

Report to:	Trust Board
Title of Report:	Finance, Investment & Performance Committee Assurance Report to Board
Date of meeting:	24 May 2016
Recommendation:	For discussion
Chairperson:	John Brougham, Non-Executive Director
Purpose	This report summarises the assurances received, approvals and decisions made by the Finance, Investment and Performance Committee (FIPC).
Background	The FIPC meets monthly and takes scheduled reports from all Trust operational committees with a finance, information technology and performance brief according to an established work programme.
Business undertaken	<p><u>Integrated Performance Report</u></p> <p>The Committee's focus is on the Responsive section of the IPR which includes performance target times for Referral To Treatment (RTT), Diagnostics, A&E, Cancer, treatment of patients following cancellation of operations and outpatients' appointments, and the number of Delayed Transfers of Care (DToc).</p> <p>The four days of strikes in April by junior doctors impacted on performance in a number of areas, in particular elective admissions and outpatient appointments, with the loss of over 80 operations and 800 outpatient appointments. RTT Incomplete slipped by a further one per cent from March to 88.6%, compared to the 92% standard, and the outpatient cancellation rate was 12.9% compared to the target of 8%.</p> <p>Eight of the twenty Responsive indicators achieved target in April, one less than in March, with the 31 day cancer waiting time target slipping to 95% compared to the 96% standard, offset by the breast cancer symptomatic two week waiting time improving to 94.9% versus the 93% standard. For the first time in calendar 2016 the 52 week waiting time target of zero was breached with two recorded cases. As both cases related to patient choice, classification as a failed target in April is provisional and being reviewed.</p>

The Committee's main focus is on the recovery plans for underperforming areas to achieve standard, and is assured by the internal plans in place. These plans will continue to be scrutinised to give assurance of delivery but more progress needs to be made with the ongoing discussions with our healthcare systems partners for the Trust to be able to achieve target performance in a number of areas, in particular unscheduled care and DTOCs.

ICT Infrastructure Improvement Programme

It has become increasingly clear that the poor condition of the local area network, which links all the computer applications in the Trust, is a major risk to completing the ICT infrastructure programme by the end of the summer. Discussions have now been escalated further with our contracting company to resolve.

Finance Report including SLAs and CQUINs

The I&E deficit in April of £4.2m was £0.3m adverse to the budget of £3.9m, with total revenues down by £0.5m at £25.2m, partly offset by £0.2m lower pay costs of £18.6m.

The Committee reviewed two key programmes, cost improvements (CIPs) and reduction in agency costs, where successful delivery is key to ensure that the full year deficit target is not exceeded.

In April cost improvements of £0.2m were recorded, in line with plan, which has a slow start to the year, but which accelerates to a budget of £14m for the full year. Currently £7.9m of CIP schemes have been identified for delivery in the year and a rapid increase is required to give assurance that the full year plan can be achieved. Tracking the programme is a standing item on the agenda, and the Committee requested sight of the Executive Directors responsible for delivery of each CIP, including cross cutting ones, to ensure that there is no ambiguity on ownership.

The reduction in agency costs is encouraging. From a peak of £3.6m, 20% of total pay costs, in October 2015, the monthly spend has reduced consistently month by month, and in April was £2.6m, 14%, 1% better than the budget of 15%. The Committee recognise that there is no complacency here as there is still a long way to go to achieve the target of under 10% by March 2017.

It should be noted that whilst the budget was submitted to NHSI in April there has been no formal confirmation of acceptance, including the central planning guidance that the assumption should be that there will be no net financial loss to Trusts from contract penalties with commissioners, including re admission penalties.

The CQUIN schemes agreed with the HVCCG for 2016/17 total £6.8m, which are built into the Trust's budget and require full compliance with supporting evidence for the revenue to be recognised. The Committee recognise that full achievement is challenging but achievable, which needs a big improvement over last year. Tracking of CQUINs will be a standing item on the agenda and for further assurance the Committee requested further detail on them, including early milestones, and clear Executive Director ownership.

ITFF Funding Application

The Committee reviewed the timetable for submission for funding for 2016/17, including the £36.9m deficit and £10.9m of capital spend. The submission includes a five year plan and needs to be made by July 1 in order to be drawn down by the end of August, when new funding will be required. The June FIPC is scheduled to review and approve the draft submission, with formal approval by the July Board.

Business Case Reviews

The Committee reviewed two business cases, where the cost projections to completion are significantly higher than original expectations. The Committee decided that the business cases should be presented to part 2 of the June Board, and gave guidance on the structure and content of an executive summary that clearly articulates the reasons for the cost increase, the lessons learned, the actions taken to recover and highlighting and explaining any changes in clinical and other benefits from the original projections.

Risks to refer to risk register

The condition of the LAN and the risk to the delivery of the ICT Infrastructure Programme should be reassessed following further high level discussions with the contracting company.

Issues to escalate to Board

The Committee recommends a paper on projected overspend on two major capital programmes is on the agenda for Part 2 of the June Board.

Attendance record

Attended

John Brougham, Non-Executive Director (Chair)

Prof. Steve Barnett, Chairman

Lisa Emery, Chief Information Officer

Don Richards, Chief Financial Officer

Tom Drabble, Patient's representative

Mike van der Watt, Medical Director

Stephen Dunham, Assistant Director of Finance & Corporate Development

Phil Townsend, Non-Executive Director

Mark Taylor, Project Manager (for item 12)

Apologies

Lesley Headland, Chair of Staffside
Kevin Howell, Director of Environment
Sally Tucker, Chief Operating Officer (Interim)
Jac Kelly, Chief Executive

Clerk

Clare Ransom, Executive Assistant