

REPORT TO THE TRUST BOARD: PUBLIC
23 September 2021 2021

Title	Finance, Business and Investment Committee (FBIC) 8 September 2021 – Committee Chair’s Report
Committee Chair	Eileen Taylor, Vice-Chair and Chair of FBIC
Author	Cathy Lilley, Director of Corporate Governance

Purpose of the report

To bring to the Board’s attention key issues and assurances discussed at the Finance, Business and Investment Committee (FBIC) meeting held on 8 September 2021.

Key messages

8 September 2021

The Committee considered a range of items including the finance report month 4, financial viability update, agency expenditure, Board Assurance Framework: financial and IT risks (risks 7 and 8), aged debtors, procurement update, procurement for soft facilities management services, capital update and the investment register. The Committee wished to particularly draw the Board’s attention to:

• **Finance Report Month 4**

- Deficit at the end of July is £458k compared to planned net surplus of £30k
- Operating income is ahead of plan by £567k
- Adverse variance of £1,055k against operating expenditure with main areas of risk continuing to be agency costs and delivery of financial viability plans
- Current forecast is to meet H1 break-even given improved COVID spend rates, receipt of additional income from BLMK for discharge hubs and use of slippage on in year investments
- In respect of H2, expected 3% efficiency ask and a reduction in COVID costs
- NHSI risk rating is not currently being reported. However, the high level of agency expenditure could adversely impact the Trust’s overall financial risk rating at a later date if it is not reduced
- H2 allocations have not yet been finalised, and in particular the STP efficiency requirement is not known
- The Committee requested consideration be given to presenting a separate finance report at Board for discussion
- This paper is also being presented as an agenda item at the Trust Board in public on 25 September 2021.

• **Financial Viability Update**

- Continued to be behind plan with work focusing on addressing the gap
- Scope has been extended by using the sector based steering groups to raise awareness in terms of behaviours and quality as well as financial
- Assurance provided that there is a focus on the cost and broader benefits from the Trust’s investment in digital and also quantifying the benefits already achieved; an update report will be provided at the next meeting.

• **Financial Viability Deep Dive: Bedfordshire**

- The Committee commended the focus and the range of work being undertaken in Bedfordshire to improve efficiency and embedding in clinical transformation and QI work
- Examples include community health training offer to partner organisations around health interventions by social services and the voluntary sector; use of technology to support mobile working for district nurses; developing EMIS to improve connections with patients involving the increased use of telecare, remote monitoring of patient’s welfare and the use of AI

- Continued to be behind plan with work focusing on addressing the gap.

- **Deep Dive: Agency Expenditure**

- Drivers for agency use include lack of skilled and available workforce; new services requirement to meet pace of set up and associated back-fill; custom and practice issues within some services; continuing COVID activity and associated backlogs and other operational demands
- Assurance provided that there continues to be a range of initiatives to reduce demand and use of agency including introducing a clear and robust process of requesting and approving agency; reviewing incentives including relocation policy; using technology to simplify bank shift alerts and requests; enhanced focus on new roles and new initiatives such as physician associates, hospital at night and international recruitment; harmonising workforce management and agency procurement; and ICS workforce planning and sharing of roles and good practice
- The Committee expressed appreciation for the detailed work and focus on reducing agency expenditure
- A summary of agency expenditure is included in the Finance Report to be presented at the Trust Board in public on 25 September 2021.

- **Board Assurance Framework – risks 7 and 8**

Risk 7: *If the Trust's approach to value and financial sustainability are not embedded, this may impact on the achievement of the Trust's financial, service delivery and operational plans*

Risk 8: *If the Trust fails to robustly implement and embed infrastructure plans including digital and estates, this will adversely impact on our service quality and delivery, patient care and carer experience, and our ability to transform services in line with our aspiration to be a leader in both of our ICSs*

- The Committee agreed no changes to the risk wording or risk scores, and received assurance that appropriate controls are in place and operating effectively.

- **Procurement Update:**

- New procurement standards require teams to be assessed on the viability of delivery; assurance provided that standard 1 will be achieved when assessed at the end of September
- The Committee acknowledged the work of the procurement team to protect staff and patients during the pandemic and their contribution towards the Trust being an anchor institution.

- **Capital Update Report**

- The re-phasing of the capital plan is designed to give confidence to the Board that the schemes in place total the agreed budget for the year
- The Committee requested an update on the estates plan for assurance that it aligns with clinical changes.

FBIC Minutes

The approved minutes of the FBIC meeting held on 11 June 2021 and 13 July 2021 are available on request by Board Directors from the Director of Corporate Governance.