

## Council of Governors

<b>Subject:</b>	Report of the Finance Committee	<b>Date:</b> 9 <sup>th</sup> February 2021		
<b>Prepared By:</b>	Neal Gossage, NED			
<b>Approved By:</b>	Neal Gossage, NED			
<b>Presented By:</b>	Neal Gossage, NED			
<b>Purpose</b>				
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			<b>Approval</b>	
			<b>Assurance</b>	X
			<b>Update</b>	X
			<b>Consider</b>	
<b>Strategic Objectives</b>				
<b>To provide outstanding care</b>	<b>To promote and support health and wellbeing</b>	<b>To maximise the potential of our workforce</b>	<b>To continuously learn and improve</b>	<b>To achieve better value</b>
				X
<b>Overall Level of Assurance</b>				
	<b>Significant</b>	<b>Sufficient</b>	<b>Limited</b>	<b>None</b>
		X		
<b>Risks/Issues</b>				
<b>Financial</b>	<b>Performance and financial forecasts</b>			
<b>Patient Impact</b>				
<b>Staff Impact</b>				
<b>Services</b>				
<b>Reputational</b>				
<b>Committees/groups where this item has been presented before</b>				
N/A				
<b>Executive Summary</b>				
<p>A virtual meeting of the Finance Committee was held on 26 January 2021 due to the Covid-19 restrictions. The meeting mainly focussed on the current financial regime and planning guidance for 2021/22.</p> <p>Matters to be brought to the attention of the Council of Governors:</p> <p>1.1 Phase 3 Plan</p> <p>After further negotiation at ICS level, the planned deficit for 2020/21 has now been agreed at £30m after further funds were made available by NHSEI. The share of the deficit for SFH has been agreed at £6.8m. This deficit excludes income and costs associated with the Covid vaccination programme. The Trust will now focus on delivering that plan consistent with no deterioration in patient care or safety.</p> <p>The deficit for months 1-6 was set at £zero based on retrospective block contract payments but for the second half of the financial year, funding is provided on a prospective basis. It is possible that the deficit for the remainder of the year could be exceeded if current Covid admissions continue at a high level through to the end of March 2021.</p>				

## 1.2 2021/22 planning

Planning for 2021/22 has been further delayed as a result of the pandemic. No guidance for 2021/22 will be issued until April 2021 and trusts will be required to submit their plans by June 2021.

Financial plans will be consolidated at ICS level and targets will be set at ICS level. The deficit will be divided up by agreement between the CFOs of member trusts and it is anticipated that a finance committee will be established at ICS level (including NEDs) to oversee the allocation process and ongoing governance.

At Trust level, FIP plans are being prepared although most projects are at an early planning stage. However, when the 2021/22 targets are known, the plans should be in a fairly advanced state. For the first quarter of 2021/22, the existing block contract arrangements will continue until the 2021/22 plans are submitted in June 2021.

## 1.3 Vaccination Finance

SFH was one of the early centres to start the vaccination programme in December 2020. The programme is being centrally funded and so far, £14m of additional income has been made available to the Trust to run the programme (mainly for staff costs). The costs match the income so there is no benefit or risk to the Trust from a financial perspective.

## 1.4 NHIS

NHIS provides an IT and systems support service to the Trust and other organisations in Nottinghamshire.

NHIS operates a call service and handled nearly 31,000 calls in quarter 3 of 2020/21 compared with 27,600 calls in the previous quarter. The volume of calls handled has escalated during the pandemic as a result of new systems being introduced (eg Microsoft Teams), more home working (with associated hardware) and new/temporary members of staff.

Although the metrics used to measure NHIS in the quarter were not all achieved (notably the speed to answer and calls abandoned rate), the committee recognised the work carried out by NHIS to manage the large increase in support calls. Two additional members of staff have been recruited to help to restore the responsiveness of the department.

## 1.5 Pathology System

The current Pathology system is no longer fit for purpose and presents a risk to the Trust. A decision was taken to replace the system and the Trust has been working with NUH to jointly secure a new system. Funding for the new system was made available earlier than expected on the basis that the new system is secured in the current financial year.

The committee approved the investment subject to further Board approval.

Other matters discussed by the Committee

## 2.1 Committee Annual Report

The committee considered and approved the annual report for submission to the Audit Committee.

## 2.2 Month 9 Financial Report

The committee noted the report which showed a deficit of £2.15m for the year to date (£0.46m better than plan). The phase 3 plan identifies £2.7m of efficiencies in M7-M12 and the Trust is on track to achieve those.

The cash balance continues to be healthy but the cash flow forecast for March 2021 has been reduced by £29.3m to reflect the repayment of a previous advance. Despite that, the Trust is expected to end the year with around £9m of cash although there is some uncertainty as to when the April 2021 block payment will be received. This is being managed by the finance team and additional funding will be made available in the first 2-3 weeks of April if necessary.

## 2.3 PFI Governance

The committee noted the progress being made with the PFI contract and recognised the assurance given to the Quality committee in relation to safety issues.

## 2.4 Procurement Forward View

This report will now be made available at each committee meeting and the change made to the report - to include dates for the committee to consider contracts - was welcomed.

## 2.5 BAF

The committee considered the BAF for PR4 and does not recommend any changes to the current risk rating given the current financial uncertainty.

## 2.6 IT Infrastructure Replacement

The committee approved a project to replace the Wireless Access Points at Newark Hospital and Mansfield Community Hospital. This will strengthen security at those sites in the event of a cyber-attack.