

REPORT TO THE TRUST BOARD: PUBLIC
3 October 2019

Title	Finance, Business and Investment Committee (FBIC) 10 September 2019 – 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 10 September 2019.

Issues to be brought to Board’s attention

At its meeting on 10 September 2019 the Committee considered a range of items including financial viability, finance report for month 4, capital projects, agency expenditure, procurement, investments, aged creditors, Board Assurance Framework (BAF), and the role of the Committee in population health.

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

• **Population Health:**

- Aamir Ahmad is a member of the Population Health Task and Finish Group and led the discussion on the role of the FBIC and Population Health
- The FBIC can be instrumental in improving population health through its procurement, estates and agency spend functions
- Procurement strategy and policy has the potential to benefit local businesses, communities and organisations by influencing local income and employment, both of which are linked with health
- Estates strategy has the potential to benefit local communities and organisations by making ‘redundant’ buildings available for community use. There is scope to enable projects to reduce loneliness, which is linked with poor health
- Recruitment strategy and policy has the potential to benefit service users and others who might otherwise fall through the net of standard employment practice as well as supporting local people.

• **Financial Viability Programme:**

- At the end of August 2019 (month 5), projects were in progress that would account for £5.28m of the £9.672m to be delivered through the Financial Viability Programme in 2019/20
- Financial Viability Programme is part of a wider system of Quality Improvement (QI)
- Focus is on the implementation of clinical transformation schemes which are progressing well and savings expected to be realised in the next two months
- Further clinical transformation, waste reduction and new income generation projects are in the pipeline
- Discussions are taking place with Directorate Management Teams (DMTs) for ideas to address the remaining gap of just under £1m as well as ideas to improve value for 2020/21
- Although some projects will incur costs there are wider benefits, e.g. waste reduction through digitalisation incurs costs in the form of deployment of devices; however,

benefits include better record keeping, patient safety and workforce satisfaction.

- **Budget Challenges:**
 - At month 4 Trust has an operating surplus of £5.631m against a plan of £5.7m
 - The continued overspend in Bedfordshire Community Health Services and also the overspend in Corporate Services which have arisen partly because budgets have not kept pace with increasing demands, for example in medical recruitment
 - Agency nursing overspend should continue to decline with the recruitment of new mental health nursing graduates from local universities in Bedfordshire and Luton
 - There will be small reductions in nursing agency spend now that community service reconfigurations have been completed, eliminating the need to keep posts vacant to allow for redeployment
 - Action continues to try to improve medical recruitment and to develop Advanced Practitioner roles which will substitute for some doctor functions. Work is also taking place to set standardised 'Trust-rates' for paying locum doctors
 - Following a request by Committee members, updates will be provided at each meeting on the management of overspend the use of reserves.
- **Procurement**
 - Savings of £526k to date with further savings in the pipeline of c£300k
 - Project to improve teams' compliance with regards to procurement and the use of purchase orders is currently being piloted
 - NHS Improvement's Procurement Target Operating Model has been delayed due to Brexit.
- **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.
- **FBIC Minutes:** The approved Minutes of the Finance, Business and Investment Committee meeting held on 16 July 2019 are available on request by Board Directors from the Associate Director of Corporate Governance. It is also intended that these will be available in a separate folder for approved minutes on BoardPack.

Abbreviations

FBIC	Finance, Business & Investment Committee
BAF	Board Assurance Framework