

Board of Directors' Meeting Report – 24 May 2018

Agenda item 28/18b

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 1 May 2018
Previously considered at	N/A
<p>Executive Summary This paper summarises the issues considered at the meeting which included:</p> <ul style="list-style-type: none"> • HR Performance including Mandatory Training • Month 12 Board Finance Report for 2017/18, including CIPs • Financial Improvement Plan • Cash Flow and Loans • BAF Review of Risk 3, 4, 5 & 6 • Estates and Facilities 	
Related Trust Objectives	Financial and Operational Sustainability
Related Risk	All BAF risks
Essex Success Regime	N/A
Legal implications / regulatory requirements	Additional scrutiny of Finance issues, NHSI FRR
Quality assessment impact	QIA's are applied to the financial recovery plan actions and to all CIP programmes
Equality assessment impact	As far as can be considered this paper has no detrimental impact for the 8 protected characteristics under the Equality Act 2010
<p>Recommendations: The Board is asked to receive assurance therefrom.</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, its use of other resources and oversee the delivery of financial performance. This report sets out the issues considered at the 1 May 2018 meeting.

HR Performance including Mandatory Training

The trend of workforce KPIs were discussed:

- Vacancy rate reduced further to 10.55% in March
- Establishment remained static since the last report
- Agency costs for medical and other staff continue to be high
- Appraisal compliance is slightly down at 78.1% in January
- Sickness increased slightly and is currently at 3.81% year to date
- Turnover has decreased to 12.55%
- Statutory Mandatory training compliance is at 86.16% meeting the target for all staff excluding bank

The Committee discussed the issue, from the 2017 staff survey, of physical violence against staff by Managers. It was noted that no incidents have been reported and therefore the challenge in gaining information was acknowledged. The Committee was assured by the report.

Month 12 Board Finance Report, including CIPs

The figures for the full (before impairments and donated asset income and expenditure) were presented showing a deficit of £14.3m adverse to plan by £0.1m. However, the Trust beat its pre STF control total by £1.4m and as a consequence will receive incentive and bonus monies of £6.3m.

- Cash balances finished the period at £18.4m, substantially ahead of plan due to early receipt of the sale proceeds of Fossets Farm, drawdown of funds for centrally funded capital expenditure and early settlement of intra Trust monies due.
- Capital spend for the year was £15.0m and on plan.
- The cost improvement plans achieved £8.9m slightly ahead of budget
- The Financial Sustainability Risk Rating was a rating of 3 (1 is best, 4 is worst).

The Committee received CIP presentations from Womens and Childrens (W&C) and Surgery Directorates with regards to 2018/19. The Committee were concerned that W&C did not yet have a viable plan in place. An update, approved by the SLT, will be provided at the next Efficiency Sub group meeting. Also, following discussion, an update on the Emergency Department CIPs was requested for the next FRC meeting.

The Committee was assured by the report.

Financial Improvement Plans

The Committee received an update on the plans and noted the continuing difficulties in the recruitment market and the consequential impact on Bank and Agency expenditure.

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, 5 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 5 (Current and future estates, infrastructure and equipment may not comply with national specifications, meet service needs and/or service user needs), it is recommended that the current risk level remains at 12 and the target 9.

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 and was pleased to note the achievement of the Back Log Maintenance capital budget.

The Committee was assured by the report.

Recommendations

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