

Board of Directors' Meeting Report – 5 December 2017

Agenda item 102i/17

Title	Report from the Finance and Resources Committee
Sponsoring Director	David Parkins – Non-Executive Director
Author	David Parkins – Non-Executive Director
Purpose	To update the Trust Board on the meeting of the FRC held on 13 September 2017
Executive Summary This paper summarises the issues considered at the meeting which included: <ul style="list-style-type: none"> • HR Performance including Mandatory Training • Month 4 Board Finance Report for 2017/18 • Financial Improvement Plan • Cash Flow and Loans • BAF Review of Risk 3, 4 & 6 • HDU business case • Single Data centre update • Committee Self-assessment 	
Related Trust Objectives	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 considered this paper has no detrimental impact for the 8 protected characteristics under the Equality Act 2010
Recommendations: The Board is asked to receive assurance therefrom	

Report from the Finance and Resources 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 13 September meeting.

HR Performance including Mandatory Training

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

- The Trust's overall vacancy rate was 12.14% in July. Recruitment and retention continues to be difficult and the Committee were not assured that recruitment plans would be achieved in the year.
- Agency spend remained static in June and July however this included a significant increase in medical agency costs in the period.
- Appraisal compliance rate increased to 74% in July and is on an upward trajectory. An updated improvement plan has been agreed with directorates.
- The Trust's year to date sickness absence rate has again decreased to 3.84% in July against a stretch target of 3.50%.
- The Trust's turnover rose to 13.49% in July against a target of 9.7%. New retention initiatives have been identified and are being taken forward.
- Statutory and mandatory training remained static at 85% meeting the Trust's target.

The Committee was assured by the report.

Month 4 Board Finance Report

The year to date figures were presented showing a deficit of £3.6m slightly favourable to plan.

- Cash balances finished the period at £7.7m.
- Capital spend for the year to date was £1.4m, slightly under plan.
- The cost improvement plans achieved £2.8m adverse to plan by £0.3m.
- The Financial Sustainability Risk Rating was a rating of 3 (1 is best, 4 is worst).

The Committee noted the report.

Financial Improvement Programme

The Committee received a report on progress to achieve progress in pay, non-pay and income. The Committee noted that Nursing and Doctor vacancies, and the resultant impact on agency costs, remain a significant cost pressure. The Committee requested a report on the FourEyes project. This was subsequently provided at the latest Efficiency Sub Committee.

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.

BAF Review

The Committee received an updated review of BAF Risks 3, 4 and 6 and, after discussion, the following is recommended:

Risks 3 ('Trust not being financially sustainable'), it is recommended that the current risk level remains at 20 and the target at 15.

Risk 4 (Inability to recruit and retain staff), it is recommended that the current risk level remains at 20 and the target at 15.

Risk 6 (Lack of robust IT infrastructure & cyber security), it is recommended that the current risk level remains at 12 and the target at 6.

The Committee was assured by the reports.

HDU Business Case

The Committee received a report on the proposed HDU business case.

Single Data Centre

The Committee were updated on the procurement activity to support longer term IT resilience.

Committee Self-Assessment

The committee received the conclusions of the latest self-assessment exercise. Areas for improvement included the distribution of minutes and the quality of report writing.

Recommendations

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