

Trust Board meeting		Date:	31 May 2017
Agenda item	Title	Non - Executive Director lead and presenter	Report author
BD/17/047	Report of the Finance & Planning Committee Chair	Ernie Messer (Vice & Acting Chair)	Ernie Messer (Vice & Acting Chair)
<b>This report is for:</b>			
Decision			
Discussion			
To Note			X
<b>History</b>			
None.			
<b>The following impacts have been identified and assessed within this report</b>			
Equality	None identified at this time.		
Quality	None identified at this time.		
Privacy	None identified at this time.		
<b>Executive summary of key issues</b>			
The Board is asked to <b>note</b> the report.			
<b>This report addresses these strategic priorities:</b>			
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 current financial position and performance of the organisation as at month 1. The committee also received information on:-
  1. The Financial Improvement plan and potential additional savings.
  2. Key Financial risks

On this occasion no forecast data was presented due to the fluid nature of financial planning and interconnectivity of a range of initiatives.

Commercial updates and information concerning the Project Register were also discussed.

## 2 Key Decisions

- The Committee approved progression to Stage 3 of the Financial Improvement plan on behalf of the Board in light of the timetable for responding back to NHSi. This will be recommended to the Board to ratify the decision
- The committee noted the performance report at month 1. which overall prompted serious continued concern regarding full financial recovery showing a £221k variance off plan in month 1.
- It was agreed that the current position was complex and difficult to unbundle and to make accurate projections over the next 12 months and to understand the further impacts beyond. To this end it was agreed to assume that the control total will be achieved based on the month 1 reporting.
- Close scrutiny remains essential by this committee and the Board. The Financial Improvement plan was agreed as the vehicle for this.
- It was agreed and fully supported by the localities that change management planning including highly effective stakeholder engagement and communication to staff will be critical. They remain ready for this.
- The committee reviewed the updated list of programmes and the scope of the programmes for 2017/18 but continued to be concerned about the capacity and capability to deliver this. The expertise that SSG can bring to this in their planning and support for this work will be key but capacity needs very detailed planning and prioritisation.

## 3 Exceptions and Challenges

- Workforce and explicitly Bank and Agency spend whilst subject to repeated reviews, remedial actions and activities, have not been brought under effective financial control.
- Cash whilst currently in a reasonable position with sufficient headroom in the immediate few months could easily drift and become precarious. Increased borrowing costs might still further aggravate this along with NHSI and the Department of Health restricting the amount of cash support that is available to the Trust.
- CIPS and additional savings are skewed towards the end of the year and delivery must be assured and not drift. Committee challenged on why identified CIPs in the budget had now not been delivered.
- Localities and central budget holders have signed up to the initial budgets with 3 exceptions which should conclude shortly – this is considered low risk.
- The full range of change and transformation has not been fully checked in respect of quality and service impacts.

## 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"

## **5 Governance and Other Business**

- There were no other Governance issues discussed at the committee

## **6 Future Business**

- Introduce a highly focused reporting mechanism from the FIP Phase 3 outputs
- Gain a deeper understanding of our Change and Project management capacity and capability and align this with the outputs from the final SSG report and implementation planning. Seek specific guidance and support on this from SSG
- Conclude the reprioritised deep dive for Business planning
- Revisit, realign and review in the light of SSG recommendations the Workforce initiatives to be prioritised and specifically for Bank and Agency. The new HR Director must be a champion of this and lead relevant components in concert with a wide range of stakeholders.

## **7 Horizontal Reporting**

- Impact of safer staffing reductions across inpatient units to be tested by Q&S committee.
- Q&S to receive the monthly workforce numbers in order to seek assurance on the quality of care.

## **8 Recommendations**

- We need to secure an agreed position on the FIP to take to the Board meeting in June following additional review by all relevant committees beforehand including F&P.
- Plans need to be translated into clearly costed actions as soon as possible
- A fulsome and robust change, engagement and communication plan needs to be developed.
- The 17/18 budget approval including the additional savings needs to draw to a final conclusion.