

Board of Directors' Meeting Report – 5 December 2017
Agenda item 102ii/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 31 October 2017
Executive Summary	
<p>This paper summarises the issues considered at the meeting which included:</p> <ul style="list-style-type: none"> • HR Performance including Mandatory Training • Month 6 Board Finance Report for 2017/18 • Financial Improvement Plan • Cash Flow and Loans • BAF Review of Risk 3, 4 & 6 • Estates and Facilities • CT Scanner replacement • Single Data centre update 	
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 from the report.	

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, its use of other resources and oversee the delivery of financial performance. This report sets out the issues considered at the 31 October 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 reduced to 11.53% in September. Establishment increased by net 8.34 WTE. 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 has increased by 18% since the last report. Analysis of the cause of the increase is underway.
- Appraisal compliance rate increased to 77% in September and continues to improve in line with the Trust's plan.
- The Trust's year to date sickness absence rate has again decreased to against a stretch target of 3.50%.
- The Trust's turnover rate remains high at 13.01% in September against a target of 9.7%. Work continues on retention.
- Statutory and mandatory training decreased slightly at 84%.

The Committee was assured by the report.

Month 6 Board Finance Report

The year to date figures were presented showing a deficit of £5.1m favourable to plan by £0.5m.

- Cash balances finished the period at £2.7m.
- Capital spend for the year to date was £3.9m, under plan by £1m.
- The cost improvement plans achieved £4.4m adverse to plan by £0.2m.
- The Financial Sustainability Risk Rating was a rating of 3 (1 is best, 4 is worst).

The Committee was assured by the report.

Financial Improvement Programme

The Committee received a report on progress to achieve progress in pay, non-pay and income. The Committee discussed long term agency staff and received an update on the FourEyes project.

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 be increased to 15, the target remains at 6.

The Committee was assured by the reports.

Estates and Facilities Report

The Committee received a report on the provision of services and noted that an update paper will be presented to Board on the options for the Mortuary.

The Committee was assured by the report.

Replacement of CT Scanner

The Committee received a report on the proposal to accelerate the replacement of a CT scanner. The Committee supported the proposal in principle but requested further financial and other information prior to the proposal being presented at Board.

Single Data Centre

The Committee were updated on the procurement activity to support longer term IT resilience and supported a proposal to procure consultancy services to assist the Trust in establishing a specification for a data centre.

Recommendations

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