

## Board of Directors Meeting Report – 24 May 2018

### Agenda item 28/18a

<b>Title</b>	Report from the Finance and Resources Committee
<b>Sponsoring Director</b>	David Parkins – Non-Executive Director
<b>Author</b>	David Parkins – Non-Executive Director
<b>Purpose</b>	To update the Trust Board on the meeting of the FRC held on 20 March 2018
<b>Previously considered at</b>	N/A
<p><b>Executive Summary</b> This paper summarises the issues considered at the meeting which included:</p> <ul style="list-style-type: none"> <li>• HR Performance including Mandatory Training</li> <li>• Workforce Retention Programme</li> <li>• Staff Survey Results for 2017</li> <li>• Consultant Job Planning</li> <li>• Gender Pay Gap</li> <li>• Month 11 Board Finance Report for 2017/18</li> <li>• Financial Improvement Plan</li> <li>• Cash Flow and Loans</li> <li>• CCG Contracts Commissioning intentions for 2018/19</li> <li>• Briefing on the Liability in respect of Clinical Claims</li> <li>• BAF Review of Risk 3, 4 &amp; 6</li> <li>• Estates and Facilities</li> </ul>	
<b>Related Trust Objectives</b>	Financial and Operational Sustainability
<b>Related Risk</b>	All BAF risks
<b>Essex Success Regime</b>	Not applicable.
<b>Legal implications / regulatory requirements</b>	Additional scrutiny of Finance issues, NHSI FRR
<b>Quality impact assessment</b>	QIA's are applied to the financial recovery plan actions and to all CIP programmes
<b>Equality impact assessment</b>	As far as can be considered this paper has no detrimental impact for the 8 protected characteristics under the Equality Act 2010.
<p><b>Recommendations:</b> The Board is asked to receive assurance therefrom</p>	

## **Report from the Finance and Investment Committee**

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### **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 20 March 2018 meeting.

### **HR Performance including Mandatory Training**

The trend of workforce KPIs were discussed:

- Vacancy rate reduced further to 10.80% in January, 22 Doctors have been recruited (offered & accepted) since the last report
- Establishment remained static since the last report
- Agency costs for medical and other staff continue to be high
- Appraisal compliance has improved to 78.8% in January
- Sickness increased slightly and is currently at 3.81% year to date
- Turnover has increased to 13.04%
- Statutory Mandatory training compliance is at 86.53% meeting the target for all staff minus bank staff.

The Committee requested a Board Development session be arranged to discuss Consultant recruitment and further information on Nurse recruitment plans. The Committee was assured by the report.

### **Workforce Retention Programme**

A report was presented to the Committee providing an update on exit interview results and the recommended actions and also initiatives identified and prioritised during phase 1 of the NHSI nursing staff retention programme.

### **Staff Survey Results**

The 2017 results were presented to the Committee

- The MSB Group achieved a 41% completion rate for the survey (5514 responses) which is below the acute trust average, with SUHT at 41%, BUHT at 48% and Mid Essex placed in the bottom 20% of all acute trusts.
- Staff engagement scores in all 3 hospitals have fallen and none are above the acute trust average.
- Across the 3 hospitals there were 20 statistically significant reductions over all Key Findings (Mid Essex had 13) and one increase.
- Scores in 7 of the 9 themes highlighted in the results are below the NHS acute trust average. These areas are: appraisals and support for development, health and wellbeing (every area in each hospital below the average), job satisfaction, managers, patient experience and there are issues around violence, bullying and harassment.

Recommendations, including those relating to survey completion rates, accountability at directorate level, management support, appraisals and actions relating to bullying and harassment, were discussed.

### **Consultant Job Planning**

The Committee received an update on the good progress being made.

## **Gender Pay Gap**

The Committee received a report on the initial analysis of the gender pay gap that public sector bodies are required to publish by 31 March 2018. The report showed a mean pay gap of 27.5% The Committee acknowledge that the headline results required significant explanation and sought clarification on the communication plans.

## **Month 11 Board Finance Report**

The year to date figures were presented showing a deficit of £10.2m favourable to plan by £1.0m. The overall forecast is a deficit of £15.1m. Within this overall forecast is a shortfall on STF of £1.5m, winter funding of £0.8m and charitable income of £0.6m. Excluding these items, the Trust is planning on meeting its pre-STF control total.

- Cash balances finished the period at £3.0m, ahead of plan.
- Capital spend for the year to date was £8.0m, under plan by £4.9m, however the Trust is forecasting to spend 14.5m by the year end which is £0.5m under budget.
- The cost improvement plans achieved £8.1m slightly ahead of budget
- 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 Plans**

The Committee received an update on the plans and were assured.

## **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.

## **CCG Commissioning Intentions for 2018/19**

The Committee were presented with an update on discussions with the CCGs.

## **Briefing on the Liability in respect of Clinical Claims**

The Trust is indemnified against costs and damages awards in respect of clinical negligence by the Clinical Negligence Scheme for Trusts ("the CNST"). The CNST is administered by NHS Resolution ("NHRSR") which is a not-for-profit part of the NHS. NHRSR indicated that there were 138 active claims at the end of December 2017. The Committee noted that the Trust has complied with all reporting requirements.

## **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'), the Committee discussed a proposal to reduce the risk to 15 however recommends 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 remain at 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 the state of the estate. The Committee will receive at its May meeting a draft business case in relation to the development of the mortuary.

The Committee was assured by the report.

#### **Recommendations**

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