Agenda Item 17c

The Queen Elizabeth Hospital King's Lynn NHS Foundation Trust

Report to the GOVERNORS' COUNCIL

SUBMITTED BY:	REPORT FOR:		RELATED WORK:
Steve Clark, Chair of the Business Committee	Action		
CONSULTATION:	Information	✓	
	REPORT TYPE:		
	Strategy		
	Performance		
	Governance	✓	

Meeting Date: **02 April 2019**

Report Title: **Business Committee Report to the Governors' Council**

Purpose:

To update the Governors' Council in respect of the activities of the Business Committee, since the last meeting.

Report from meeting held on 13-03-2019

- One of the new governors attended to see how the Committee operates.

Summary of the Key financial information included:

- The Trust's performance for January 2019 was £3m deficit before Provider Sustainability Fund (PSF), this being £2.3m adverse to the financial plan. The January deficit after PSF was £3m; £3m adverse to plan.
- The year to date position was a £29.9m deficit before PSF being £15.9m adverse to plan.
- The year to date deficit after PSF was £29.9m, £20.5m adverse to plan.
- The Trust is forecasting to deliver a pre-PSF control total deficit of £36.6m, a £1m improvement compared to the month 9 re-forecast.
- The improvement in forecast is primarily a result of the assessed final financial value of the 2018/19 contract agreed with West Norfolk CCG.
- The committee asked what the long term plan was. Was the Trust's ambition one of becoming solvent? If this was the case, the Trust would need to look at what works well and what doesn't and to ensure that all CIPs (Cost improvement plans) are recurrent.

Summary of Key issues Discussed included:

- Members thanked Russell for the report and a clear presentation. The overall picture was very disappointing with not evidence of any improvement approaching the end of year.
- The Committee were keen to concentrate on the Recovery Plan, wishing to have things in place from the very beginning of the next financial year.
- RP explained he had begun chairing meetings with senior budget holders to make sure they are fully aware of their responsibilities, progress against targets and early warning when off track. The Committee supported this action and again raised the matter of accountability when managers did not deliver. C/Ex confirmed it was vital that people delivered, and the management team would have to ensure this took place.

- CIP's targets had been set and was again an area where delivery had been poor. and Committee again emphasised managers must deliver and be accountable – in line with some work by PWC.
- It was suggested that there were part year targets put in place to aid the monitoring process and allow time to consider alternative actions.
- It was agreed that much more had to be done to deliver at lower costs and the procurement process was key to this.
- The Committee noted with concern that capital expenditure was down against budget. RP said he engaged with heads of service early for their requirements, but many did not raise projects until too late in the year. Agreed this had to be a priority every year.
- Advice from RP and fully supported by the Committee was that complying with the budget had to be based on savings rather than predicting additional income. This had proved totally unreliable in the past and never materialised to any degree.
- There was a discussion about the Operational Plan. It was agreed that:
  - Wording should be kept simple to avoid any misunderstanding
  - Is QEH providing too many services? Some may never be economic
  - A careful eye needs to be kept on the environment. Many thousands of homes are due to be developed close to QEH which will have a huge impact on services.
  - The need to have 'fit for purpose' IT is of paramount importance and the case must continue to be made.
- There was still no update on funding for the roof. This is a considerable issue.

The next meeting is scheduled:

- Wednesday 8th May

Recommendations:

It is recommended that the Governors' Council:

(i) Notes the report of the Business Committee