

Board of Directors Meeting in Public

Subject:	Finance Committee report to Board		Date: 5 th Marc	Date: 5 th 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			Approval		
Finance Committee and highlight the key discussions			Assurance	X	
		•	Update		
			Consider		
Strategic Objectives					
To provide	To support each	To inspire	To get the most	To play a	
outstanding	other to do a	excellence	from our	leading role in	
care to our	great job		resources	transforming	
patients				health and care	
				services	
X	X	X	X	X	
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Overall Level of	Assurance				
Overall Level of		Sufficient	Limited	None	
	Assurance				
Risks/Issues	Assurance Significant	Sufficient x	Limited	None	
	Assurance Significant Failure to work effe	Sufficient x ectively across the sy	Limited rstem could have a cou	None	
Risks/Issues Financial	Assurance Significant Failure to work efferon the financial per	Sufficient x ectively across the sy	Limited restem could have a country and the ICP/ICS	None detrimental impact	
Risks/Issues	Assurance Significant Failure to work efferon the financial per Inability to agree ar	Sufficient x ectively across the sy formance of the Trus and implement seamle	Limited //stem could have a cou	None detrimental impact	
Risks/Issues Financial Patient Impact	Failure to work efferon the financial per Inability to agree an negative impact on	Sufficient x ectively across the syrormance of the Trusted implement seamler our patient population	Limited stem could have a cast and the ICP/ICS ass patient pathways on	None detrimental impact s could have a	
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Risks/Issues Financial Patient Impact Staff Impact	Failure to work efferon the financial per Inability to agree an negative impact on Failure to engage sof new processes	Sufficient x ectively across the syndermance of the Trusted implement seamles our patient populations at aff in new ways of very season.	rstem could have a could have a could have a could have a could the ICP/ICS ess patient pathways on working could delay	None detrimental impact s could have a the implementation	
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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.

Matters to be brought to the attention of the board:

1.1 Financial and Operational Plan 2020/21

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.

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.



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.