

Enclosure P

Update from the Finance and Investment Committee

Trust Board	Item: 20
7th February 2018	Enclosure: P
Purpose of the Report: Update from the Finance and Investment Committee meeting on 4 th January 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
Link to Relevant Corporate Objective:	Corporate Objective 11
Document Previously Considered By:	N/A
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 checked="" type="checkbox"/>	
Recommendations: The Trust Board is asked to note the report.	

Finance and Investment Committee 4th January 2018

Forecast Review

Trust Executives were due to meet NHS Improvement on 10th January 2018 in line with the protocol for re-forecasting. There was consensus that transparency on impact of winter and complexity of the financial position was important and a need to understand the implications of re-forecasting. It was agreed that a reforecast remained the Board's likely position.

JF updated FIC on discussions with commissioners regarding the 2017/18 position. In line with further guidance received from NHSI, the CQUIN risk reserve would be factored out of the M9 and forecast position.

Bed Tender

Detailed discussion took place relating to the collaborative approach to this procurement and the subsequent contracting mechanisms. JG asked for an outline of the risks posed to the Trust if there was a material change to the contract for other partners. The discussion highlighted the importance of a clear governance framework for these types of collaborative procurement. It was agreed to proceed and award the contract to the preferred bidder.

Working Capital and Loan Position

An update on STF funding was provided, together with an outline of capital loan support received and requested. An application for interim support would be submitted by 11th January 2018 as a contingency which would be repaid on receipt of the capital loan. Discussion concluded that the current picture is challenging, however, the Trust continues to remain solvent subject to continued NHSI support. It was agreed that the underlying financial position is a longer term discussion and discussion would take place with NHSI on this at a future meeting following the one scheduled for 10th January 2018.

M8 Finance Report

The Finance Report for M8, showing an overall in-month deficit position of £0.9m, was discussed. Excluding STF this was £1.5m adverse to the budgeted position. The YTD deficit of £4.5m was £3.3m adverse to budget. The Committee explored the detail of the adverse income position for A&E due to a reduction in average price. Drivers of the non pay overspend were discussed.

The impact of winter pressures on the Trust were acknowledged. A review of spend on winter pressures versus expectations would be undertaken.

Month 8 Partnerships' financial performance

The Committee reviewed the forecast and budget positions for partnerships. In response to a question from JG, the Committee discussed any risks to compliance with the BMI contract as the end of contract term approaches. Profit share arrangements for SWLP were also discussed and JF agreed to review these with the DoF.

FIP Progress Report

There was little change to report for 2017/18. Pay related areas continued to be the main cause of the shortfall. JF explained that focus would now shift to planning for 2018/19. SB asked about the

impact of delay to the planning process should the heightened state of escalation continue into February. JF proposed that EMC continue to oversee the business planning/budget setting process and flex as necessary in light of operational pressures.

There was general discussion around how much time we should be spent refining rather than changing the current model. JF reflected that 2018/19 would need to be a transition year to a new model.

Service Line Reporting and Costing

The Committee received a paper highlighting progress with improving service line reporting. The monthly Patient Care Financial Performance meeting was proving an opportunity for further engagement, review and benchmarking. Discussion related to the potential uses and opportunities to further enhance reporting.

The report also shared progress against the action plan from the previous audit. The most recent self-assessment exercise highlighted that significant improvements had been made. Progress against the recent EY costing assurance review was also shared.

Implementation of a new costing transformation compliant system early in 2018 would support all of the above.