

Report to:	Trust Board
Title of report:	Finance Performance and Investment Committee Assurance Report to Board
Date of meeting:	23 February 2016
Status:	For Discussion
Chairperson:	Ron Buchanan/Trust Chairman
Author:	Mrs Jayne Warner/Trust Secretary

Purpose	This report summarises the assurances received, approvals and decisions made by the Finance, Performance and Investment Committee.
Background	This assurance committee meets monthly and takes scheduled reports from all Trust operational committees with a finance, estates and performance brief according to an established work programme.
	<p>Financial Performance Report/ Financial Recovery Plan</p> <p>The Trust was reporting that it would not deliver its control deficit of £40.3m. The adjusted forecast deficit for the year has been amended to £55.3m, including a £5m capital to revenue transfer.</p> <p>The Trust was reporting that it would meet the EFL and CRL.</p> <p>The committee was advised that guidance from the TDA/Monitor/NHSE may result in increased reinvestment from financial sanctions.</p> <p>The committee discussed the factors which had led to the adverse variance to plan. The opening of escalation beds above capacity assumptions. The premium cost of agency staff. Slippage on CIP programmes, loss of elective capacity and CCG fines and penalties.</p> <p>The committee sought further assurance on the impact of increased controls over agency spend, as the effect of these was still not fully evident in the expenditure. The Committee noted that spend was falling, however the Trust was still weakened in its negotiating stance with agencies due to the staffing levels in some areas.</p> <p>The Committee would receive further detail on agency expenditure.</p> <p>The Committee were updated on contract negotiations. The Trust had raised the following issues with the CCGs in reaching a year end settlement. The reinvestment of fines and penalties, CQUINs, pre winter capacity, winter planning and readmissions. The Committee were advised that there was a risk that negotiations would fail and the result in dispute.</p>

	<p>Capital forecast outturn 2015/16</p> <p>The Committee noted the month 10 capital spend position and the impact of the capital to revenue transfer.</p>
	<p>Operational Performance Report</p> <p>The Trust did not achieve the 4 hour waiting time target in A&E in January. The Committee noted the actions being taken and the issues with workforce and bed capacity. The Committee were alerted to the risk that a number of winter schemes in place would cease at 31 March which would increase the pressure.</p> <p>18 week RTT was currently at 92.1% and had been achieved for 6 months.</p> <p>Cancelled operations treated within 28 days continued to be an issue for the Trust.</p> <p>6 out of 9 cancer targets met in December. Work continued to recover the position in February.</p>
	<p>Working Capital Strategy</p> <p>The Committee considered a strategy to support ensuring the Trusts short and long term liquidity. The Committee would receive monthly reports on implementation going forward.</p>
	<p>Financial Plan 2016/17</p> <p>The Committee considered the draft financial plan. The plan when submitted in early February had worked to the year end forecast position of £57.8m deficit. The plan included scenario modelling of best and worst case. The Committee would receive the final draft in March complete with worked up efficiency plans with the final version being taken to the April Trust Board for approval.</p>
	<p>Sustainability and Transformation Fund conditions and assurance</p> <p>The conditions had been considered and responded to.</p>
	<p>TDA reflections from meeting observation – 22 December 2015</p> <p>The Committee considered the recommendations made from the TDA observations and discussed how these could be incorporated within the terms of reference for the new joint FPIC/Transformation committee.</p>
	<p>Estates Performance Report</p> <p>The Committee noted the report.</p>

	<p>Board Assurance Framework (BAF)</p> <p>The BAF risks related to the committee had been updated and reviewed No further assurances were sought by the committee further than those highlighted during discussions of the agenda items.</p>
Risks to refer to risk register	None
Key decisions taken	Agreement of working capital strategy.
Issues to escalate to Board	<p>The Trust was reporting that it would not deliver its control deficit of £40.3m. The adjusted forecast deficit for the year has been amended to £55.3m, including a £5m capital to revenue transfer.</p> <p>Continued failure to achieve A&E standard and the risk associated with removal of winter schemes in March.</p> <p>The end of year settlement negotiations and risk of resulting dispute.</p>
Challenges and exceptions	
Future exceptional items	

Attendance date

Voting members

Ron Buchanan, Trust Chairman (Chair)
Mark Brassington, Chief Operating Officer
Jason Burn, Interim Director of Finance

Non Voting members

Paul Boocock, Director of Estates and Facilities
Jan Sobieraj, Chief Executive

In attendance

Rachel Harvey, Head of Planning & Performance
Neil Morton, Interim Deputy Director of Finance
Tim Staniland, Non Executive Director
Jayne Warner, Trust Secretary