

# Public Board Meeting

# Report

**Subject: Finance Committee Update**

**Date: 5<sup>th</sup> October 2016**

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## **Executive Summary**

Finance Committee report to the Board

The finance committee met on 27<sup>th</sup> September 2016 and has the following matters to escalate to the board:

### Performance for the 5 months to August 2016

The deficit for August was marginally better than plan and the year to date performance excluding LTP costs was £0.62m better than plan with a deficit of £31.7m.

The CIP plan is being exceeded for the year to date and a reforecast suggests that there is a gap at present of £0.84m to fill to achieve the target recognising the risk adjusted schemes in delivery and the pipeline. The assumptions and risks underlying the forecast were tested and assurance was received that the actions and mitigations in place give reasonable confidence that the plan can be achieved.

Capital expenditure is behind plan largely as a result of aligning capital programmes with those of NUH.

### Forecast Outturn

A detailed review of the forecast outturn was carried out during September and it is currently forecast that the control total will be achieved by the year end. That is predicated on the CIP being achieved, the S&T funding being received in full save for the shortfall for the year to date relating to the cancer standard and the CCG paying for additional activity as a result of additional demand for largely non-elective services.

The risks in the forecast were assessed by the committee and the actions and mitigation in place gave reasonable assurance that the forecast will be achieved.

### 2017/18 Plan

National planning guidelines were issued towards the end of September and the key points to note are:

- SFHT should plan as a sovereign organisation – any LTP costs will be overlaid on the Trust's plan separately
- The planning assumptions should be aligned to the STP
- Control totals will be issued by NHSI in the same way as for 2016/17
- Contracts with the CCGs should be agreed and signed by the end of 2016.

It is anticipated that the control totals will be issued during October so a further update will be provided at the next committee meeting.

Nervecentre

The committee considered the proposal to implement Nervecentre in place of VitalPac. The proposal had been considered by the Capital Planning Group through its confirm and challenge process and the committee was satisfied with the proposal and the alignment with NUH that the system provides. The committee approved the proposal subject to:

- Funding of £1.5m being made available by NHSI on top of the existing capital plan (£0.5m of the SFHT capital will be used in addition to the 'external' funding)
- Approval by the SFHT board

**Relevant Strategic Priorities (please mark in bold)**

Ensure the highest standards of safe care are consistently delivered by, and for, individuals, teams and departments	Ensure that patients experience the very best care, building on good practice and listening and learning from both negative and positive feedback and events
Provide timely access to diagnosis, treatment and care when people need it and safely reduce the time patients spend in hospital	Raise the level of staff engagement through strong leadership, communication, feedback and recognition
Reduce the scale of our financial deficit by reducing costs, improving utilisation of resources and productivity, and achieving best value for money	Work in partnership to keep people well in the community, and enable them to return as soon as they are ready to leave hospital
Develop and implement a programme of work in conjunction with Nottingham University Hospital NHST to create a new combined organisation	

<b>How has organisational learning been disseminated</b>	
<b>Links to the BAF</b>	
<b>Financial Implications/Impact</b>	
<b>Legal Implications/Impact</b>	
<b>Partnership working &amp; Public Engagement Implications/Impact</b>	
<b>Committees/groups where this item has been presented before</b>	