

REPORT TO THE TRUST BOARD IN PUBLIC
26 May 2022

Title	Finance, Business and Investment Committee (FBIC) 10 May 2022 – Committee Chair’s Report
Committee Chair	Aamir Ahmad, Non-Executive Director, chair of the meeting on 10 May 2022
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 10 May 2022.

Key messages

Finance Report Month 12

- The draft accounts submitted to external audit show an operating surplus of £2.6m above plan at £20.2m, a net surplus is £1.8m and a cash position of £142.8m
- Operating income for 2021/22 was above £550m
- The Trust continues to be in Segment 1 (no specific support needs – maximum autonomy, minimum risk) of the NHS Oversight Framework.

Financial Planning Update

- Tightly constrained capital and revenue environment as well as hyper-inflation has resulted in a deficit plan submitted
- Assumptions on efficiency of 1.1% are built in with a £15m target including the carryover from last year
- Reserves are included for the NI increase and continuing Covid-related costs; however, there are risks around inflationary pressures
- Assurance received that although there continues to be a delay in achieving pre-Covid levels of operational capacity, this is mainly due to continuing infection control regulations.

Financial Viability Update

- At year end £6.83m was achieved against the target of £12m; this exceeded expectations and the national targets set for H1 & H2
- 2022-2023 target is £15m with programmes in place to achieve £11m, with a better balance between the three workstreams and a move away from the reliance on investments
- Work continues around increasing the number of clinical service transformation schemes and exploring other avenues to address the gaps
- Returning to a greater focus on waste reduction for service users, and system working with partners.
- Risk ratings are assessed on the deliverability and achievability of schemes, taking into account their complexity and level of support. Quality impact assessments on clinical or patient-facing schemes will be reported to the Quality Assurance Committee.

Agency Expenditure

- Agency spend decreased in March
- A range of initiatives to reduce agency spend are in train that also focus on providing closer scrutiny and oversight by managers and directorates
- There needs to be a continued focus on agency spend in anticipation of tighter controls from the centre.

Capital and Estates

- CAMHS T4 Evergreen project and Bedfordshire Health Village developments are progressing

- Movements in CDEL have affected the finalisation of the 2022-2023 plan and necessitated a challenging process to prioritise projects, resulting in some having to be delayed
- Assurance provided that the remediation requirement from the CQC report has been prioritised
- Possible supply chain issues for Estates with risks to delivery and overall expenditure due to inflation
- Encouraged leverage of support for bigger projects from local partners including MPs and local mayors.

VDI Update

- Due to ongoing UK Cloud situation, there is a three months slippage on procurement and solution architecture for VDI
- Assurance received that work is ongoing to minimise the impact of this delay and maintain the achievability of the benefits that have been linked to VDI Trust-wide.

Procurement Update

- Extensive work in the Contracts team on being an Anchor organisation
- Assurance received that work is ongoing to ensure payment of the Real Living Wage (RLW). Some contractors are not nationally required to pay this and as a result will be decommissioned; the Trust is exploring ways in which to support business.

Board Assurance Framework: Improved Value – 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*
 - As the waste management culture is embedded, with leadership from Execs on key schemes, there will be a greater focus on gaps and an improved approach rather than achievement of the numbers alone
- **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 UK Cloud situation continues to affect the risk score; assurance provided that the Trust's data will be fully migrated across by the end of June with a replicated copy in place
 - Alignment between digital and estates on infrastructure is a continuing with plans being developed around resilience.

Previous Minutes

The approved minutes of the previous meeting are available on request by Board Directors from the Director of Corporate Governance.