

FINANCE & INVESTMENT COMMITTEE UPDATE	
Date of meeting	Friday 31 August 2018, 09:00h – 10:30h
Attendees	Mike Hoare (Chair), Harjinder Kang, Richard Samuda (part), Rachel Barlow, Raffaella Goodby, Dinah McLannahan and Elaine Quinn.
Apologies	Mrs Marie Perry and Mr Tony Waite.
Key points of discussion relevant to the Board	<p>Strategic Board Assurance Framework – Ms McLannahan presented the refreshed SBAF entries aligned to the FIC. The Committee challenged and confirmed the risks and the controls/assurances in place, in advance of the September Board meeting. A further update on the SBAF will be provided to the Committee.</p> <p>Financial Performance – Ms McLannahan presented the P04 financial performance overview and Q2 forecast and remediation. The committee noted the shift towards a forward look, rather than a retrospective view. The P04 position was reported on plan, and was noted to be driven by vacancies and strong income performance. The position includes £2.47m of ytd CIP slippage. The Committee noted that the Trust has identified £5m towards the £9m gap to delivery of control total. Work is on-going and commercialisation opportunities are to be explored / identified in relation to the £4m shortfall. Discussion took place around agency spend slippage and the further grip and controls in place for mitigation. Concerns remain around the non-pay CIP schemes and Ms McLannahan reported on the work being undertaken to get the procurement work plan back on track. I&E CIP remains the biggest risk and there is to be a rapid focus around the forward look for Q3 and Q4; details of which will be provided at the September FIC meeting.</p> <p>Production Plan – the Committee received the Q1 outturn position and noted the forecast under-delivery in Q2 and the mitigation plan in Q3 to rectify the position. This was noted to be due to a delay in recruitment to identified posts for the step up in income, combined with a loss of previously established posts. Plans have been identified to mitigate the entirety of the gap by switching funding between specialties (Ophthalmology and ENT to General Surgery and T&O). Forecasting to date has been accurate and the identified mitigation plans were noted to have only a low level of risk built in.</p> <p>Implementation of Oracle system recovery plan – the Committee heard about the backlog within the Accounts Payable team due to issues with the implementation of the new Oracle system. Ms McLannahan clarified that the Trust does have non-NHS creditors that have been outstanding payment in excess of 60 days.</p>

	This is contrary to the previous assurances that had been provided to the Board. Actions are underway to improve the position.
Positive highlights of note	P04 financial performance.
Matters to escalate to the Board	The Committee determined that the following matters should be escalated for specific consideration by the Board: <ul style="list-style-type: none"> • 60 day non-NHS creditor payment position; • Ms McLannahan (in Mr Lewis's absence) to update the September Private Board on the LTFM position; • Assurance around the production plan and forward look; • Agency spend.
Matters presented for information or noting	None.
Decisions made	None.
Actions agreed	No specific additional actions beyond those being progressed by management.

Mike Hoare

CHAIR OF THE FINANCE AND INVESTMENT COMMITTEE

For the meeting of the Trust Board scheduled for 6 September 2018