

FINANCE & INVESTMENT COMMITTEE MINUTES

Venue: Room 13, Education Centre, Sandwell
General Hospital

Date: 31 August 2018, 0900h – 1030h

Members present:

Mr Mike Hoare	Chair
Mr Richard Samuda	Chairman (from item 7)
Mr Harjinder Kang	Non-Executive Director
Mrs Raffaella Goodby	Director of People & OD
Ms Rachel Barlow	Chief Operating Officer

In attendance:

Ms Dinah McLannahan	Acting Director of Finance
Mrs Elaine Quinn	Executive Assistant

Minutes	Paper Reference
1. Welcome, apologies and declarations of interest	Verbal
Apologies were received Mr Waite and Mrs Perry.	
2. Minutes of the previous meeting held on 27 July 2018	FIC (08/18) 001
The minutes were agreed as a true and accurate record, subject to the amendment of a typographical error on page 3, paragraph 3 which is to be amended to 're-phasing'.	
2.1. Matters arising and update on actions from the previous meetings	FIC (08/18) 002
The Committee noted that any on-going actions were either not yet due, or were included for discussion as part of the agenda.	
3. Strategic Board Assurance Framework	FIC (08/18) 003
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.	
ACTION:	
A further update on the SBAF is to be provided to the Committee.	
4. Financial Performance – Q2 Forecast & remediation	FIC (08/18) 004
Ms McLannahan presented the P04 financial performance overview and Quarter 2 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 Committee noted there had been £1.5m of technical support that would allow for any fines or future data challenges from the CCG. The position includes £2.47m of ytd CIP slippage.	

<p>Capital spend was noted to be on plan once all commitments have been taken into account. 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.</p> <p>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. She highlighted a recent meeting she had held with the Deputy Director of Finance at Dudley Group of Hospitals (DGoH). The Trusts Head of Procurement would also be meeting with the Head of Procurement at DGoH, whose data sets were noted to be more granular in comparison.</p> <p>Discussion took place around issues with ante-natal tariffs and challenges. Ms McLannahan reported that she would be writing to local Trusts to get them to sign up to an agreement, so that any existing payment issues can be resolved.</p> <p>I&E run rate and CIP delivery remains the biggest risk and there is to be a rapid focus around the forward look for Quarter 3 and Quarter 4; details of which will be provided at the September FIC meeting.</p>	
<p>ACTION:</p> <p>I&E CIP forward look for Quarter 3 and Quarter 4 to be provided at the September FIC meeting.</p>	
<p>5. Production Plan – forecast & remediation</p>	<p>FIC (08/18) 005</p>
<p>The Committee received the Quarter 1 outturn position and noted the forecast under-delivery in Quarter 2 and the mitigation plan in Quarter 3 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. Ms Barlow highlighted the plans that 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>6. LTFM Development</p>	<p>Verbal</p>
<p>Mr Lewis was not in attendance to verbally update the Committee on the development of the LTFM. Ms McLannahan was therefore asked to provide an update to the September Private Board meeting on behalf of Mr Lewis.</p>	
<p>7. Implementation of Oracle system recovery plan</p>	<p>Tabled</p>
<p>The Committee heard about the backlog within the Accounts Payable team due to issues with the implementation of the new Oracle system. This has resulted in a slow-down in payment processes, with a reliance on temporary staff to help with the reduction of the backlog. Ms McLannahan clarified that the Trust <u>does</u> have non-NHS creditors that have been outstanding payment in excess of 60 days. This is contrary to the previous assurances that had been provided to the Board. The Committee noted the remedial actions underway to improve the position.</p>	
<p>8. Matters to highlight to the Trust Board and Audit & Risk Management Committee</p>	<p>Verbal</p>
<p>The Committee determined that the following matters should be escalated for specific consideration by the Board:</p> <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. 	
<p>9. Meeting Effectiveness Feedback</p>	<p>Verbal</p>
<p>The Committee felt the matters on the agenda were the key matters that it needed to focus its attention on.</p>	
<p>10. Any Other Business</p>	<p>Verbal</p>
<p>There were no other items of business.</p>	

Details of the next meeting	Verbal
The next Finance and Investment Committee meeting will be held on 28 September 2018 at 0900h – 1030h Room 13, Education Centre, Sandwell General Hospital.	

Signed

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Date