

Report to:

Board Sponsor (presenting):	Paul Miller, Non Executive Director

Recommendation
To note key aspects of the Finance and Performance Committee meeting of the 24 th April 2018 (a) the approval of the 2017/18 Annual Accounts and Report and (b) the production and approval of the 2018/19 Operational Plan.

Items for Escalation to Board

Operational Performance – the 2017/18 outturn operational performance against key targets was reasonable, particularly when benchmarked against other organisations. However there are key risks going into 2018/19 i.e. size of waiting lists, equipment replacement programme, little or no “buffer” in existing capacity to support performance and known workforce constraints. Acknowledging these risks and the financial challenges going forward it was recognised that the continued achievement of targets in 2018/19 would rely on significantly improved operational performance, rather than additional capacity and the Trust Board and Finance & Performance Committee should develop a structured programme of deep dives into key performance issues e.g. patient flow, diagnostics and theatre utilisation etc.

Financial Performance – the Trust was on track to achieve its reforecast financial outturn for 2017/18. However the Committee devoted significant time to considering the financial plan for 2018/19, particularly as the process was ongoing and needed to triangulate the expectations of the Trust, Commissioners and NHSI. Key issues worth highlighting to the Board are;

any Provider Sustainability Funding as we had not accepted a 2018/19 control total.

- (b) This deficit of £11.8m was after a significant increase in planned Commissioner income and this additional “billed” activity would arise from a combination of improved productivity and targeted investment. This increase in activity and thereby income was a risk and one that the Committee would review going forward in detail i.e. reviewing performance and contracting information to ensure the work was performed and income was achieved.
- (c) The Committee acknowledged the current CIP target was set at 4% with a £1.5m stretch component. Also any further improvement in the “bottom line” would most probably increase this 2018/19 CIP target.
- (d) Finally the Committee acknowledged that the 2018/19 financial plan was dependent on available capacity, significantly improved operational performance, known workforce constraints and unknown Commissioner performance.

In conclusion the Committee recognised that the 2018/19 operational planning process was ongoing and that the final plan would require full Board approval.

Genomics future service model – The Committee were content to support the current tender process and recognised that any final decision on a possible contract award would be subject to a full Board decision later in the summer.

Laundry Commercial Assessment – The Committee found the assessment tool useful and it facilitated a good discussion. A key specific issue that emerged from this discussion was the strategic future of the laundry service run by Salisbury Trading Limited (STL) and the relationship of this strategy to an ongoing option appraisal, looking at possible long term future sites for the Laundry facility. This strategy and associated option appraisal would need to come to the Board for a decision.