

Trust Board meeting		Date:	29 March 2017
Agenda item	Title	Non - Executive Director lead and presenter	Report author
BD/16/	Report of the Finance & Planning Committee Chair	Ernie Messer (Acting Chair)	Ernie Messer (Acting Chair)
This report is for:			
Decision			
Discussion			
To Note		X	
History			
<i>None.</i>			
The following impacts have been identified and assessed within this report			
Equality	None identified at this time.		
Quality	None identified at this time.		
Privacy	None identified at this time.		
Executive summary of key issues			
The Board is asked to note the report.			
This report addresses these strategic priorities:			
We will deliver the best care		X	
We will support and develop our staff		X	
We will continually improve what we do		X	
We will use our resources wisely		X	
We will be future focussed		X	

1 Business Undertaken

- The committee received reports on the month 11 financial position and performance of the organisation as at month 11. The committee also received the draft Annual Operating Plan for 2017/18 and the draft budget for 2017/18 which included the draft income and expenditure budget for 2017/18, the capital plan for 2017/18, the cash plan for 2017/18 and the movements in the balance sheet for 2017/18. Commercial updates and information concerning the Project Register were also discussed.

2 Key Decisions

- The Board noted the month 11 finance report and forecast outturn as at month 11. The committee heard from the Finance Director that he had finalised his work with NHS Improvement and the Trust's External Auditors on the accounting treatment of transactions relating to the financial year 2015/16. On this basis the committee noted and agreed with the decision to impair the capitalisations of the Hillview Unit replacement. The committee noted the impact of the impairment and confirmed that the Trust would now aim for a forecast outturn of £9m deficit.
- The committee noted the performance report at month 11
- The committee received the Annual Operating Plan for 2017/18 and agreed its recommendation to the March Board.

- The committee received the Draft Budget for 2017/18 but could only partially agree the budget due to the potential £8m gap against the required savings target of £20.5m. The committee members requested that further work be undertaken and presented to the May Board on further saving schemes to close the financial gap for 2017/18.
- The committee agreed the capital plan for 2017/18 subject to the Quality and Standards (Q&S) committee seeking assurance of the financial plan for anti-ligature work.
- The committee agreed the cash plan for 2017/18 and confirmed the borrowing limit of £6.4m.
- The committee agreed the anticipated movements in the balance sheet for 2017/18.
- The committee agreed the list of programmes and the scope of the programmes for 2017/18 but questioned whether the Trust had the capacity to deliver all of the programmes.

3 Exceptions and Challenges

- The committee could only give partial agreement to the draft budget presented by the Finance Director. As of the date of the committee, members were notified of an £8m gap in the required savings needed to deliver the 2017/18 control total of £2.6m surplus. The committee requested further work on savings to be presented to the May committee in order that the gap can be closed as much as possible.

- The committee was concerned about the level of Delayed Transfers of Care (DTOC) and requested further detail on how the Trust is going to try and reduce the numbers.
- The committee was worried about the number of programmes that the Trust was embarking on and wanted to assurance that all of the programmes could be delivered.
- The committee expressed its concern at the lack of workforce numbers information in the performance report and the draft budget. The committee requested further assurance on workforce numbers.

4 Impact of Risks to the Achievement of Strategic Objectives

- Failure to deliver the required savings target for 2017/18 will mean that the Trust will not deliver its financial sustainability objective.
- Failure to reduce DTOCs across the Trust will impact on the Trust's ability to deliver safe care.
- Failure to manage the staffing challenging across the Trust will impact on the delivery of the workforce objectives
- There are significant strategic risks calling for further work in respect of the organisation's "change and project management capacity and capability" LDU's accept and are ready for "fully developed" CIPs but additional or other new initiatives have not been fully impact assessed and might

become unmanageable. This is a capacity issue.

- There is also an issue given the urgency and importance of CIP's this year that we have the benchstrength to deliver on time, to specification and to gain full benefit realisation. Are our processes fully effective? This is the capability issue.

5 Governance and Other Business

- There were no other Governance issues discussed at the committee

6 Future Business

- Additional savings plan to close the residual savings gap of £8m so that Board can full agree the budget for 2017/18.
- More explicit reporting on DTOCs
- Clearer reporting on workforce numbers to the committee
- Organisational "change capacity and capability" to be reassessed.

7 Horizontal Reporting

- Impact of safer staffing reductions across inpatient units to be tested by Q&S committee.
- Financial value in the 2017/18 capital plan for anti-ligature work to reviewed and tested to ensure that it supports the 2017/18 schemes
- Q&S to receive the monthly workforce numbers in order to seek assurance on the quality of care.

8 Recommendations

- Noted the month 11 financial position and confirmed the targeted forecast outturn of £9m deficit.
- Noted the performance of the organisation up to month 11.
- Recommendation of the Annual Operating Plan to the Board.
- Partial recommendation of the 2017/18 income and expenditure budget.
- Full recommendation of the 2017/18 capital plan
- Full recommendation of the 2017/18 cash plan assuming all 2017/18 savings are delivered
- Full recommendation of the movements in the balance sheet assuming the 2017/18 savings are delivered.