

Board of Directors Meeting in Public - Cover Sheet

All reports **MUST** have a cover sheet

Subject:	Report of the Finance Committee	Date: 7 th January 2021								
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Approved By:	Neal Gossage, NED									
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Purpose										
This paper summarises the assurance provided by the Finance Committee around financial management in the Trust and records matters the Committee considers need to be brought to the attention of the Board of Directors		<table border="1"> <tr> <td>Approval</td> <td></td> </tr> <tr> <td>Assurance</td> <td>X</td> </tr> <tr> <td>Update</td> <td>X</td> </tr> <tr> <td>Consider</td> <td></td> </tr> </table>	Approval		Assurance	X	Update	X	Consider	
Approval										
Assurance	X									
Update	X									
Consider										
Strategic Objectives										
To provide outstanding care	To promote and support health and wellbeing	To maximise the potential of our workforce								
		To continuously learn and improve								
		To achieve better value								
		X								
Overall Level of Assurance										
	Significant	Sufficient								
		X								
		Limited								
		None								
Risks/Issues										
Financial	Performance and financial forecasts									
Patient Impact										
Staff Impact										
Services										
Reputational										
Committees/groups where this item has been presented before										
N/A										
Executive Summary										
<p>A virtual meeting of the finance committee was held on 21 December 2020 due to the Covid-19 restrictions. The meeting mainly focused on the current financial regime and month 8 performance.</p> <p><u>Matters to be brought to the attention of the board:</u></p> <p>1.1 Phase 3 Plan</p> <p>The phase 3 plan submitted earlier as part of the ICS financial plan showed a forecast deficit for SFH of £9.2m for the year. The ICS plan showed a deficit of £52.5m. Since the plan was submitted, further discussions have been held with NHSEI and the forecast deficit for SFH has since been reduced to £7.2m. Work is ongoing to ascertain what the true run rate cost base is for the Trust to establish whether the deficit can be reduced further.</p> <p>The plan has also been impacted by the recent increase in Covid patients. For months 7-12, an allowance was made for Covid costs but the 'second wave' has affected the Trust earlier than expected – the plan assumed that the 'second wave' would happen in January 2021. It is not clear how funding for this will be made available.</p> <p>Further guidance from NHSIE – known as Phase 4 – is expected to be received early in January and this will set out targets for 2021/22. Detailed planning for 2021/22 will take place from January – March 2021.</p>										

The committee was assured by the process to manage the current uncertainty and it seems to be increasingly likely that finances will be controlled at ICS level from next year.

1.2 Theatres OBC

The committee received an OBC (Outline Business Case) for a new theatres and critical care building on the King's Mill site. The preferred design was for a two-storey building with a 24-bed critical care area and an 8-theatre operating suite. This would provide a new facility for SFH to replace an old building.

The project is expected to cost around £50m and capital funding will be sought if and when central funds become available. If funds become available, it is not anticipated that the facility will be brought into use until at least 2026.

The committee approved the OBC subject to further Board approval.

1.3 Contract Horizon Scanning

At a previous committee meeting, the executive was asked to produce a schedule of significant contracts which are due to be tendered or renewed in some other way in the next few months in order to prevent approvals coming to the committee at the 'last minute'.

A schedule was provided and will be updated in the future so that the committee is aware of what is 'in the pipeline'.

Other matters discussed by the committee

2.1 Month 8 Financial Performance

The committee received the month 8 report and noted that the deficit for the month was £0.3m behind plan. The full year forecast continues to reflect the revised phase 3 plan.

2.2 BAF

The committee reviewed the BAF for PR4 and does not recommend any changes to the current risk rating.