

Finance and Investment Committee Report

Trust Board	Item: 12.1
Date 26TH March 2014	Enclosure: Q
Purpose of the Report: To report to Board on the meeting of the Finance and Investment Committee held on 27 th February 2014	
For Noting <input checked="" type="checkbox"/>	For Decision <input type="checkbox"/>
Sponsor (Executive Lead):	Michael Jennings, Non-Executive Director Chair of FIC
Author:	Michael Jennings
Author Contact Details:	
Financial / Resource Implications:	None
Risk Implications – Link to Assurance Framework or Corporate Risk Register:	None
Legal Regulatory / Reputation Implications:	None
Document Previously Considered By:	None
Recommendations & Actions required by the Trust Board: The Board is asked to note the report	

Finance and Investment Committee 27/02/14

Report in advance of full minutes.

The Committee considered the month 10 financial position. This showed the Trust's cumulative position to be a surplus of £0.9 million which is £0.4m adverse to plan. Year-to-date income was £2.0 million above the plan and net expenditure was £2.6 million above.

The Committee discussed the processes in place to manage overspending areas and ensure that performance was kept on plan.

In month a £0.1m adverse variance on patient care income was recorded, mainly due to inpatients where there was underperformance on electives. Non pay is £0.2million overspent; a review has been undertaken with the internal auditor and this will be reported to the Committee in March.

The Trust released £0.5m of contingency to support the position, this is consistent with the forecast for the Trust at month 9.

CIPs are at 97% in month and 96% year to date. The Capital Programme is £0.5m overspent at month 10 but is track to meet the year end plan.

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 committee reviewed the SWL pathology contract, business plan and discussed progress to date. A number of concerns were raised regarding operational issues that were not yet finalised. The Committee agreed to approve the consortium agreement in principle if the key issues were resolved prior to the 18 March, and delegated to a sub-group (Chairman, Chief Executive, Director Finance, and Director for Productivity, Improvement & Innovation) authorisation of the final agreement.

The Committee received a contract update. The 2014/15 contract negotiations are on-going. The proposals from the CCG were currently different from the Trust's, mainly around the forecast outturn and Raynes Park full year effects. The Trust is working with commissioners to resolve all issues and agree a contract by the 31 March.

A budget setting paper was presented to the Committee. The budget setting process has been run on a service line basis. Service lines were meeting with their executive leads to agree CIPs, cost pressures and budget lines before sign off in March.

The two year Monitor Business plan was presented. The Trust is planning for a surplus of approximately 1% in 2014/15 with a reduction in 2015/16 due to the introduction of the Better Care Fund, CRS and loan repayments. The 5 year plan, which is due in June, will include the costs of implementing the London Quality standards.

The Committee noted the progress made on the CRS re-procurement.

The Committee noted the assurance in the Board Assurance Framework and the changes made.

The Committee was updated on a bulletin from Monitor; this increases the efficiency requirement in 2015/16 to 4.5% from 4% in the business plans.

Michael Jennings, Chairman

Kingston Hospital NHS Foundation Trust – Public Trust Board – March 2014