

United Lincolnshire Hospitals 
 NHS Trust

To:	Public Trust Board
From:	Peter Hollinshead, Interim Director of Finance and Corporate Affairs
Date:	2 February 2016
Healthcare standard	

Title:	TDA/Monitor Letter re 2015/16 Financial Outturn and 2016/17 Plan		
Author/Responsible Director: Neil Morton, Interim Deputy Director of Finance/Peter Hollinshead, Interim Director of Finance and Corporate Affairs			
Purpose of the Report: To highlight the key messages from the joint letter from TDA/Monitor regarding the 2015/16 Financial Outturn and 2016/17 Plan.			
The Report is provided to the Board for:			
Information	√	Assurance	
Discussion		Decision	
Summary/Key Points:			
<p>Following the announcement in the Spending Review regarding the additional £1.8bn Sustainability and Transformation Fund, the TDA and Monitor have issued a joint letter detailing the outcomes for the Trust and the requirements placed on the Trust in order to realise the settlement.</p> <p>The Trust have been asked to consider the offer and accept it by 8 February 2016 and in doing so accept the conditions attached to the offer.</p>			
Recommendations: The Trust Board is asked to note the conditions included in Appendix 2 of the joint TDA/Monitor letter and consider that the offer is formally accepted.			
Strategic Risk Register		Performance KPIs year to date	

Resource Implications (eg Financial, HR)
Assurance Implications
Patient and Public Involvement (PPI) Implications
Equality Impact
Information exempt from Disclosure
Requirement for further review?

1. Introduction

The purpose of the report is to highlight the key messages from the joint letter from TDA/Monitor regarding the 2015/16 Financial Outturn and 2016/17 Plan.

2. Funding offer for 2016/17

Following the announcement in the Spending Review regarding the additional £1.8bn Sustainability and Transformation Fund, the TDA and Monitor have issued a joint letter (see Appendix 1) detailing the outcomes for the Trust and the requirements placed on the Trust in order to realise the settlement.

The Trust have been asked to consider the offer and accept it by 8 February 2016 and in doing so accept the conditions attached to the offer.

The offer comprises a general element within the Sustainability and Transformational (S&T) Fund of £16.1m linked to and in addition to delivering a 2016/17 control total deficit of £47.9m. The letter clearly states that it does not expect to debate with Trusts on how these figures are derived but Trust Boards need to consider if the control total is achievable in 2016/17.

In the context of a forecast deficit of £60m in 2015/16 and £16.1m general STP support the control total of £47.9m is reasonable. The provisional financial analysis will be contained in the 8th February planning submission.

3. Conditions to the offer

It is important that the Trust delivers its forecast deficit for 2015/16 and is required to confirm that they have considered the accounting opportunities detailed in Appendix 4 of the letter that will help reduce the 2015/16 reported deficit and respond to the TDA on how much is attributable to each category.

The Trust will also have to sign up to three further conditions, as described in Appendix 2 of the letter. These are phased over the 2016/17 financial year and cover the following:

- Agreeing in Q1 and then delivery in Q2-4 a recovery plan and control totals for revenue and capital expenditure
- Agree a plan for maintaining performance trajectories for delivery of core standards to patients
- Working with commissioners to develop an integrated five-year plan and agree the plan with NHS England and NHS Improvement.

4. Payment of the S&T funding

The Sustainability and Transformation Funding will be subject to a quarterly review process in arrears and access to the funding will be through a formal agreement with NHS Improvement. The Trust will not be subject to a 'double jeopardy' situation whereby the funding could be lost as well as incurring penalties for not meeting the conditions.

Recommendation

The Trust Board is asked to note the conditions included in Appendix 2 of the joint TDA/Monitor letter and consider that the offer is formally