

Report to:	Public Board of Directors	Agenda item:	18.0
Date of Meeting:	2 November 2022		

Title of Report:	Finance and Performance Committee Update Report
Status:	For Discussion
Sponsor:	Jeremy Boss, Chair of the Finance and Performance Committee
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Appendices	None

<p>Purpose</p> <p>This report summarises the discussions, recommendations and approvals made by the Finance and Performance Committee on 26 September 2022, to provide the Board with an update of the Committee’s activities.</p>
<p>Background</p> <p>The Finance and Performance Committee holds delegated responsibility from the Board of Directors; this report provides evidence to satisfy the Board that the tasks required to meet those responsibilities are being carried out.</p>
<p>Business Undertaken</p> <p>The Committee reviewed the updates to the BAF and agreed to further review the financial recovery risk score at the October meeting.</p> <p>The Committee received an update on the Trusts performance. The elective recovery data would be re-forecasted for the October meeting, to incorporate assumptions around winter planning. Performance remains challenging with many of the NHS targets not being achieved. However, there are signs of improvement and some real achievements despite the difficult headwinds.</p> <p>The Director of Finance provided an update on the financial position for the RUH Group. The RUH is behind the budgeted position as is Sulis. Recovery plans are being developed for the RUH and for Sulis. For Sulis it will be difficult to develop a recovery plan that will bring Sulis back in line with the plan given the one off nature of some of the cause. The Committee would be provided with further information on how the Trust could get back on budget at the next meeting and ongoing.</p> <p>It was noted by the committee that the Transformation / QIPP targets for the second half of the year are much more demanding than the first half of the year. Given Transformation savings achieved to date are behind plan, there is a significant risk for t this step up in delivery which will be monitored going forward.</p> <p>The Divisional Director of Operations for Surgery provided the committee with an overview of Ophthalmology Elective Recovery.</p> <p>The Committee received an update on the Surgery Division Budget. The Board would receive a report in regard to GIRFT reports, and the model hospital data, which would highlight the Trusts position and opportunities for improvement, with a proposed deliverable plan for next year.</p>

The Director of Finance presented the finance vision update and highlighted that the Trust was managing a number of risks across the BSW, and there was currently a deficit plan for each provider, and a surplus plan for the ICB, to ensure the system achieved break even. The risk share proposal meant that if other organisations do better than planned by the end of the year, the risks were managed as a system. The Committee agreed to the proposal and noted the update.

The Chair welcomed Andy Whiting, Rubicon to the meeting. The Director of Finance presented the Financial Strategy Update slides.

New Governance arrangements were proposed to encompass the annual business planning cycle and the longer-term financial recovery plans. The committee accepted the proposals. Andy Whiting observed that the Trust currently had an emerging clinical strategy, with a completed activity model and financial model, which would give a clearer idea of the size of the issue to be solved. He suggested merging the strategies and use the information and evidence to set a level of ambition for efficiency.

The Committee were provided with an update on Nursing Budgets for agency staff which highlighted a significantly increased number of requests for mental health nurses. Initial actions have been put in place to manage this issue including consideration of substantive staffing levels. However, to date this had not resulted in a fall in demand. This will continue to be monitored by the committee.

The Committee reviewed the HFMA Financial Sustainability check list and agreed that it was a good starting point for the internal auditors to review, with the proviso that it was revisited once complete.

The Committee self-assessment process was approved by the Committee.

Key Risks and their impact on the Organisation

- Financial plan for recovery for this year's budget outturn is challenging for the RUH and Sulis.
- Operational performance continues to be challenging although there are some positive signs of improvement despite considerable head winds.

Key Decisions

- Approved work plan
- New Governance arrangements recommended for approval for the Business planning cycle and longer financial recovery plan.

Exceptions and Challenges

Nothing impacted on the Committee's ability to undertake its business.

Governance and Other Business

Finance and Performance Committee meets monthly and the Committee's Terms of Reference are reviewed annually.

The Committee's membership consists of the Non-Executives, the Chair, and the Chairs of the Non-Clinical Governance Committee, and the Clinical Governance Committee.

Future Business

In addition to standing items, the Committee will consider:

- One of the worst examples of NHS procurement – lessons learnt
- Managing the budget - Family and Specialist Services
- Developing the long term finance plan
- Work plan
- Finance strategy update Phase 2- the solutions
- Performance deep dive

Recommendations

The Board is asked to note this report.