

Report to:	Trust Board
Title of report:	Finance, Performance and Estates Committee Assurance Report to Board
Date of meetings:	21 February 2019
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>Assurance in respect of SO 2d Issue: Revised Financial Position and Financial Recovery Plan</p> <p>Source of assurance: The Committee received details of the Trust financial position. The Trust reported a year to date deficit of £74.7m at Month 10 which was £0.9m ahead of forecast position from the Financial Recovery Plan.</p> <p>The Trust has delivered a financial position in line with the revised forecast for four consecutive months.</p> <p>The impact of the income from the sale of land at the Welland site ahead of plan was noted by the Committee.</p> <p>Income was £1.4m better than revised plan but £1.2m related to technical adjustment. Non Pay was £2m adverse to revised plan, including £1.2m offset of the technical adjustment.</p> <p>The Committee noted the highlighted risks to the financial recovery plan in relation to agency costs, contract value and other income streams to deliver or improve upon the year end forecast position.</p> <p>The Committee was asked to support the escalation of the approval of new borrowing to the Trust Board to the value of £5.612m revenue borrowing for April 2019. The Committee gave its support.</p> <p>The Committee noted that the level of capital borrowing in February had been reduced from the levels approved as a result of the delay into 2019/20 of a further £3m of capital spend that had been agreed with NHSI in relation to the fire compliance works. Total deferred is now £9.6m.</p> <p>Lack of assurance in respect of SO 2d Issue: 2019/20 Contract Agreement</p>

	<p>Reason for lack of assurance: The Trust and Commissioners remained some way off agreement of the 2019/20 contract and this risk was highlighted to the Committee.</p> <p>Actions requested by the Committee: The Committee supported the Trust continuing to work with the Commissioners and the Lincolnshire System to seek a contract which would allow the Trust to achieve the required control total, which would result in the receipt of the PSF, FRF and MRET monies (£29m).</p> <p>The committee asked for a steer from the Trust Board in respect of moving contract negotiations forward and the Board appetite in relation to accepting additional risk to achieving the control total, which would potentially increase the level of financial efficiency savings to be made.</p> <p>Lack of assurance in respect of SO 2d Issue: CQUIN Achievement</p> <p>Reason for lack of Assurance: The committee received a report detailing the risks to the achievement of the 2018/19 CQUIN income. It was noted that the forecast position had deteriorated from 94.5% to 86% and this presented a potential risk to the delivery of the FRP, although the overall forecast remained consistent.</p> <p>Actions requested by the committee: The Committee asked to receive feedback on the actions being taken by Executives to achieve as much CQUIN income as possible by the end of the year. CQUIN will work differently under the aligned incentive contract and, until the detail is developed, further assurances on grip and control would be of little value this late in the year.</p> <p>Assurance in respect of SO 2d Issue: Financial Efficiency Programme</p> <p>Source of Assurance: The Committee received the latest FEP position. Assumption was that the Trust would deliver £15.1m. Plans had been delivered for four months since the FRP was approved.</p> <p>Actions requested by the Committee: The Committee requested focus on 2019/20 plans ensuring that these were in place as the year commenced. The Committee also requested assurance on how benchmarking data at hospital and patient level was being used to drive improvements and efficiency, along with progress reports on delivery of plans and realisation of benefits.</p>
	<p>Lack of assurance in respect of SO 2e Issue: Estates Backlog Maintenance and Critical Infrastructure</p> <p>The Committee received a progress report on work to determine levels of statutory and non statutory compliance works. The outcome of this will be a schedule of capital and revenue investment required. The Board can then make an appropriate risk based decision on funds allocation. This will be supported by a monitoring dashboard of key indicators.</p>

	<p>Actions requested by the Committee: Noted significant progress and awaited completion to allow Board discussion.</p>
	<p>Lack of assurance in respect of SO 5.5.2 Issue: Failure to deliver Cancer Standards</p> <p>Reason for lack of assurance: The Committee was advised the Trust continued to have issues with vacancies in Oncology and were working on delivering recruitment in different ways. The Cancer plan was under review. The team had substantively recruited to every Consultant and middle grade vacancy, but concerns remained over diagnostic capacity at the Trust's external provider.</p> <p>Actions requested by Committee: The Committee requested that the revised cancer improvement plan be brought to the March meeting.</p>
	<p>Lack of Assurance in respect of SO 5.5.2 Issue: Urgent Care Improvement Actions</p> <p>Source of Assurance: Urgent Care Improvement Actions. The Trust continued to struggle to deliver satisfactory performance in delivering the 4 hour A&E standard, due to attendances, insufficient staffing and high bed occupancy. The Committee remained unassured that the actions were demonstrating the required improvement in 4 hour performance. The Trust remained a poor performer.</p> <p>However the Committee received a detailed report on actions taken and the improvements being seen. Primary care streaming was improving and there had been improvement in middle grade doctor fill rates.</p> <p>Actions requested by the Committee: The Committee asked for a further report in March with less information more assurances, showing actions delivered to date and the impact on improving performance. The Committee requested that the report include SPC data.</p>
	<p>Lack of Assurance in respect of SO 5.5.2 Issue: Planned Care</p> <p>Source of assurance: The Committee was assured that the incomplete waiting list size remained on target to the end of January and the Trust was confident of delivery at the year end.</p> <p>52 week waiters were at 11 at the end of January with a target to reach 7 by end of February and 0 by end of March.</p> <p>6 week diagnostics performance worsened to 95.62%, which was the lowest for a considerable period of time. The Committee was advised of a number of issues which had contributed to this position, which were being addressed. The recovery plan showed a trajectory to 98% by the end of March.</p>

Issues where assurance remains outstanding for escalation to the Board	The Committee was alerted to the potential contracting risks for 2019/20 and the ongoing work to achieve a readjustment to the creation of system contracts, plans and control totals. The committee asked for a steer from the Trust Board in respect of moving contract negotiations forward.
Items referred to other Committees for Assurance	QGC asked to seek assurance in relation to EU Exit planning.
Committee Review of corporate risk register	Corporate risks were noted.
Matters identified which Committee recommend are escalated to SRR/BAF	<p>The Committee was assured that the SRR/BAF was reflective of the key risks in respect of the strategic objectives of the organisation. Assurances received were noted and updates were made to the BAF control gaps and mitigations.</p> <p>As a result of assurances received Committee requested that the RAG rating in respect of objective 2d Deliver financial target agreed by the Board be improved to Amber.</p>
Committee position on assurance of strategic risk areas that align to committee	The Committee received an upward report from the EU Exit Contingency Planning Group and was assured with the plans and actions being taken in respect of potential risks associated with the EU Exit.
Areas identified to visit in dept walk rounds	None

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

Attendance Summary for rolling 12 month period

X in attendance A apologies given D deputy attended