

Council of Governors

Subject:	Report of the Finance Committee	Date: 11th May 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 Council of Governors	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	Limited	None
		X		
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 27th April 2021 due to the Covid-19 restrictions. The meeting mainly focussed on 2021/22 planning including progress on the Financial Improvement Plan (FIP).</p> <p>Matters to be brought to the attention of the council of governors:</p> <p>1.1 2021/22 Plan</p> <p>Planning guidance for the first half of 2021/22 was provided at the end of March 2021 and the ICS is required to produce an integrated finance, activity and workforce plan by 6 May 2021. Work is ongoing to meet this deadline at ICS and Trust level and the plan will be based on the block contract arrangements which were put in place in 2020/21.</p> <p>At the time of writing a gap exists between the target ICS position (break-even) and existing draft plans. There are a number of risks and opportunities to be evaluated before the plan is approved by CFOs and then submitted.</p> <p>1.2 FIP</p> <p>Work continues on finalising the FIP for 2021/22 and savings have been identified which should deliver around 102% of the target. A number of assumptions have been made in relation to the FIP and these will be tested and refined in the next few weeks. The key project will be the outpatients innovation initiative which should deliver over 50% of the FIP savings target for the</p>				

year.

The plan will include some non-recurrent savings, but it is anticipated that by the end of March 2022, all projects will deliver savings on a recurrent basis.

1.3 PFI

The performance and governance arrangements for the PFI contract were reviewed. The self-declared PFI performance is currently below the threshold limits laid out in the PFI Project Agreement and performance under the PFI contract remains under constant review.

Other matters discussed by the Committee

2.1 Month 12 Financial Report

The committee noted the deficit of £5.5m for the year - £3.7m better than the Phase 3 plan.

An impairment review has been carried out by the District Valuer and that resulted in an impairment charge of £5.5m. That will be included in the final accounts for the year but is excluded in the deficit reported internally.

2.2 ICS developments

ICS planning continues and the focus is on the strategy and actions required to improve the underlying financial position of the system. As the ICS achieved plan for 2020/21, additional funding of £10.3m from NHSIE was made available and was transferred to the CCG.

2.3 NHIS

NHIS reported a break-even position for 2020/21 and work continues to determine how the governance arrangements for NHIS will work in the future.

2.4 Procurement forward view

The committee reviewed significant procurement projects which will require finance committee authorisation in the next few months. There were no significant changes to the plan produced at the last meeting.

2.5 BAF

The committee reviewed the BAF for PR4 and does not propose any changes to the risk rating at present given the current uncertainty of the financial regime. Mitigations are in place to reduce the risk of the Trust failing to achieve financial sustainability.

2.6 Reference Costs submission

The Trust is required to submit its reference costs by October 2021. Good progress is being made on achieving this target and the new costing system required to produce the reference costs (called Monitor) is being implemented.