

Board of Directors' Meeting Report – 4 April 2017

Agenda item 31/17

Title	Report from the Finance and resources Committee
Sponsoring Director	David Parkins, Non-Executive Director
Author(s)	David Parkins, Non-Executive Director
Purpose	To update the Trust Board on the meeting of the FRC held on 1 March 2017
Previously considered at	N/A
<p>Executive Summary</p> <p>This paper summarises the issues considered at the meeting which included:</p> <ul style="list-style-type: none"> • Statutory and Mandatory Training • HR Performance including Recruitment and Retention • HR & OD Strategy progress • Month 10 Board Finance Report and Forecast for 2016/17 • Financial Improvement Programme • Cash Flow and Loans • Specialised Urology Cancer Surgery - Essex • BAF Review of Risk 4 & 5 • eRostering • Joint Finance and Resources Committee – Draft Terms of Reference 	
Related Trust Objective	Financial and Operational Sustainability
Related Risk	All BAF risks
Legal implications / regulatory requirements	Additional scrutiny of Finance issues, NHSI FRR
Quality impact assessment	QIA's are applied to the financial recovery plan actions and to all CIP programmes
Equality impact assessment	As far as can be ascertained this paper has no detrimental impact for the 9 protected characteristics under the Equality Act 2010
<p>Recommendations: The Board is asked to receive assurance from the report.</p>	

Report from the Finance and Investment Committee

Background

The purpose of the Committee is to provide the Board with an objective review of the financial position of the Trust and oversee the delivery of financial performance. This report sets out the issues considered at the 1 March meeting.

Statutory and Mandatory Training

The Committee reviewed the compliance level for statutory and mandatory training. The compliance level continues to improve and is now at 82% (target 85%) for all core topics for all staff, and at 85% for all staff excluding Bank.

The Committees continues to be concerned over the significant number of 'did not attend' at courses and will monitor progress on this matter.

The Committee was assured by the report.

HR Performance including Recruitment and retention

The trend of workforce KPIs indicates improvements in a number of areas, however, further progress is needed:

- Appraisal compliance rate in January was 72% slightly down on the previous two months due to operational pressures. The Trust remains on target to reach compliance at 85% by June 2017.
- The Trust's overall vacancy rate at the end of January was 6.57%, down from 8.04% in October. Recruitment and retention continues to be difficult and the Committee were not assured that recruitment plans would be achieved in the year. In line with discussions at Board the Committee has asked for further information on Consultant and Doctor recruitment.
- Agency spend was 8.24% of pay bill in January, down from 9.92% in October. This continues to be closely managed
- The Trust's sickness absence rate has increased slightly from 3.94% in September to 4.16% in January. A new policy was published in November along with improved reporting.
- The Trust's turnover rate is stable at 12.8% against a target of 9.7%.

The Committee was assured by the report.

HR and OD Strategy

The action plan covering the first year of the strategy was presented. Good progress is being made and there are only a small number of areas for concern where remedial action is being taken.

The Committee was assured by the report.

Month 10 Board Finance Report and Forecast previously discussed at Board

There was a deficit of £1.7m in January which increased the cumulative deficit to £12.3m, adverse to the revised plan by £0.3m.

- Cash balances finished the month at £2.9m, adverse to plan by £1.7m, mainly as a result of the delay in selling Fossetts Farm, capital expenditure below plan and higher creditors.
- Capital spend for the year to date was £6.9m, under plan by £2.9m.
- The Financial Sustainability Risk Rating has been replaced with the Use of Resources Metric, which includes Agency cost performance. The Trust achieved a rating of 3 (1 is best, 4 is worst).

The Committee received a report detailing the latest forecast for the year and after some discussion were assured that the trust should meet its control total.

The Committee noted the report.

Financial Improvement Programme including CIPs

The Committee received a report on progress to achieve progress in pay, non-pay and income. The impact of work in the Essex Success Regime was also discussed.

The Committee was assured by the report.

Cash Flow and Loans

The Committee received an update on the current cash position and the ITFF (Independent Trust Finance Facility) loans. The Committee noted that further funds will have to be applied for on a month by month basis. The Committee also noted the actions in hand to ensure that the Trust meets the loan conditions.

The Committee noted the report.

Specialised Urology Cancer Surgery - Essex

Following the decision, that the Trust would become the Specialised Urology Cancer Centre for Essex, the full business case was presented. The Committee noted that the financial impact each year was projected to be a small surplus and that £150k of capital investment was required.

The Committee was assured by the report.

BAF Review

The Committee received an updated review of BAF Risks 4 and 5 and, after discussion, the following is recommended:

Risks 4 ('Trust not being financially sustainable'), it is recommended that the current risk level be reduced to 20 and the target remains at 15, in recognition of the Trust's expectation that it will remain on track to achieve its 2016/17 control total and also the improved confidence in meeting the 2017/18 control total.

Risk 5 (Inability to recruit and retain staff), it is recommended that the current risk level remains at 20 and the target at 15.

The Committee was assured by the report.

E Rostering

The Committee received a report on the roll out of the eRostering system and plans to include to extend the system to doctors. The committee were assured that the latest July implementation target date would be met.

Hospital Pharmacy Transformation Plan

The plan was presented to FRC prior to submission to Board for approval to submit to NHSI. Unfortunately, the lack of financial data and the confusion over the status of the submission to NHSI, meant that the paper could not be satisfactorily discussed and was sent back for further consideration by the Exec team.

Joint Finance and resources Committee – Draft Terms of Reference

The Committee considered the draft terms of reference and provided some helpful input.

Recommendations

The Board is asked to note the report and the assurances received by the Committee.