

REPORT TO THE TRUST BOARD: PUBLIC
22 July 2021

Title	Finance, Business and Investment Committee (FBIC) 11 June 2021 and 13 July 2021 – Committee Chair’s Report
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Purpose of the report

To bring to the Board’s attention key issues and assurances discussed at the Finance, Business and Investment Committee (FBIC) meetings held on 11 June 2021 and 13 July 2021.

Issues to be brought to Board’s attention

13 July 2021

The Committee considered a range of items including the finance report months 2 and 3, financial viability update and presentations on plans in Forensics and City & Hackney, financial planning update 2021/2022, agency expenditure, Board Assurance Framework: financial and IT risks (risks 7 and 8), digital strategy, aged creditors, procurement update, capital update report and the investment register. The Committee wished to particularly draw the Board’s attention to:

• **Finance Report Month 2 and Financial Planning Update 2021-2022***

- The Committee discussed the financial pressures and financial planning requirements for 2021-2022, acknowledging the financial risk and uncertainty around achieving year end targets
- Financial pressures continue including agency costs increasing in Bedfordshire and Luton, Tower Hamlets Community and primary care services
- Continued overspend in relation to Covid but expected to be within monthly budget spend by end of month 4; however, the increase in the Delta variant is likely to lead to an increase in costs
- Expenditure shows some cost overruns and work is ongoing to establish the drivers
- Further list of cost pressures being considered; agreement has been made to provide additional funding for IT and infection control budgets
- Requirement on the ICS to deliver a break even plan; Trust making the assumption that the second half of the year will be the same as the first six months (break even).

**Detailed report included in the Integrated Performance Report agenda item at Board on 22 July 2021*

• **Financial Viability Update:**

- A challenging target for 2021-2022 at £12m
- Value of plans now expected to achieve just over 50% of the annual total leaving a gap of £5.8m
- A challenge remains with staff buy in to the savings following the disruption of the past 18 months; however, work has been ongoing throughout the directorates to develop ideas for meeting the target
- Intranet site developed to help staff deliver value projects
- Committee commended the ideas shared during the presentations, and in particular the clinical transformation programmes and cross borough work and wished to highlight the importance of realising the target.

• **Agency Expenditure:**

- Agency costs are continuing to increase: 7.4% of paybill in month 2 and 7.6% in month 3
- An agency oversight group has been established supported by the recruitment and retention workstream to examine in detail the reasons for what is driving these costs as well as looking at long term workforce planning especially in the light of the new Mental Health Investment Standard monies

- The Committee requested a deep dive presentation into agency use and work being undertaken to reduce use be presented at its next meeting.
- **Board Assurance Framework – risks 7 and 8*:** The Committee:
 - Agreed the changes to the risk wordings for risks 7 and 8, and reviewed the range of actions being taken to mitigate the risks which will be strengthened in future reports
 - Was assured that in the light of the increasing external cyber threat activity the risk score for risk 8 will not be reduced until confirmation has been received from NHS Digital that the remediation work on cyber has been fully completed.
- **Digital Strategy:** The Committee:
 - Reiterated its support for the digital strategy and the focus on benefits realisation in future projects and investments going forward
 - Noted that funding for the digital for the year has been agreed. Proposals for additional funding to support the ambitious plans will need to be developed and considered initially by the Executive team.
- **Procurement Update:**
 - Various projects in train supporting the Trust’s position as an anchor institution
 - Payment of G4S staff receiving backdated London Living Wage is finalised and consultation on paying the Real Living Wage for Bedfordshire and Luton contracted staff is under way.

11 June 2021

At this extraordinary meeting, the Committee approved the East of England provider collaborative business case with commencement on 1 July 2021 and approved the relocation of wheelchair services in Bedfordshire.

FBIC Minutes

The approved minutes of the FBIC meeting held on 6 May and 11 June 2021 are available on request by Board Directors from the Director of Corporate Governance.