

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**REPORT TO: BOARD OF DIRECTORS MEETING – 27 March 2015****REPORT FROM: FINANCE & INVESTMENT COMMITTEE– 24 March 2015****PURPOSE: Information****SUMMARY OF KEY AGENDA ITEMS AND BUSINESS:**

The meeting reviewed the following matters

- The Outstanding actions relating to KPP were discussed
- ICT Review and HIS replacement – An update was given on the plan. The costs of withdrawal of the service has been discussed and some further clarity gained on the costs. The current estimate is a cost of circa £63K in year 1 which assumes only one person will not transfer. This would rise to a maximum of £83K if an extra person cannot be transferred. It is still thought the Trust can breakeven in the first 2 years of the plan but not in the first year. Discussions on the service were held but the FIC requested a further progress update in April.
- The Horizon scanning and Commercial tenders were discussed including the Vanguard initiative in Whitstable and the method of decision making in regard to bidding for new business.
- The Board were informed that the SAcP funding had now been approved, subject to final Treasury sign off.
- Performance matters from the corporate scorecard and activity report were discussed. The key points were:
 - Crude mortality has fallen a little this month. HSMR is one of lowest in the country. RAMI has risen but is being challenged as the published figures appear out of line. SHMI is falling and is about average for the country.
 - No reported CDiff cases in February but 3 in March bringing us to 47 for the year in line with Target.
 - Times for FNOF have improved.
 - Only the 62 day treatment target Cancer Target was non-compliant in February.
 - Referrals remain ahead of plan. Triage around Orthopaedics is reducing demand in February but has shown pressure in the first few weeks of March. We are likely to be 16% over plan by year end.
 - A&E activity in February was higher than planned.
- Marc Farr gave an update on some information management initiatives including developing a new view of the Quality Report.
- Finance Performance for period ended December:-
 - Month 11 EBITDA is £1.6m adverse to plan driven by winter pressures, continuing Aseptic stock write offs, RTT work and underperformance of CIPs

- Forecast has been lowered by £0.8M and is £6.7M 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.
 - Cash is on plan.
 - There was a discussion on how finances could be recovered to ensure we did not move to a non-compliant status in Finance terms.
- The 15/16 plan was discussed. The base contract value is £365M. Current discussions are around agreeing an activity plan. Once agreed thresholds would be imposed on some key specialties above which Commissioners would need to pay cost. In addition the contract looks to reduce costs in a limited number of joint CI's where savings would be shared 50:50.
- A 15/16 business plan update was presented. The new submission deadline was discussed. Emergent risks and changes were presented. The new risks deteriorated the planned position by £2.9M. The major new pressures on the 15/16 plan related to tariff changes, impairment changes and Dover equipment and increasing the costs associated with increased activity. The sensitivity of the plan was discussed where a fall of £2M would produce a COSRR of 2. The review process by Divisions was discussed. The Board would need to take a view on the CoSRR level to be submitted
- Improvement Efficiencies Update:- Jacqui Horne presented on 15/16 CIP. The target was £25.2M, with circa £23m of programmes identified. £6.7M of schemes can be commenced. The other £16M of plans need to be finalised and methods of removing blockages agreed. More than 200 other ideas existed which also need to be worked up. SIT team members will be aligned with Divisions to start moving the 200 ideas forward. Resources required to deliver the CIPs were discussed. It was felt that the CIP plans needed to be developed to circa £30M to provide confidence that the CIP target would be achieved.
- The arrangements for discussion and sign off of the plan by the Committee and the Board were considered.