

Finance and Investment Committee Report

Trust Board	Item: 15
Date: 27th March 2019	Enclosure:
Purpose of the Report: To provide an update from the Finance and Investment Committee meetings held on 26th February 2019 and 21st March 2019	
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 26th February 2019

The following key points were discussed at FIC in February:

1. Risk Rating of 1 – the Trust continues to report an NHSI Financial Risk Rating of 1, and is £0.1m ahead of the Control Total YTD at month 10.
2. EDRM – Following provisional approval at the January Board, The Electronic Document Management Business case was presented to FIC for final confirmation. The Committee was assured that, following a review across SWL on how EDMR had or was currently being rolled out, no changes to the plan would be required, and therefore the Board Approval was confirmed.
3. HSLIP Bids – the Trust has agreed to host two system wide IT projects for which funding has been granted. The case for delivering these projects was reviewed and assurance was sought on the governance process. The Director of Finance at KHFT would be the Senior Responsible Officer, and progress on the case would be provided to Trust CEO's via the Acute Provider Network. The Committee recommended the case be taken to the Trust Board for approval.
4. Budget setting: The first draft NHSI budget submission was discussed by the Committee, with a robust discussion on Commissioner funding and the potential for a block contract. The Committee enquired about the Blended Payment mechanism which was still under discussion with Commissioners, and further discussion would follow at the March FIC. The bottom up budget was still under review, with cost pressures not yet finalised. The aim was to provide a completed budget proposal to the March FIC.
5. The Committee acknowledged the hard work of Trust staff over winter, which was delivered efficiently, and to high quality standards despite increased activity. The beds closed over the summer remained closed, and this delivered an economic benefit to the financial position.
6. Land sale – The Committee asked for assurance on the successful bidder and funding sources, which had changed, and it was confirmed that due diligence had been conducted by the agents. Following a robust conversation, it was agreed that a note of any further changes would be circulated to the Board for approval as appropriate.

Finance and Investment Committee 21st March 2019

The Committee discussed the following key topics in March:

1. Month 11 performance was ahead of plan by £0.1m year to date, and the Use of Resources risk rated score was 1 year to date against a plan of 2. Cash was £5.2m at the end of February, and working capital had decreased marginally by £0.3m.

2. The Committee sought assurance that the forecast outturn would be achieved, and that all known risks and opportunities had been played in. It was confirmed that the CCGs had agreed to pay additional over-performance above the previously agreed year end deal as activity has been significantly higher than expected. Therefore the forecast achievement of the control total was assured.
3. The Committee congratulated the team on the progress that has been made this financial year on long running projects such as Theatre Efficiency, DTOCs and inpatient flow. It was acknowledged that a tremendous amount of work had gone into delivery of these projects which were finally gaining traction.
4. eRostering business case – the Committee sought greater assurance around the significant investment required and the expected benefits and associated risks. As a result, a more detailed review of the risks will be provided through EMC and the project will be monitored via FIC going forward. The case was approved.
5. 2019/20 Budget Setting and Contracting: The draft budgets were presented to the Committee. The Committee discussed the various alternative commissioning contract mechanisms, including the possibility of agreeing a block contract with SWL STP commissioners. Greater assurance has been sought by the Committee around the mechanisms by which system partners will be held to account for transformational initiatives that will enable a block contract to be successfully delivered. The budgets that were presented reflected the current contract proposal for income, with cost pressures being offset by £8.8m (3.6%) efficiency savings.
6. The Committee discussed the capital plan and agreed to recommend to Board an indicative capital plan should be approved at £25m with an the Executive would conduct further risk assessed analysis to determine the detailed programmed of works which would then come to FIC for final approval in April.
7. The Committee discussed whether it would be appropriate to accept the control total now that the bottom up budget setting was completed and there was visibility of the overall financial position. This will be further discussed at the Board following additional information to be provided regarding the contracting arrangements.
8. Land Sale – an update was provided to the Committee, confirming that the contracts had been exchanged and the deposit received, and therefore the land sale element of the control total would be achieved in 2018/19.