

Board of Directors - Public

Subject:	Report of the Finance Committee	29/06/17		
Prepared By:	Neal Gossage - NED, Chair of Finance Committee			
Approved By:	Neal Gossage - NED, Chair of Finance Committee			
Presented By:	Neal Gossage - NED, Chair of Finance Committee			
Purpose				
The Finance Committee met on 27 th June 2017. This paper informs members of the key matters discussed and assurances received for reporting to the Board of Directors:			Decision	
			Approval	
			Assurance	x
Strategic Objectives				
To provide outstanding care to our patients	To support each other to do a great job	To inspire excellence	To get the most from our resources	To play a leading role in transforming health and care services
x	x	x	x	x
Overall Level of Assurance				
	Significant	Sufficient	Limited	None
		x		
Risks/Issues				
Financial	As indicated in the reports to the Committee.			
Patient Impact				
Staff Impact				
Services				
Reputational				
Committees/groups where this item has been presented before				
N/A				
Update				
<u>Trust Performance</u>				
<p>The Trust reported a deficit of £3.33m for month 2 - £0.07m worse than plan. For the year to date, the deficit was £7.99m - £0.15m worse than plan. The results for the year to date are broadly in line with expectations but a number of key assumptions have been made including receipt of STF funding.</p> <p>A full reforecast will be prepared for submission to the Board at the July 2017 meeting.</p>				
<u>NHSI Monthly Reporting</u>				
<p>NHSI now requires the Trust to self-certify that the financial information submitted to the Board each month is consistent with that submitted to NHSI. As a result of the timing of meetings, this assurance was provided by the CFO and Secretary in June 2017. It is proposed that in future, the certification is included in the Finance Committee papers for approval each month.</p> <p><i>The Board is requested to delegate confirmation of the certificate to the Finance Committee from July 2017 onwards.</i></p>				
<u>CIP/QIPP</u>				
<p>Commissioners have issued a six month formal notice on QIPP schemes that were excluded from contract discussions last March. £9.4m of services were identified which could potentially result in £5.6m of income being removed from the Trust from 1 October 2017 (with the remainder in 2018/19). The CCG has not made any decisions about decommissioning services yet but the</p>				

Trust is considering how costs could be taken out from October to protect the Trust's position. It is not clear whether the notifications received are notices or matters for further discussion.

After extensive discussion, it was agreed that the Trust would consider what actions should be taken as a result of these notices and that the Alliance would report on the QIPP schemes which would deliver system-wide changes affecting the Trust. The main area of focus was rehab and whether the Alliance would be able to provide this service outside the acute element of the pathway.

There is still considerable risk around the delivery of the QIPP programme but the committee noted that the Alliance Board has now been established and appropriate governance processes have been put in place. The monthly report of the Alliance Leadership Board will be reviewed by the Finance Committee and the Alliance PMO lead will attend the Finance Committee on a quarterly basis to provide assurance to the committee.

The overall CIP target for the Trust for 2017/18 is £16.3m of which £6.2m relates to the STP. The year end forecast for CIP currently stands at £12.1m and work is ongoing to identify new schemes as well as deliver schemes currently in the pipeline. As noted above, there is risk that the QIPP schemes may not deliver the required savings and that many of the schemes are back-end loaded (i.e. should mainly deliver in the second half of the year).

Reference Costs

Work is ongoing to have the reference costs ready for submission early in August even though the deadline for submission of reference costs has been put back until later in August due to national issues.

The Board is requested to delegate sign off of the reference costs submission to the finance committee.

Divisional Assurance

The Finance Committee has a programme in place to review divisional performance in some detail each month, division by division.

The committee reviewed the Medical division at the meeting and received assurance that the division is performing in line with its financial plan but risks remain in the use of agency and locum staff. There has been some success in the division in filling consultant posts and this has resulted in an underspend against plan on locums.

BAF

The committee reviewed principle risk 4 and decided to leave the residual risk rating unchanged. It was agreed that this will be further considered at the next committee meeting when the reforecast referred to above is available.

NTG
27/6/17