

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**REPORT TO: BOARD OF DIRECTORS MEETING – 29th January 2015****REPORT FROM: FINANCE & INVESTMENT COMMITTEE– 27th January 2015****PURPOSE: Information****SUMMARY OF KEY AGENDA ITEMS AND BUSINESS:**

The meeting reviewed the following matters

- Performance matters from the corporate scorecard and activity report were discussed. The key points were:
 - Adjusted mortality has increased in line with a rise in seasonal crude mortality.
 - No MRSA in December reported, the number of C-Diffs is in line with 2013/14.
 - Two of the national cancer targets were missed in December, plans show the Trust becoming compliant by the end of Quarter 4.
 - Referrals remain ahead of plan but encouragingly triage around Orthopaedics is reducing demand.
- Finance Performance for period ended December:-
 - Month 9 EBITDA is £2.5m adverse to plan driven by winter pressures and recognition of income risks
 - Forecast EBITDA is £8.9M adverse to plan consolidated
 - Risks exist around hitting current CIP forecasts and managing winter pressure costs
 - COSRR calculations were reviewed and the Trust can retain a COSRR of 3 for the next 12 months if it achieves planned CIP levels, and obtains funding per the plan from commissioners.
- Q3 Monitor return was presented
- Capital Report was presented. Dover Hospital was flagged as being as at risk of delayed delivery.
- Commercial tenders were discussed with focus on financial challenges faced by Community Trust as a result of North Kent service loss.
- ICT Review and HIS replacement – Update was given on the plan. The costs of withdrawal of the service has been discussed and some further clarity gained on the costs however no final cost was able to be presented. The Trust can breakeven in the first 2 years of the plan but not in the first year. Discussions on the service were held and the proposal was approved but the FIC requested regular progress updates and a benefits realisation summary.
- Financial Corporate Risk Register was discussed – Risks were discussed and mitigation discussed. The risk around the Asceptic suite stock write offs were discussed and the audit work currently underway in this area was flagged. The need to control workforce and the level of agency/locums was

mentioned. The need for a recruitment and retention strategy was flagged.

- A 15/16 business plan update was presented. Emergent risks and changes were presented. The new risks deteriorated the planned position by £1.5M. The pressures on the 15/16 plan related to contract discussions were flagged. Forward cash projections were discussed; it was noted that the update of the 5 year plan would require improvements in EBITDA and cash for 2016/7 and beyond
- Improvement Efficiencies Update:- Jacqui Horne presented on 15/16 identified 540 CIP ideas existed. Ideas will be themed so similar themed schemes can be considered together. Discussion was needed on how CIPs would be deployed in the budget process.
- A contract update for CCGs contracts were discussed. The use of risk share and working with CCG on both a PBR and Managed contract was discussed.
- The EKBI business case was discussed which proposes setting up an external business information company part owned by the Trust but with external investment from AHSN and potentially other commercial partners.