

REPORT TO THE TRUST BOARD: PUBLIC
24 September 2020

Title	Finance, Business and Investment Committee (FBIC) 8 September 2020 – 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) meeting held on 8 September 2020.

Issues to be brought to Board’s attention

At its meeting on 8 September 2020, the Committee considered a range of items including:

- Finance report for month 4
- Financial viability
- Agency expenditure
- Capital projects and spending
- Procurement
- Aged debtor
- Investment register
- Board Assurance Framework: improving value risks
- The estates plan
- e-prescribing
- New Models of Care Provider Collaborative: North Central and East London (NCEL) CAMHS Due Diligence.

The Committee wished to particularly draw the Board’s attention to its discussions on:

Finance Report Month 4 and Capital Update Report*

- The constraints on capital and the financial structure the Trust is operating in
- A system wide approach is being taken to the allocation of capital via the STPs
- There is no contingency due to the cap on capital expenditure – this means no new schemes can be funded
- There is a possibility of some central funding for capital infrastructure that will enable the Trust to fund some of our plans
- Recommendation that plans are prepared for items that could be mothballed as well as identifying schemes on the contingency list if more funding is available
- Trusts are required to report a break even position
- Assurance provided that there are plan in place to manage and address the large overspends in Bedfordshire, estates and facilities, and IT and that there is enough flexibility in reserves to manage any shortfalls in financial viability schemes achievement. As this would be non-recurrent the impact would be on future year’s financial performance.

Agency Expenditure*

- As requested by the Committee, the report now includes agency forecasting
- There has been some reduction in variance against the agency ceiling (currently no requirement to report against the agency ceiling)
- Issues in Bedford are in relation to medical agency, mainly consultant psychiatrists where there is a relatively small number of vacancies
- Assurance provided that plans are being implemented to address the use of agency and reduce costs but that these will take time to realise
- The speed of establishing new services can result in the use of agency whilst recruitment takes place.

Financial Viability*

- Since the last Committee meeting, additional schemes have been identified with the gap now at £100k (overall target is £5.3m); however, there are cost pressures such as the IT budget and potential impact of phase 3 planning assumptions
- Assurance was provided that there has been good people participation involvement financial viability schemes through the Shaping Our Future workshops
- Maintaining people participation in financial viability schemes demonstrates a population health approach, not purely a financial focus.

* A detailed report is included in the Integrated Performance Report, an agenda item for the Trust Board (in Public)

E-Prescribing

- There have been demonstrable and measurable financial, efficiency and quality benefits through the implementation of prescribing and medical administration digitally
- There are now 54 in-patient mental health wards that have implemented this
- The savings benefits are estimated as cash releasing savings of £30k and non-cash releasing savings of £885k
- The benefits have been measured in terms of time savings and a reduction in errors and the feedback has been that it is both safer and quicker
- Pharmacists and Prescribers have been able to continue their work from home during Covid
- Future developments include a roadmap to continue to enhance and improve the system with more safety and efficiency improvements and continuing future developments
- The EPMA team won the 'Improving Value' Award this year for this project.

Board Assurance Framework

- The risk score for Risk 7 on value and financial sustainability reflects the level of uncertainty in the overall NHS financial framework; phase 3 planning process is likely to create some significant financial restraints and challenges
- Risk 8 focuses on infrastructure plans, and how well implemented and adopted with a significant part relating to digital. The risk scoring also reflects the level of uncertainty in the context the Trust is working in
- The Committee agreed there were no changes to the risk scores.

External Auditors

- Following the procurement process as agreed by the Finance, Business and Investment Committee and Audit Committee, and as previously advised to the Board through these Committee's assurance reports, BDO LLP have been appointed by the Council of Governors as the Trust's new external auditors
- The appointment is for a one year period with two possible one-year extensions

Provider Collaborative – New Models of Care: North Central and East London (NCEL) CAMHS Due Diligence (Finance)

- Following initial review by the Committee, in November 2019 the Board approved that the Trust should sign up to New Models of Care in North Central and East London, Forensics and East of England and requested that the FBIC should subsequently review and sign off final financial due diligence
- The Committee considered the due diligence report that set out the financial opportunities and risks associated with the NCEL CAMHS Provider Collaborative, and also included how the budget will be used and governed, and the risk management strategy
- Following detailed review and receipt of assurance, the Committee approved the signing of the contract with NHS England.

FBIC Minutes

The approved minutes of the FBIC meeting held on 7 July 2020 are available on request by Board Directors from the Director of Corporate Governance.

