

REPORT TO THE TRUST BOARD: PUBLIC
28 November 2019

Title	Finance, Business and Investment Committee (FBIC) 12 November 2019 – Committee Chair’s Report
Committee Chair	Eileen Taylor, Non-Executive Director and Chair of FBIC
Author	Cathy Lilley, Associate 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 12 November 2019.

Issues to be brought to Board’s attention

At its meeting on 12 November 2019 the Committee considered a range of items including the finance report for month 7, financial viability, agency expenditure, capital projects, procurement, investment register, aged debtors, the Board Assurance Framework (BAF), New Models of Care and Health Care and Space Network.

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

- **Financial Viability Programme:**
 - At the end of September 2019 (month 6), projects were in progress that would account for £5.4m of the £9.672m to be delivered through the Financial Viability Programme in 2019/20
 - A Quality Improvement approach and culture is being developed with positive results
 - Following a six-month review there has been a change to the financial viability delivery and governance structure with the establishment of three sectors covering East London, Bedfordshire and Specialist
 - The Committee acknowledged the overall good progress being made and highlighted the importance of not relying on new business and non-recurrent savings to compensate for shortfalls in planned savings.

- **Budget Challenges:**
 - At the end of September 2019 the Trust has an operating surplus of £8.851m against a plan of £8.971m with a year to date favourable net surplus variance of £218k
 - The Committee considered in detail the continued overspend and associated risks, particularly in Corporate Services and HR, and reiterated the importance of ensuring appropriate actions and oversight are in place
 - The Committee requested that more detailed updates are provided at each meeting on the management of overspend and the use of reserves.

- **Agency Expenditure:**
 - At end September 2019 agency expenditure was 22% above ceiling (risk rating of 2)
 - Based on a straight line projection, the year-end position would be under 25% (risk rating of 2)
 - The ongoing challenges with recruitment at the Trust are also a national issue; although concerted efforts are being made in encouraging agency staff to go on bank, the Trust requires some flexibility in workforce capacity to ensure safe staffing

and the quality of services, particularly when there is organisational change

- **Board Assurance Framework:**
 - The Committee noted the actions being taken to mitigate the risks in relation to the Trust's strategic object *improved value* and agreed there should be no changes to the risk scorings
 - A detailed update is included in the Integrated Quality & Performance Report and was also considered at the Audit Committee meeting on 12 November 2019.
- **FBIC Minutes:** The approved Minutes of the FBIC meeting held on 10 September 2019 are available on request by Board Directors from the Associate Director of Corporate Governance.

Abbreviations

FBIC	Finance, Business & Investment Committee
BAF	Board Assurance Framework