

TRUST BOARD

26 APRIL 2018

Paper Title:	NHS Improvement Quarterly Return and Declaration
Section:	Private
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Agenda Item:	12
Presented For:	Approval
Paper Category:	Governance & Compliance

Executive Summary:

The purpose of this report is to request that Trust Board approve the Quarter 4 NHS Improvement financial submission. This has been reviewed and recommended for submission by both the EMT and the Finance Business and Investment Committee.

The key points in considering this report are that the Trust has delivered the following financial indicators for quarter 4 of 2017/18:

- Revenue Trust internal plan position £409k over achievement against the £826k plan surplus (control total excluding national core and incentive STF), and reflecting the surplus on disposal of £192k for Stoney Ridge and a further improvement of £217k.
- As a consequence, STF funding has been assumed of £1,161k (planned £752k); comprising £752k core and £409k £1 for £1 incentive funding for over achievement against the Trust internal plan (requires confirmation by NHS Improvement), giving aggregate performance of £818k over achievement against the £1,578k surplus Control Total inclusive of planned STF.
- The original cash forecast of £11,485k was revised in Month 9 to £14,500k. Actual cash was £610k above the revised plan at £15,110k;
- Capital costs of £3,526k were £2k below plan, and reflected the outcome of successful management and in-year re-prioritisation of capital requirements; and
- Use of Resources score of 1 (requires confirmation by NHS Improvement).

Recommendations:

That the Board:

- **Approves** the UoR Risk Rating and quarterly submission to NHS Improvement.

Governance/Audit Trail:

Meetings where this item has previously been discussed (please mark with an X):						
Audit Committee		Quality & Safety Committee		Remuneration Committee	Finance, Business & Investment Committee	X
Executive Management Team	X	Directors		Chair of Committee Meetings	Mental Health Legislation Committee	
Council of Governors						

This report supports the achievement of the following strategic aims of the Trust: (please mark those that apply with an X):	
Consolidation of Market Share : being great in our patch	
Manage the impacts of the whole system of reduced health and social care funding: working in partnership to develop cost effective out of hospital services and pathways to support the delivery of sustainable services	
Secure Funding for new or expanded services	

This report supports the achievement of the following Regulatory Requirements: (please mark those that apply with an X):	
Safe: People who use our services are protected from abuse and avoidable harm	
Caring: Staff involve people who use our services and treat them with compassion, kindness, dignity and respect	
Responsive: Services are organised to meet the needs of people who use our services	
Effective: Care, treatment and support achieves good outcomes, helps to maintain quality of life people who use our services and is based on the best available evidence.	
Well Led: The leadership, management and governance of the organisation make sure it's providing high-quality care that is based around individual needs, encourages learning and innovation, and promotes an open and fair culture.	X
NHSI Single Oversight Framework	X

Freedom of Information:
<p>Publication Under Freedom of Information Act</p> <p>This paper has been made available under the Freedom of Information Act</p>

NHS Improvement Quarterly Return and Declaration

1. Background and Context

NHS Foundation Trusts are required to make quarterly submissions to NHS Improvement to confirm their Risk Rating under the Single Oversight Framework (SOF). The Risk Assessment Rating now only incorporates one rating which is for the Use of Resources (UoR).

This paper considers the UoR, and outlines key issues which the FBIC has specifically considered and recommended to Trust Board in endorsing the risk assessment and to be taken into account when the Board considers the NHSI submission.

The Trust has reported achievement of the control total, generating additional STF incentive payments relating to planned surplus. The Trust is reporting achievement of the planned UoR rating of '1' for Quarter 4 and achieved the following actual UoR for 2017/18:

	Q1 UoR	Q1 UoR	Q2 UoR	Q2 UoR	Q3 UoR	Q3 UoR	Q4 UoR	Q4 UoR
	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
Capital Service Cover rating	4	3	3	1	2	1	1	1
Liquidity rating	1	1	1	1	1	1	1	1
I&E Margin rating	4	3	4	1	3	1	1	1
I&E Margin Variance from Plan rating		1		1		1		1
Agency rating	1	1	1	1	1	1	1	1
Overall NHS Improvement Rating	3	2	3	1	2	1	1	1

2. Proposal

The key points in considering this report are that the Trust has delivered the following financial indicators as at quarter 4 of 2017/18:

- Revenue Trust internal plan position £409k over achievement against the £826k plan surplus (control total excluding national core and incentive STF), and reflecting the surplus on disposal of £192k for Stoney Ridge and a further improvement of £217k.
- As a consequence, STF funding has been assumed of £1,161k (planned £752k); comprising £752k core and £409k £1 for £1 incentive funding for over achievement against the Trust internal plan (requires confirmation by NHS Improvement), giving aggregate performance of £818k over achievement against the £1,578k surplus Control Total inclusive of planned STF.
- The original cash forecast of £11,485k was revised in Month 9 to £14,500k. Actual cash was £610k above the revised plan at £15,110k;
- Capital costs of £3,526k were £2k below plan, and reflected the outcome of successful management and in-year re-prioritisation of capital requirements; and
- Use of Resources score of 1 (requires confirmation by NHS Improvement).

3. Implications

3.1 Legal and Constitutional

There are no legal or constitutional requirements in relation to this paper.

3.2 Resource

There are no direct financial implications / costs associated with this paper.

3.3 Quality and Compliance

Financial performance is a key measure under the NHS Improvement Single Oversight Framework. Any cost improvements planned by the Trust are subject to a Quality Impact Assessment process overseen by the Medical Director and the Director of Nursing/ Operations.

4. Risk Issues Identified

The financial returns are subject to external audit. The assumed STF incentives are subject to a national validation and calculation process and have not been confirmed at the time of writing.

Accruals and provisions have been included in the draft month 12 position for all key risks previously considered by the Finance, Business and Investment Committee through in-year risks and mitigations reviews during the year.

Forward risks relating to 2018/19 have been reflected in 2018/19 financial plan risk assessment and/or cost pressures, as appropriate (given timing and/or materiality of risk).

5. Communication and Involvement

The Board was sighted on key plan risks as part of the steps to agree the control total and additional scrutiny of key assumptions, risks and mitigation takes place at every Finance, Business and Investment Committee. Key messages are cascade to staff by Senior Managers in Board in Brief and other internal communication routes.

6. Monitoring and review

The Trust Board is required to formally approve the NHS Improvement Quarterly submission at each quarter.