

Board of Directors Meeting in Public

Subject:	Finance Committee report to Board	Date: 5th March 2020		
Prepared By:	Neal Gossage, Chair of Finance Committee			
Approved By:	Neal Gossage, Chair of Finance Committee			
Presented By:	Neal Gossage, Chair of Finance Committee			
Purpose				
To update the Board with regard to the activities of the Finance Committee and highlight the key discussions			Approval	
			Assurance	x
			Update	
			Consider	
Strategic Objectives				
To provide outstanding care to our patients	To support each other to do a great job	To inspire excellence	To get the most from our resources	To play a leading role in transforming health and care services
x	x	x	x	x
Overall Level of Assurance				
	Significant	Sufficient	Limited	None
		x		
Risks/Issues				
Financial	Failure to work effectively across the system could have a detrimental impact on the financial performance of the Trust and the ICP/ICS			
Patient Impact	Inability to agree and implement seamless patient pathways could have a negative impact on our patient population			
Staff Impact	Failure to engage staff in new ways of working could delay the implementation of new processes			
Services	Inability to agree and implement seamless patient pathways could have a negative impact on our service provision			
Reputational	Lack of engagement in the ICP/ICS could result in negative publicity			
Committees/groups where this item has been presented before				
N/A				
Executive Summary				
An Extraordinary meeting of the Finance Committee was called on 27 February 2020, mainly to discuss submission of the financial plan for 2020/21.				
<u>Matters to be brought to the attention of the board:</u>				
1.1 Financial and Operational Plan 2020/21				
<p>The Trust was notified of the 2020/21 plan requirements on 31 January 2020. These require the Trust to submit the first draft of its plans for 2020/21 on 5 March 2020. The Trust is required to produce further improvement in its financial position and NHSI/E expect the Trust to meet a financial improvement trajectory (FIT). The financial recovery fund (FRF) will continue to be paid in 2020/21 based on Trust performance in a number of areas and, as expected, at least 50% of the FRF paid will be dependent on system (ICS) performance.</p> <p>The committee had extensive discussion on the plan and considered whether the Trust would be able to accept the deficit plan proposed by the regulator. Further work is required within the system to ascertain the ability of the system to deliver the plan which will be further discussed by the Board. Authority to submit the plan was delegated to the Chief Executive, Chief Financial Officer and Chair of the Finance Committee.</p>				

1.2 M10 Financial Report

At the end of M10, the Trust reported a deficit of £36.6m (before PSF, FRF and MRET) - £0.8m worse than plan. This represents a deterioration of £1.0m in the month.

At the end of January, the Financial Improvement Plan delivered savings of £9.1m - £1.0m below plan. The FIP for the year to date included £5.0m of non-recurrent savings.

Despite this, the Trust continues to report a full year forecast deficit of £41.5m – in line with plan. This carries a risk of £2.8m in the ‘likely case’ and is dependent on further non-recurrent savings being delivered by the year end.

1.3 Remedial Works at Mansfield Community Hospital

Work has commenced on the project to ensure that all staff and patients at MCH can be safely evacuated in the event of a fire. Further risk assessments carried out have indicated that some patients would not be able to evacuate an area horizontally to an adjacent area. This, together with staff concerns, have required a reappraisal of options for the future of MCH.

Seven options were presented to the committee following appraisal by the executive team. The option deemed to be the most appropriate for MCH was to re-commission the full bed base at MCH to create a full inpatient facility. This requires capital investment of £1.7m and the work involved may mean that MCH capacity will not be available to meet 2020/21 Winter pressures.

The committee supported this option subject to Board approval and securing further emergency capital funding to complete the project.

Other matters discussed by the committee

2.1 Month 10 ICS Financial Position

At month 10, the ICS reported a deficit of £8.0m against its plan and is now forecasting to have a full year deficit of £74.6m - £9m worse than plan. An appropriate adjustment has been made to the SFH forecast to eliminate remaining system-dependent PSF in 2019/20.