

Assurance report of the Chair of the Finance and Business Development Committee for the period ending June 2018

Overview

This Chairs Report provides the assurance to the Trust Board on the business of the Finance and Business Development Committee (F&BD) at its meeting held on 17th July. The Committee received assurances from the Finance, Infrastructure and Operations Delivery and Service Improvement Committee meetings held since the last meeting of the F&BD.

Successful Outcomes and Assurances

- Delivering key financial objectives
- CCC financial performance ahead of budget. EBITDA below plan but retained surplus ahead of plan
- Financial Risk Rating of 1
- Agency Spend below target
- CIP ahead of target
- Delivering against overall control target
- TCC – now a clear understanding of the critical path and major dependencies up to 2021. Overall TCC program amber but work programme identified to achieve green rating by Q3
- Agreed the business case for a full-time consultant post in lymphoid malignancy and cellular therapies
- Agreed to recommend to the Board
 - i. Development of 6 bed haemato-oncology unit + supporting infrastructure and staffing, subject to commissioner approval
 - ii. Provision of an Interventional Radiology and Fluoroscopy unit in the new CCC Liverpool hospital
- Noted that the expenditure on use of consultants on projects linked to improvement priorities could be funded from the contingency budget for interim staffing arrangements

Areas of Concern

- Group financial performance below budget as Charity income is below plan
- Careful monitoring of CCC financial performance required
 - Agency cap met at present but pressures on medical staff expenditure may change this. NHSI aware
 - CQuins with financial targets to be more closely monitored to ensure achievement
 - CIP on plan but more recurrent savings needed
- TCC- work is required on the future clinical model to enable completion of workforce (currently shown as red) and financial plans. External resource may be needed.
- Board approval of the Interventional Radiology case would reduce the remaining new build contingency to £1.256m and equipment to £1.25m. F&BD considered the original contingency budget to be low for a project of this size and recommend that STF funding received in 2017/18 be used to enhance the contingency funds.
- Whilst new build remains on programme lack of access to the Royal site is causing concern and needs speedy resolution.
- A number of business cases were referred to F&BD this month. Quality Committee may also have a role in these.
- Concerns around WUTH maintenance standards

Strategic Objectives

During the period the Committee received and rated assurance against achievement of the following key objectives or milestones as: -

Objective/Milestone	Outcomes	*Assurance	
		Level 1,2 or 3	No → high
Maintain excellent financial performance	Ahead of plan	Level 1,2	Significant
Deliver outstanding care as locally as possible	Outputs of externally-supported work on assurance against the overall Transforming Cancer Care strategic critical path reported to the Committee New build CCC-Liverpool on time and on budget however some delay risk has been reported to the Infrastructure Committee	Level 2 and 3	Significant
Maintain excellent quality and operational performance	Business cases for investment in Interventional Radiology service and Haemato-oncology reviewed at committee and recommended to Trust Board for approval	Level 1 and 2	Significant

Exception/Emerging Issues Reporting

- The redesign of care pathways is making excellent progress with momentum and most critical assumptions have now been agreed, enabling detailed workforce and operational models to be developed.
- Delivery of fully aligned workforce, finance and activity assumptions for 19/20 and 20/21 is a critical milestone for October and may be at risk as a small number of critical assumptions regarding the future clinical model are not yet concluded. External support may be required to accelerate work and provide additional assurance.
- The Trust is required to commit capital expenditure on Interventional Radiology to avoid delay and penalty in the TCC scheme, however future commissioning income streams have not yet been formally secured. Given that this activity is repatriated from other providers (and therefore not predicated on additional commissioner spend) the risk of this may be moderate to low.
- On new build, potential delays due to interface matters with the New Royal remain an ongoing concern, requiring significant input by all parties to mitigate and manage
- The F&BDC noted that the infrastructure committee has reviewed the workforce terms and conditions for the subsidiary companies. This issue has been referred to the workforce committee and to the Chairs of the subsidiaries and will come to Part 2 Trust Board in October, with the potential for greater alignment in key areas to be discussed.

Operational Improvement

During the period the Committee received and rated assurance against achievement of the following KPIs or target measures as: -

KPI/Target	Outcomes	*Assurance	
		Level 1,2 or 3	No → high
Delivery of Cost Improvement Plan	On track, above plan	Level 1 and 2	Significant
Deliver 18/19 financial and activity KPIs	The Trust is delivering its key financial objectives as outlined in M3 finance report	Level 1 and 2	Significant

Exception/Emerging Issues Reporting

- No emerging issues to report for this period

Compliance

During the period the Committee received and rated assurance against scheduled reporting on compliance/performance in the following areas of policy, regulation or operational practice as: -

Scheduled reporting from Cycle of Business	Outcomes	*Assurance	
		Level 1,2 or 3	No → high
M3 Financial Returns to NHSI	On track with financial plan and control total	Level 2 and 3	Significant

Exception/Emerging Issues Reporting

- No emerging issues to report for this period

Risks

During the period the Committee considered the performance in relation to management and mitigation of BAF risks assigned to them and provide the following summary of highlights for the Board to consider as part of their deliberation of risk; -

BAF Risk	Identified Key Risk Area	Outcomes
To determine which of the BAF risks would be assigned to this Sub-Committee		
BAF Risk 2: If we do not prioritise the costs of the delivering the care model we will not be able to maintain our long-term financial strength and make appropriate strategic investments.	Whilst most (80%) of assumptions are now agreed, In-patient medical cover assumptions not yet agreed	Accelerated work to agree all remaining key assumptions
BAF Risk 3: If we do not have the right infrastructure (estate, communication & engagement, information and technology) we will be unable to deliver care close to home	Risks to be discussed at Board Development in July	
BAF Risk 9: If we do not support and invest in entrepreneurial ideas to changes in national priorities and market conditions we will stifle innovative cancer services for the future.	Risks to be discussed at Board Development in July	
BAF Risk 10: If we do not continually support, lead and prioritise improved quality, operational and financial performance we will not provide safe, efficient and effective cancer services	Risks to be discussed at Board Development in July	Prioritised investment in operational investment into H-O service.

Risk Escalation

New or Emerging Risks

- All BAF and operational risks currently being reviewed and revised in Datix
- No new significant risks to report from this Committee meeting.

**Assurance is rated by reference to the Assurance Quality Matrix which can be found in the 'Guidance to Chairs' of Committees and sub-committees of the Board*

Minutes of the meeting provide a full account of the work of the Committee and can be accessed [here](#)