

## CHAIR'S KEY ISSUES

### ISSUES FOR REFERRING / ESCALATING TO BOARD / COMMITTEE / TASK & FINISH GROUP

**PART A:**

<b>ORIGINATING BOARD / COMMITTEE / TASK &amp; FINISH GROUP:</b>		Finance & Performance Assurance Committee	<b>DATE OF MEETING ISSUE RAISED:</b>	20 December 2018	
<b>CHAIR:</b>		Julie Parker, Non-Executive Director	<b>LEAD EXECUTIVE DIRECTOR:</b>	Dawn Scrafield, Director of Finance	
Agenda Item No.	DETAILS OF ISSUE:	FOR APPROVAL / ESCALATION / ALERT/ ASSURANCE / INFORMATION?	RISK REGISTER / BAF REFERENCE	PAPER ATTACHED √	
6 & 8	<p>Financial Performance &amp; Cost Improvement</p> <p>The Trust was £5.2m deficit in the month, which was a deterioration compared to last month (£3.5m). The issues are the same, overspending on pay (£1.6m against plan), loss of Provider Sustainability Fund (£2m in the month) and non-delivery of CIP (£0.8m).</p> <p>The key risks in the month relate to the Agenda for Change consequences on the third party contracts, particularly OCS in Ipswich (£1.3m) and over performance in the Routine Elective Services Contract (£1.9m). Actions to mitigate this risk are in progress.</p> <p>The pay run rate in the month as deteriorated in the month from £34.7m to £35.6m, driven by medical move from £5.8m to £6.3m in the month, particular in surgery and anaesthetics. Spend compared to the agency ceiling continues to be high (£11.9m v £9.6m for the period).</p> <p>Due to the deteriorating financial position, we are now drawing down additional borrowings to support the cash flow. The payments of creditors is improving.</p> <p>The cost improvement programme (CIP) forecast is maintained at £26.6m. There is now a focus on the CIP pipeline for 2019/20. There is currently £4.5m of pipeline schemes identified and</p>	Escalation			

	further work is progressing to review opportunities through GIRFT and Model Hospital.			
7	<p>Financial Recovery Plan</p> <p>The plan has been updated to include the month 8 position, which is a deterioration compared to the previous plan. The executives have reviewed the position and further actions will be taken to enforce financial control measures from January.</p> <p>Whilst it can be seen that there are some financial improvements, the scale of improvement is not yet sufficient to give complete confidence in recovery. The committee were reminded that the Board was keen to maintain the forecast as per the control total, however with the recent information from month 8 the ability of realising the ambition of delivering the financial recovery by the end of March is a higher risk and less likely than was presented to the Board in November.</p> <p>There is now greater certainty regarding CCG support (£6.2m), however the level of financial recovery plans have reduced (£5.5m - £3.1m) due to the impact assessment on supporting safe care through winter. There is now greater confidence in delivery the plans that have been included.</p> <p>To achieve a best-case plan there is currently a gap in the recovery plan of £3.8m and a risk assessed likely gap to the achievement of the control total of £7m.</p> <p>The communication to the organisation needs to be clearer and it was acknowledged that the messages need to be issued to the organisation and the priority of financial recovery for the final quarter of the year. It was noted that based on the forecast spending level of £170m, the recovery is feasible.</p> <p>Delivery of the financial recovery plan, and the consequences of the achievement or otherwise of this will impact on 2019/20 and the ambition of the clinical strategy could be challenged if the current business cannot be delivered.</p>	Escalation		

	<p>The committee concluded that the control total will not be requested to be changed, however the greater risk of delivery will be reinforced with NHS Improvement. The committee expects the Executive to take action in the organisation to deliver this on the basis that a change in control total would result in imposed special measures actions, which the Trust should be pursuing in response to this priority.</p>			
9	<p>Performance</p> <p>The Emergency Department Performance is maintained above 95% in Colchester, however the performance in Ipswich has deteriorated over the last 6 weeks resulting in the ESNEFT performance for November being below the standard at 93.64%. Recovery plans are in place and actions following a review of the departments will be progressed in January. Bed flow arrangements are closely being managed; these are more challenging on the Ipswich site. The reporting of the average patient wait for admission was reviewed and it was suggested this information should be shared with QPS for consideration.</p> <p>Cancer performance is not delivering as per the recovery plan with performance in November being at 78.35%. This is primarily due to delays in urology service responsiveness. Demand and capacity is being reviewed in this area.</p> <p>Diagnostics will be back on track in January – the dip in performance is due to the demands from RTT and cancer access standards.</p>	<p>Assurance</p> <p>Escalation to QPS</p>		
10	<p>Costing Transformation Plan (CTP)</p> <p>The CTP is a replacement of the historically Reference Cost Reporting. The committee were updated on the external audits undertaken in legacy bodies on the progress against the national CTP. Colchester were non compliant as the Trust had opted not to progress this programme ahead of the national roll out. Ipswich received a number of recommendations from issues that had been identified as an earlier adopter. These recommendations are being progressed as ESNEFT, with a view to establishing robust CTP governance and delivery.</p> <p>Key areas of focus in costing across the organisation are in relation to rehabilitation, chemotherapy, community services, outpatients, emergency department, critical care and overall clinical engagement.</p>	<p>Assurance</p>		



	retrospective assessment, unlike the prospective assessment of other domains carried out by the CQC. A timetable for the assessment preparation was considered and will be incorporated in the overall planning by the Director of Corporate Governance.	POD		
13, 14	Other Matters Considered by the Committee: <ul style="list-style-type: none"> <li>• Transformation Report</li> <li>• Committee Effectiveness</li> </ul>	Information		
<b>DATE COMPLETED AND FORWARDED TO SEC OF RECEIVING BOARD / COMMITTEE / TASK &amp; FINISH GROUP:</b>				

**PART B:**

<b>RECEIVING BOARD / COMMITTEE / TASK &amp; FINISH GROUP:</b>			<b>DATE OF MEETING ISSUE CONSIDERED:</b>	
<b>CHAIR:</b>			<b>LEAD EXECUTIVE DIRECTOR:</b>	
<b>Agenda Item No.</b>	<b>RECORD OF CONSIDERATION GIVEN / APPROVAL / RESPONSE / ACTION:</b>			
<b>DATE COMPLETED AND FORWARDED TO CLERK OF ORIGINATING BOARD / COMMITTEE / TASK &amp; FINISH GROUP:</b>				