

## **TRUST BOARD REPORT FEBRUARY 2017**

### **Finance & Workforce Committee Chair Update**

The Finance and Workforce Committee met on 21 February 2017 and it was quorate. The key points from Public meeting were:

#### **Short Stay Surgical Unit (SSU) FBC**

Natasha Hare presented the paper highlighting the small number of changes from the OBC. The Committee noted that recruitment for the SSU was in progress and that stripping out of existing office space was complete.

The Committee discussed the risk of the SSU being used as an escalation area and were given reassurance that the area would be protected.

#### **The Committee approved the FBC**

#### **Finance**

PS ran through the highlights from the M10 report.

The Trust achieved a £3.6m [adjusted] surplus at the end of January, £(3.2)m adverse to the YTD planned £6.8m surplus. The YTD position includes £4.9m planned and actual Q1 & Q2 STP funding.

Also included in the M10 position is 10/12ths of the additional activity funding (£2.5m) agreed with NHS England.

At M09 the Trust formally notified NHSi of a revised forecast outturn and following that the FOT has been adjusted to reflect the additional activity funding to a £5.0m surplus. However, risk to that forecast remains and is dependent on settlement of income with CCGs.

YTD agency (and NHS locum) spend is £16.9m which is £(3.6)m greater than the £13.3m plan. This spend is mainly driven by the on-going difficulty in recruiting sufficient numbers of permanent/bank nurses and junior doctors.

The cash balance at the end of January 2017 was £4.4m. The Trust has drawn down £7.3m revolving working capital in 2016/17 of which £3.75m was repaid as at January 2017. This cash has supported on-going improvement in BPPC performance which is now 82% by volume, 80% by value year to date.

The £3m capital to revenue transfer made in 2015/16 has been returned to the Trust and is now included within its 2016/17 capital resource limit (CRL). The EPR Digitise project (which is planned to be funded by a capital investment loan) has now been deferred into 2017/18 and, to support the national position, the Trust has deferred a further £1.1m of 2016/17 expenditure into early 2017/18 and returned this CRL (not cash) resulting in a

revised CRL forecast of £11.3m. This compares to the £15.9m CRL plan requested with the revised 2016/17 NHSi operating plan.

### **2017/18 Budget Update**

Productivity plans are being worked up in two stages - £2.5m is part of the CIP and is based on improvements in Theatres and Outpatients plus an additional £5m which will require a broader approach. The next iteration of the plans will be brought to the March FWC.

The Committee noted that there had been a lot more activity however the cost was not necessarily going up proportionally. This also implies greater productivity.

Levels of reserves were at £8.3m and £9m worth of cost is to be allocated to divisions before the final budget.

Discussion took place around future activity growth. The Committee felt emergency attendances and non-elective activity at 2% may be understated.

The Committee noted that the draft budget was coherent and well constructed and would require significant improvements in operational performance in order to deliver it.

### **Workforce and Organisational Development**

FA highlighted the nursing position and the work that is taking place with a pipeline of 325 nurses from international recruitment. Approximately 30% - 50% are likely to join (c100-160 nurses) against an attrition rate of 200 per annum. FA also described the lengthy process that had to be followed before a nurse was in position.

### **Retention Paper**

MP and FA presented the report. The Committee welcomed the paper and noted its thoroughness and the action plan. This had been approved by the Executive Committee and MP highlighted four key areas:

1. Information gathering around leavers
2. Information gathering around stayers
3. Flexible working
4. Career Mapping

The Committee had a full discussion around retention and covered aspects including managers' role in managing people, understanding aspirations both for those looking for promotion and new jobs and those staying within a role, and succession planning.

### **Capital and Estates**

The Committee was taken through the 5 year capital programme with an emphasis on 16/17 and 17/18. IM highlighted recent changes including the movement of £1.1m into the 17/18

CRL, the emphasis on increasing day case capacity eg SSU, the deferment of EPR into 17/18.

PS outlined the strategic case for the Ambulatory Care Unit and the practicalities of the build that meant the approval process would need to be accelerated and authorisation would have to be done outside of the FWC meeting structure. **This was agreed.**

The Committee noted that the Estates strategy and ESH site masterplan may impact the longer term capital programme. It also discussed aspects of the STP - Estate Directors collaborating on short term actions eg procurement and any potential sources of funding.

## **IT**

IM updated the Committee on several projects including the move to NHS mail.

The Committee noted that EPR Digitise will be funded through a loan and does not require NHSi approval. The cost is to be spread over 2017/18 and 2018/19 with implementation between Summer 2017 and Summer 2018. An implementation team was being set up including proactive contribution from Cerner.