

TRUST BOARD**30 June 2016**

Paper Title:	In-Year Monitoring Submissions to NHS Improvement
Section:	Public
Lead Director:	Liz Romaniak, Director of Finance, Contracting and Facilities
Paper Author:	Liz Romaniak, Director of Finance, Contracting and Facilities
Agenda Item:	16
Presented For:	Approval

1. Purpose of this Report:

The purpose of this report is to review the impact of new and much earlier deadlines for the submission of detailed monitoring templates to NHS Improvement (formerly Monitor) and to:

- secure Board approval (on the recommendation of FBIC) of revised processes for sign off and submission of quarter end monitoring submissions (detailed templates, narrative and Board Governance Statements), and
- inform Board of EMT approved processes for sign off and submission of monthly monitoring submissions (detailed templates and narrative)

2. Summary of Key Points

NHS Improvement has published a reporting timetable for month 2 to 5 2016/17. This substantially brings forward (to reporting day 10.5) submission deadlines for in-year monitoring templates and financial narrative.

The quarter end submission (month 3) retains a later deadline for submission of Board Governance Statements (2015/16 at Appendix A), however monitoring templates and narrative are required for the earlier deadline.

FBIC meetings have been scheduled to support previous scheduling of quarter end submissions; at the end of the month following quarter end. This would have accommodated FBIC review of the position, narrative and key risks and rolling twelve month assurances before consideration and approval of the position and statements with Board; and in advance of the formal submission.

The revised timetables do not accommodate FBIC or Board input in signing off the detailed templates and narrative, therefore revised quarter end arrangements now need to be agreed.

3. Financial Implications

None.

4. Legal Implications

None.

5. Previous Meetings/Committees Where the Report Has Been Considered:

Audit Committee	<input type="checkbox"/>	Quality & Safety Committee	<input type="checkbox"/>	Remuneration Committee	<input type="checkbox"/>	Finance, Business & Investment Committee	<input checked="" type="checkbox"/>
Executive Management team	<input checked="" type="checkbox"/>	Directors Meeting	<input type="checkbox"/>	Chair of Committee's Meeting	<input type="checkbox"/>	MH Legislation Committee	<input type="checkbox"/>

6. Links to Strategic Drivers

The Trust's submissions to NHS Improvement are relevant to all four Strategic Drivers.

7. Publication Under Freedom of Information Act

This paper has been made available under the Freedom of Information Act.

8. Recommendations:

That the Board:

- considers the FBIC recommendation and **approves** revised processes for sign off and submission of quarter end monitoring submissions to NHS Improvement, and
- notes EMT approved processes for sign off and submission of monthly monitoring submissions (detailed templates and narrative) to NHS Improvement
- notes the agreement by FBIC to provide feedback to NHS Improvement on potential impacts arising from an abridged submission timeline

1. Background

NHS Improvement has communicated the following submission timetable (Table 1). Dates for the rest of the year are still to be agreed and will be published in due course. NHS Improvement indicated that Finance and operational /governance sections of the quarterly return for foundation trusts are likely to be split into two separate returns, as suggested on the table below. Narrative submissions are expected to be required for the earlier deadline (3a).

Table 1

Collection Period	Return	2016/17 Noon Submission		2015/16 Submission		Change
		Date	Work Days	Date	Work Days	Work Days
2 (May)	Month	15/06/16	11.5	17/06/15	15	-3.5
3a (June) – finance	Quarter	15/07/16	11.5	31/07/15	22.5	-11
3b (June) – governance	Quarter	29/07/16	11.5	31/07/15	22.5	-11
4 (July)	Month	15/08/16	11.5	24/08/15	16	-4.5
5 (August)	Month	15/09/16	11.5	21/09/15	15	-3.5

To date the Trust has operated the following assurance processes for signing off Monitor Submissions:

Monthly:

- Business Unit Performance Meetings followed by Directors/Deputies Meeting review of key issues, triangulation, key risks and financial position
- FD and EMT (virtual) approval of Monitor narrative and templates

Quarterly:

- Business Unit Performance Meetings followed by Directors/Deputies Meeting review of key issues, triangulation, key risks and financial position
- FD agreement of Monitor narrative and templates
- FBIC review of financial position, with a detailed discussion of risks/rolling 12 month risks to FSRR, the proposed Monitor narrative and receipt of the detailed templates to support a recommendation to Board
- Board receive FBIC recommendation and any risk issues/escalations and formally approve templates, narrative and Board Governance Statements including rolling 12 month FSRR

Table 2 highlights the impact of the compressed reporting timeline on those arrangements.

Table 2

Period	Submission	Directors / Deputies	EMT	FBIC	Board
2	15/06/16	21/06/16	14/06/16 (-1 day)	-	-
3a – Qtr	15/07/16	19/07/16	12/07/16 (-3 days)	27/07/16	28/07/16
3b – Qtr	29/07/16	19/07/16	-	27/07/16	28/07/16
4	15/08/16	16/08/16	09/08/16 (-4 days)	-	-
5	15/09/16	20/09/16	13/09/16 (-2 days)	-	-

The compressed deadlines rule out consideration by formal committees or meetings due to the lead time for producing and issuing papers.

2. Proposal

Detailed Template Submissions (monthly and quarter end):

The deadlines for Months 2 to 5 are on the 15th of the month, which means that the financial position will be submitted in advance of Directors / Deputies, FBIC and Board Meetings for the respective periods. The revised submission timeline for the detailed numeric templates does not therefore accommodate previous assurance and sign-off routes for either monthly or quarter end template and narrative reporting.

Proposal:

The Executive Management Team has considered the options for review of the relevant requirements prior to submission and recommends the following abridged processes:

- a) **Monthly Numeric Templates** – EMT to receive and approve the template & narrative virtually prior to submission (following a review by the DDoF and FD).
- b) **Quarter End Numeric Templates** – (FBIC and) Board to delegate authority for approval of detailed templates and narrative to EMT for approval virtually prior to submission (following a review by the DDoF and FD).
- c) **Quarter End Governance Statements** – FBIC to undertake a retrospective (to the submission) detailed financial position review including risk, mitigations, rolling 12 month FSRR and narrative and to recommend Governance Statements for approval by the Board

Changing the timing of FBIC is not considered as a feasible response as papers would need to be drafted a week prior to the meeting, i.e. FBIC a day prior to submission would mean papers issued on working day 5 to 6 which could not be achieved.

NHS Improvement notes that the timescales are 'very tight' suggesting their focus is on more rapid assessment and response to year to date performance / variation.

3. Assurances in Place

FBIC and Board are routinely asked to consider whether members feel that additional 'deep dives' e.g. into areas of adverse performance, are necessary. Currently, FBIC has directed the focus of these towards a more strategic work plan including corporate/estates overhead costs and workforce planning, however further reactive deep dives could still be commissioned, as necessary.

FBIC will continue to undertake a retrospective but detailed review of the financial performance and specifically the quarter end position and will therefore be able to promptly escalate any concerns to Board and/or with the Executive.

Whilst internal Performance Management and Director/Deputies Meetings will conclude after external submissions have been made, they will still support the escalation of issues and discussion of mitigating actions.

A refreshed Performance Management Framework has recently been drafted and approved by Audit Committee. This will support more focused financial performance review, logging and management of key risks and discussion of key assumptions, plans and timescales.

The Board receives a detailed monthly Board Integrated Performance Report which will continue to support oversight and assurance processes with more detailed scrutiny of performance at quarterly FBIC meetings; albeit retrospective going forward.

4. Risk Implications

The key risks of an abridged reporting timeline are:

Reduced time for quality assurance and accuracy checking, including detailed variance analysis and agreeing forecasting assumptions with Deputy Directors. This is most likely to impact the accuracy of forecast outturn movements, particularly in the earliest months of the financial year, linked to year to date movements in the position.

Mitigations include:

The Finance Team has already introduced additional run rate reporting for 2016/17 which should support more rapid identification of forecast anomalies / spurious or altered assumptions.

End of Year projections are being agreed with Deputy Directors, and should not move substantially, except where in-month performance varies materially/unexpectedly. This should allow focus on a narrower number of areas.

Detailed review processes will still operate through established and refreshed performance management arrangements and will provide opportunity for detailed discussion with adjustment of forecast, risk and mitigating action assumptions for the subsequent period and to inform FBIC.

5. Monitoring and review

The current reporting timetable does not extend beyond period 5 (in September) therefore it is proposed that the recommendations are implemented and reviewed at the point the remaining reporting dates for 2016/17 are issued by NHS Improvement.

6. Recommendations

That the Board:

- considers the FBIC recommendation and **approves** revised processes for sign off and submission of **quarter end** monitoring submissions to NHS Improvement, and
- notes EMT approved processes for sign off and submission of **monthly** monitoring submissions (detailed templates and narrative) to NHS Improvement
- notes the agreement by FBIC to provide feedback to NHS Improvement on potential impacts arising from an abridged submission timeline

Appendix A

Illustrative Board Governance Statements

In Year Governance Statement from the Board of Bradford District Care NHS Foundation Trust			
The board are required to respond "Confirmed" or "Not confirmed" to the following statements (see notes below)			Board Response
For finance, that:			
The board anticipates that the trust will continue to maintain a financial sustainability risk rating of at least 3 over the next 12 months.			Confirmed
The Board anticipates that the trust's capital expenditure for the remainder of the financial year will not materially differ from the amended forecast in this financial return.			Confirmed
For governance, that:			
The board is satisfied that plans in place are sufficient to ensure: ongoing compliance with all existing targets (after the application of thresholds) as set out in Appendix A of the Risk Assessment Framework; and a commitment to comply with all known targets going forwards.			Confirmed
Otherwise:			
The board confirms that there are no matters arising in the quarter requiring an exception report to Monitor (per the Risk Assessment Framework, Table 3) which have not already been reported.			Confirmed
Consolidated subsidiaries:			
Number of subsidiaries included in the finances of this return. This template should not include the results of your NHS charitable funds.			0
Signed on behalf of the board of directors			
Signature		Signature	
Name	Simon Large	Name	Liz Romaniak
Capacity	Chief Executive	Capacity	Director of Finance, Contracting & Facilities
Date	28/01/2016	Date	28/01/2016