

# PAPER

BOD 117/2013

(Agenda Item: 12)

# Report to the Meeting of the

# Oxford Health NHS Foundation Trust

# Board of Directors

**25 October 2013**

**In-Year Submission to Monitor – Quarter 2 2013/14 Report**

**For Approval**

**Executive Summary**

Under the Compliance Framework 2013/14, the Trust is required to provide in-year reports on a quarterly basis. These submissions include quarterly financials, year to date financials and self certification that all targets have been met. Exception / update reports should be provided where necessary.

Section 1 of this report sets out the 2013/14 monitoring requirements for FTs, including information on the quarterly submissions.

Section 2 of this report sets out the Trust’s proposed Quarter 2 submission to Monitor. The submission date is 31 October 2013.

**Recommendation**

The Board is asked to note what the Trust should report to Monitor as part of the quarterly in-year submission.

The Board is asked to comment on and approve the Quarter 2 submission to Monitor.

As part of the Quarter 2 submission, the Board is asked to confirm the following statements:-

* The Board anticipates that the Trust will continue to maintain a financial risk rating of at least 3 over the next 12 months.
* The Board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets (after the application of thresholds) and a commitment to comply with all known targets going forwards.

**Author and Title:** Justinian Habner, Trust Secretary

**Lead Executive Director:** Mike McEnaney, Director of Finance

1. *A risk assessment has been undertaken around the legal issues that this paper presents and there are no issues that need to be referred to the Trust Solicitors.*
2. **2013/14 Monitoring Requirements**

Under the Compliance Framework 2013/14 (copy previously circulated to Board members), FTs are required to make the following in-year submissions (see Appendix D):-

* Quarterly financials.
* Year-to-date financials.
* Statement from the board certifying compliance with two specific board statements.
* Exception reports at any time on relevant issue arises.
* Results of Governor elections.

***Quarterly Submissions***

On a quarterly basis, Monitor issues templates which set out what FTs should report on, including board statements, financial information, and performance against targets and indicators.

Pages 15-21 of the Compliance Framework set out the elements of the in-year submission and what Board’s need to take account of; further detail is set out in the Appendices. Elements of the submission include:-

1. *Board statements:*

FTs are required to confirm the following board statements (no supporting details are required unless compliance cannot be confirmed).

* For finance that: “The board anticipates that the trust will continue to maintain a financial risk rating of at least 3 over the next 12 months.”
* 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) and a commitment to comply with all known targets going forwards.”
1. *Non-exhaustive list of items requiring exception reporting:*

Finance

* Unplanned significant reduction(s) in income or significant increase(s) in costs.
* Requirement for working capital in breach of Prudential Borrowing Limits.
* Failure to comply with the *NHS Foundation Trust Annual Reporting Manual*.
* Discussions with external auditors which may lead to a qualified audit report.

Governance

* Removal of director(s) for significant contractual or non-contractual dispute with another NHS body.
* Adverse report from internal auditors.
* Risk of a failure to maintain registration with the Care Quality Commission.
* Significant third party investigations that suggest material issues with governance e.g. fraud or Care Quality Commission reports of “significant failings”.
* Care Quality Commission responsive or planned reviews.
* Outcomes or findings of Care Quality Commission responsive or planned reviews.
* Other patient safety issues which reflect quality governance issues (e.g. serious incidents).
* Performance penalties to commissioners.

Other Risks

* Enforcement notices from other bodies implying potential or actual breach of any other requirement of the licence, e.g.:
	+ Health and Safety Executive or fire authority notices.
	+ Material issues impacting the FT’s reputation.
	+ Adverse reports from overview and scrutiny.
1. *Targets and Indictors:*

For a complete list of the targets and indicators that FTs must report against see Appendix B of the Compliance Framework.

Please consult the Compliance Framework 2013/14 published by Monitor on 28 March 2013 for more detail on required submissions.

1. **Proposed Submissions for Quarter 2**

On 4 October 2013, Monitor issued to the Trust the update template to be completed for the Quarter 2 in-year report. The Executive discussed the proposed submission at its meeting on 14 October 2013.

On the Board statements, it is proposed that the response for Quarter 2 is as follows:-

* The Board anticipates that the Trust will continue to maintain a financial risk rating of at least 3 over the next 12 months – CONFIRMED
* The Board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets (after the application of thresholds) and a commitment to comply with all known targets going forwards – CONFIRMED

*Financial Risk Rating:*

The information to support this statement is set out in the Finance Report presented to each Board meeting. The Director of Finance will provide an overview on this item at the Board meeting and will explain what financial matters will be reported to Monitor in Quarter 2.

*Targets and Indicators:*

The information to support this statement is set out in the Quality and Performance Report, and Quality and Safety Report presented to each Board meeting. The Director of Finance, and Director of Nursing and Clinical Standards will provide an overview on this item at the Board meeting.

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