Public Board Meeting

Report

Subject: Finance Committee Update
Date: 5ᵗʰ October 2016
Author: Neal Gossage
Lead Director: Neal Gossage

Executive Summary

The finance committee met on 25 October 2016 and has the following matters to escalate to the board.

Performance for the 6 months to September 2016

The deficit for the month (excluding LTP costs) at £3.04m was £0.04m better than plan. As noted in last month's report, the actual costs of the LTP incurred by SFH are now included in the deficit but costs incurred by NUH continue to be accrued to plan. The control target for the year will be adjusted to reflect this change and the Trust is currently on track to deliver the control total for 2016/17.

CIPs achieved in the month amounted to £1.67m - £0.49 better than plan and for the year to date CIPs at £5.9m were £1.14m better than plan. The full year target remains achievable and the gap between schemes in delivery and in the pipeline and budget has narrowed to £0.47m. There is a very close focus on delivering on two key CIPs - not opening a ward for winter and rationalisation/closure of stroke beds.

It should be noted that around 20% of this year's CIP target will be non-recurrent schemes.

Control totals for 2017/18 and 2018/19

Draft control totals for the next two years have now been issued by NHSI and the total for 22017/18 suggests that the CIP target will amount to around 6% of expenditure. That is considered to be extremely challenging and PR was asked to revert to NHSI to see if the target can be reduced. PR will advise the board of the outcome of those discussions prior to the board deciding whether to accept the control total for next year – there are significant benefits to the Trust in accepting the target not least to avoid financial special measures.

Agency Staff Spend

It is highly unlikely that agency spend will be within the cap for 2016/17. The committee appraised the plans in place to get better control over agency spend and received limited assurance that the cap is achievable from next year subject to the recruitment plans delivering and interim arrangements going 'on payroll'.

The board is asked to consider whether progress against the cap should be monitored by the finance committee or the board directly including the arrangements to move staff away from interim arrangements and onto the payroll.

BAF

The committee considered principle risk 4 (finance) and received assurance on the actions and mitigations in place to minimise the risk. It was noted that the risk will increase in 2017/18 in the light of a tighter control total and associated CIP plan which will be extremely challenging. The risk will not be eliminated or reduced significantly until the Trust gets its finances in balance and no longer requires in year financial support.

Relevant Strategic Priorities (please mark in bold)	
Ensure the highest standards of safe care are consistently delivered by, and for, individuals, teams and departments	Ensure that patients experience the very best care, building on good practice and listening and learning from both negative and positive feedback and events
Provide timely access to diagnosis, treatment and care when people need it and safely reduce the time patients spend in hospital	Raise the level of staff engagement through strong leadership, communication, feedback and recognition
Reduce the scale of our financial deficit by reducing costs, improving utilisation of resources and productivity, and achieving best value for money	Work in partnership to keep people well in the community, and enable them to return as soon as they are ready to leave hospital
Develop and implement a programme of work in conjunction with Nottingham University Hospital NHST to create a new combined organisation	

How has organisational learning been disseminated	
Links to the BAF	
Financial Implications/Impact	
Legal Implications/Impact	
Partnership working & Public Engagement Implications/Impact	
Committees/groups where this item has been presented before	