

CHAIR'S KEY ISSUES

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

PART A:

ORIGINATING BOARD / COMMITTEE / TASK & FINISH GROUP:	Finance and Performance Assurance Committee	DATE OF MEETING ISSUE RAISED:	24 July 2019
CHAIR:	Julie Parker Non-Executive Director	LEAD EXECUTIVE DIRECTOR:	Dawn Scrafield Director of Finance

Agenda Item No.	DETAILS OF ISSUE:	FOR APPROVAL / ESCALATION / ALERT / ASSURANCE / INFORMATION?	Board of Directors Update
7	<p>Financial Performance</p> <p>During June, the Trust reported a deficit of £13.1m. This was adverse to plan by £9.6m and adverse to budget by £9.8m. The cumulative position is a deficit of deficit of £18.0m, which is adverse to plan by £10.5m and adverse to budget by £13.2m. This includes the impairment and in addition the loss of £3.9m Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF) for the first quarter, as we have not achieved our financial control total for the period. It is possible for the Trust to earn this back through financial recovery.</p> <p>Drivers of the variation for the quarter include shortfall on specialist income (£1.9m) significant overspending on junior medical staffing (£1.7m) and under delivery of cost improvement programme (£4.5m), offset to some extent by release of one of benefits (£3.8m). Divisions have completed a forecast using month 2 and month 3 information.</p> <p>Based on the current behaviours and actions the Trust is predicting a £25m variance to the plan. A financial recovery plan is in development and divisions have been requested to establish financial recovery arrangements within their divisions to ensure that ownership of the recovery reflects the expectations of the accountability framework. Currently the financial recovery actions value £8.6m, leaving a shortfall currently of £16.4m. The consequence of not recovering by the end of the financial year will also be the loss of PSF and FRF of £26.2m. Financial recovery is a key risk for the Board to consider, as the committee is not assured particularly in the absence of a robust recovery plan.</p> <p>Risks and opportunities outside of the forecast are expected to deliver a net benefit, however these opportunities are expected to form part of the financial recover plan.</p> <p>Following the review of the capital programme to consider what schemes could slip into 2020/21, a revised capital programme has now been developed that will reduce spending by £5.8m. This is a risk for the Trust as it will constrain capital developments beyond those contractually committed. This is shared in Appendix A of the CKI for approval.</p>	<p>Escalation</p> <p>Approval</p>	

Agenda Item No.	DETAILS OF ISSUE:	FOR APPROVAL / ESCALATION / ALERT/ ASSURANCE / INFORMATION?	Board of Directors Update
8	<p>Cost Improvement Programme</p> <p>Progress in CIP delivery is steady, but still under performing. £15.6m CIP is now forecast for delivery, with £20.5m (£18.3m in month 2) of schemes identified (the difference being schemes that require a quality impact assessment).</p> <p>The report has been refreshed and the CIP programme now highlights that further work is necessary to increase the level of CIP associated with transformation schemes. External support has now commenced and the focus is to concentrate on areas that will increase transformation benefits as well as supporting the success of financial recovery.</p>	Assurance	
10 & 11	<p>Performance RTT Discussion paper</p> <p>The committee discussed the requirements and expectations of RTT delivery and noted that Commissioners have written to the Trust regarding performance. The Trust is currently behind where the plan expected, due to factors inside and outside the Trust control. The balance will need to be struck between managing capacity, managing resources and good data management to deliver the recovery and this is reflected in the recovery plan. It was noted that we should not underestimate the considerable concerns regarding the impact of the pension liability impact on individuals wishing to do additional hours, which is affecting the available capacity. The RTT plans need to be aligned with the financial recovery plan.</p> <p>Diagnostic performance achieved recovery in June as predicted. Emergency performance on the Colchester site also improved. However, Cancer performance has deteriorated. A formal correspondence was shared with divisions setting out the expectations and operational discussions have progressed regarding recovery. While Cancer performance has deteriorated in June, it is also expected there will be a further deterioration in July. Support services are being reviewed to ensure that the cancer recovery plan is effective. The committee shared the concerns and extreme disappointment conveyed of the Managing Director. Delivering an improved performance in this area will be beneficial to patients. RTT and overall Emergency Department performance standards have also deteriorated.</p> <p>The new Director of Operations presented the Integrated Services performance report. Helpful discussion reflected on the importance to receive meaningful information. Delayed Transfers of Care in the Community hospitals has a particular focus at the current time. Overall length of stay within community services is broadly as expected and on plan.</p>	Assurance Alert	

12	Board Assurance Framework – Risk with regards to growth exceeding capacity A deep dive review of this risk highlighted that the level of risk in this areas is considered to be increasing, which correlates with the financial and performance delivery deterioration. Whilst reports have been received by the committee they have highlighted gaps in assurance. It was highlighted that there may need to be more frequent reporting regarding the demand aspect of the risk. A paper will be bought back in September to the Finance & Performance Committee.	Information	
13	Building for Better Care We are awaiting final sign off for the initial ‘Strategic Outline Case’ (SOC) before the ‘Outline Business Case’ (OBC) can be submitted. Planning applications have been progressed and public communications and engagements have commenced.	Escalation	
AOB	New Business Group The committee noted that this sub group has now been established for discussing commercial changes and opportunities affecting the Trust business. The Board will be informed as opportunities and actions arise requiring Board approval.	Information	
9, 14, 15, 16	Other Matters Considered by the Committee: <ul style="list-style-type: none"> • Use of Resources • Theatres Productivity • Alliance Development for Ipswich and East Suffolk was deferred until August • Transformation Report 	Information	
DATE COMPLETED AND FORWARDED TO SEC OF RECEIVING BOARD / COMMITTEE / TASK & FINISH GROUP:			

PART B:

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

APPENDIX A

REVISED ESNEFT Capital Programme 2019/20

£000s	Plan	Annual Forecast	Schemes to Defer	REVISED Plan	Contractually Committed	Risk Impact of deferment
Business As Usual						
Medical Equipment	2,300	2,275	493	1,782	No	Delay in replacing out of date equipment for 2 months significantly increases risk of adverse impact on service delivery and patient care
Radiotherapy ARIA Hardware	700	700	-	700	Yes	
Bowel Scope/Endoscope Replacement	230	230	-	230	No	
Radiology Equipment Replacement	400	400	200	200	No	Delay in replacing out of date equipment for 1 month unlikely to have significant impact on service delivery and patient risk
Radiology Equipment (ED Ips)	280	280	-	280	Yes	
Pathology Equipment Replacement	100	100	-	100	No	
Digital Mammography Equipment	300	300	-	300	No	
CT Scanners Replacement	750	750	750	-	No	Delay in replacing out of date equipment could impact on service delivery and patient risk but manageable.
Endoscopy MSC Asset Replacement	195	195	-	195	Yes	
PFI Lifecycle Costs	786	786	-	786	Yes	
Other Non-Medical Equipment Replacement	200	200	150	50	No	Delay in replacing out of date equipment could impact on service delivery
Estates & Facilities	3,000	3,000	400	2,600	No	Programme already only met red rated backlog maintenance. Further delay significantly increases risk to service delivery and patient experience.
ICT	1,555	1,555	420	1,135	No	Deferral of ICT equipment replacement for 1 month will not have significant impact.
Subtotal	10,796	10,771	2,413	8,358		
STP Developments						
Project Resource Plan	2,585	2,585	1,185	1,400	No	Delay manageable but increases risk to project delivery
MRI Scanner (Ipswich)	2,231	2,050	2,050	-	No	Delay manageable but increases risk of service disruption
Subtotal	4,816	4,635	3,235	1,400		
Strategic Developments						
Aseptics Upgrade	2,400	2,400	-	2,400	Yes	
Energy Reduction/Efficiency Schemes	1,000	1,000	-	1,000	Yes	
Interventional Radiology/Cath Lab	1,400	1,400	-	1,400	Yes	
Cancer Centre	2,250	2,250	-	2,250	Yes	
Wellness Centre	510	510	-	510	Yes	
Car Park Management (Travel Plan Facilities)	200	200	200	-	No	Scheme can be delayed without impacting on patient care
Front Entrance - Retail Development	6,100	6,100	-	6,100	Yes	
Front Entrance - Reception & UTC Fit out Wc	300	300	-	300	Yes	
Subtotal	14,160	14,160	200	13,960		
Divisional Schemes						
Mortuary Refurbishment (Ips)	985	979	-	979	Yes	
Mortuary Capacity Expansion (Col)	725	725	-	725	No	
Phlebotomy Booking System	-	24	-	24	Yes	
Chemocare Upgrade	-	25	-	25	Yes	
Electronic Requesting & Reporting (ICE)	375	375	-	375	Yes	
Community Data Warehouse	183	194	-	194	Yes	
Patient Flow	142	142	-	142	Yes	
Patient Portal	-	31	-	31	Yes	
Cancer Improvement Equipment	-	71	-	71	Yes	
Subtotal	2,410	2,566	-	2,566		
Total Capital Programme	32,182	32,132	5,848	26,284		