

Finance and Investment Committee Report

Trust Board	Item:17
3rd October 2018	Enclosure: M
Purpose of the Report: To provide an update from the Finance and Investment Committee meetings held on 22nd August 2018 and 27th September 2018.	
For: Information <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Discussion and input <input type="checkbox"/> Decision/approval <input type="checkbox"/>	
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Risk Implications – Link to Assurance Framework or Corporate Risk Register:	None
Legal / Regulatory / Reputation Implications:	
Link to Relevant CQC Domain:	Safe <input type="checkbox"/> Effective <input checked="" type="checkbox"/> Caring <input type="checkbox"/> Responsive <input type="checkbox"/> Well Led <input type="checkbox"/>
Link to Relevant Corporate Objective:	Corporate Objective 11
Document Previously Considered By:	N/A
Recommendations: The Trust Board is asked to note the report.	

Finance and Investment Committee 22nd August 2018

M4 Finance Report

The Finance Report for M04, showed an overall in-month deficit position of £0.6m (£0.2m favourable to budget including receipt of PSF) and a year to date deficit of £3.6m (£0.2m favourable to budget including PSF) with the major driver being additional income from ongoing high levels of non-elective activity partially offset with activity related increases in pay and increased non-pay costs linked mainly to premises costs. The pay award impact, yet to be reflected in the operating plan, is £0.1m for July, offset within income and shown under central budgets.

Meeting the Financial Challenge – FIP Tracking

The Committee reviewed the month 4 FIP position, and details were provided on the progress of various schemes and how they will be delivered. FIP achievement was £1.2m in month with 80% of the £12m target identified.

Financial Risks and Opportunities review

The Committee discussed the underlying end of year forecast, which was £1.8m below plan, largely due to FIP shortfalls. Mitigations of £1.4m had been identified, partially offset by £0.5m of risk, resulting in the final forecast being £0.9m behind budget. The aim would be to close this gap by the close of month 5.

Land Sale Update

A progress report on the proposed land sale was presented to the Committee. The Committee agreed to recommend to the Board that the 2 parcels of land should be sold.

Proposed Revision to Terms of Reference

It was proposed that authority from the board should be delegated to FIC in certain cases and a revised quorum would be required in order to facilitate this. The current quorum is for one NED; the Director of Finance (or Deputy acting up) and Chief Executive or an Executive Director deputising for them. The proposal is to add a NED to the quorum. It was agreed that the decision to proceed with this proposal be passed back to the board.

Finance Risk Register

The Committee was asked to note the 2018/19 Trust Financial Risk Register. Some of the risk scores had been reduced compared to the previous year as the Trust is currently achieving its financial targets. There was a discussion on the risks facing the trust from external partners and the risks of the trust being unable to reach its control total.

Loan Drawdown

The committee was asked to recommend to the Board a drawdown of £4.5m from of Fire Capital funding loan funding in August 2018.

Finance and Investment Committee 27th September 2018

M5 Finance Report

The Finance Report for M05 showed the Trust was in line with its plan year to date. The in-month deficit position was £1.0m (£0.2m adverse to budget including receipt of PSF) and a year to date deficit of £4.6m (in line with budget including PSF) with the major driver of the in-month shortfall being patient income coming in below plan.

Meeting the Financial Challenge – FIP Tracking

The Committee reviewed the month 5 FIP position. FIP achievement of £0.6m in month with 81% of the £12m target identified. The forecast position is £3.6m below plan, with £0.6m of mitigations identified to bring that to £3.0m below plan.

Financial Risks and Opportunities review (Including Land Sale and Control Total Incentive Scheme)

An updated version of the forecast was reviewed, many of the mitigations from last month have now been incorporated into the underlying forecast, which was now £6.8m (last month was £7.8m). Further risks (to the value of £1.2m) and Mitigations (totalling £2.0m) have been identified bringing the forecast deficit to £6.0m, which is in line with plan. The Finance team is working through the identified risks and mitigations with the Divisions to assure the values before incorporating them into the underlying forecast.

Finance Risk Register

The risk register was noted, with no change to the scores as at month 5.

Loan Drawdown

There are no loan drawdowns proposed for October.