

Finance and Investment Committee Report

Trust Board	Item: 11.1
29th January 2014	Enclosure: T
Purpose of the Report / Paper: To report to Board on the meeting of the Finance and Investment Committee held on 19 th December 2013	
FOR: Information <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Discussion and input <input type="checkbox"/> Decision/approval <input type="checkbox"/>	
Sponsor (Executive Lead):	Michael Jennings, Non Executive Director
Author:	Michael Jennings, Non Executive Director
Author Contact Details:	
Risk Implications - Link to Assurance Framework or Corporate Risk Register:	
Link to Relevant Corporate Objective:	
Document Previously Considered By:	
Recommendations & Action required: The Board is asked to note the report.	

Finance and Investment Committee 19/12/2013

The Committee considered the month 8 financial position. This showed the Trust's cumulative position to be a surplus of £1.0 million which is £0.3m adverse to plan. Year to date income was £1.8 million above the plan and net expenditure was £2.3 million above.

In month a £0.1m adverse variance on patient care income was recorded, mainly due to inpatients where there was underperformance on both electives and non electives. The pay position was £0.1m adverse in month, a decrease on trend, demonstrating the effect of the plans put in place to reduce temporary staffing.

The Trust released £0.4m of contingency to support the position, this is consistent with the forecast for the Trust at month 7.

The Trust is forecasting to meet the £2.3m surplus position by year end. The committee discussed the potential utilisation of reserves on non recurrent items in year such as SWL pathology.

The Capital programme is on £0.2m underspent at month 8 but is track to meet the quarter 3 and year end plan.

The year end accounts timetable was presented to the committee. The Trust is required to have an audit of the month 1 position and the month 2-9 position in January; the year end audit will then be completed in May.

The aged debtor report was presented, debt is still high and the Trust is working on reducing debt with St Georges as the largest debtor.

The committee was updated on the Integration Fund. CCGs have been informed of the amount necessary to transfer into the fund with Kingston CCG planned to make a £7m transfer. The committee discussed the need for the Trust to work with commissioners to ensure that we were an integral part of the new model of care.

A review of elective activity was presented; the key lessons learnt were to increase the sophistication of the annual plan to ensure it matches to known operational issues.

The committee reviewed a proposal for the settlement of contract issues with Prime. The implementation of the current proposals would mean that the Trust would have a £279k adverse impact on budgets in 2013/14 compared to a positive £60k at the best case and an adverse £537k in the worst case. These proposals are the end result of two mediations and two arbitrations and would remove all the ambiguities from the current contract. The proposals were agreed by FIC.

The committee received a contract update; key issues are the implementation in 2014/15 of personal health budgets; Prime Provider contracts and outcome based payments. The committee discussed a need for a marketing strategy to ensure the trust could take advantage of these changes to contract.

A productivity report was presented on the month 8 position increase compared to a low month 7 achievement. A number of schemes came on line in month 7 which were underperforming and mitigations were identified in month 8. CIPs are now planned to remain at 94-95% for the rest of the year.

An update on Service Line Management was presented. The committee noted the progress made in operations and finance.

A report on staff turnover was presented to the committee highlighting areas with high turnover and providing key themes within the Trust. A number of the issues were felt to be affecting staff turnover; as pay is not rising staff are moving jobs to increase pay. Some areas are not felt to be attractive to work in and reviews are taking place in these areas. Also additional training and development is being put in place. The committee asked for the report to be discussed at the next QAC.

A budget setting paper was presented to the committee. The capital plan is based on the IBP and is overcommitted to provide for slippage. The committee agreed to the plan. Revenue budgets are based on national guidance, CIPs have been set at 7% and the plan is to achieve a £2.3m surplus.

An update on SWL pathology was presented. The structure has been agreed, the Trust will be part of a consortium and will also be a provider and customer of that consortium to provide the greatest flexibility.

The committee noted the assurance in the Board Assurance Framework paper and agreed the changes.

The committee was updated on bulletins from Monitor, Grant Thornton and KPMG.

Michael Jennings, Chairman