/BAF	No matters to escalate to BAF
Committee position on assurance of strategic risk areas that align to committee	<p>Areas without assurance recorded above.</p> <p>An extraordinary FPEC meeting will be held in January 2019 to focus on a number of issues that require in depth discussion, including Health and Safety and other items from the work plan that have not previously been</p>

	considered by FPEC.
Areas identified to visit in dept walk rounds	None

Attendance Summary for rolling 12 month period

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

X in attendance A apologies given D deputy attended