

## Board of Directors

**11<sup>th</sup> November 2021**

<b>Paper title:</b>	Finance Report - September 2021 (Month 6)	<b>Agenda item</b>  <b>20</b>
<b>Presented by:</b>	Mike Woodhead, Director of Finance, Contracting and Estates	
<b>Prepared by:</b>	Claire Risdon, Deputy Director of Finance	

Purpose of the report		
The purpose of the report is to provide the Trust Board with an overview on the financial performance for Half 1, for both the Trust and the ICS; and to approve the financial plan for Half 2.	For approval	
	For discussion	<b>X</b>
	For information	

Executive summary
<p><b>Trust Position</b></p> <p>The Trust’s revenue and capital positions are largely in line with plan for Half 1. Our main focus is to identify £2.3m efficiency improvements to deliver a break-even plan for the year, and recurrent improvements of c£7m-£10m to address our estimated underlying deficit. The Together We Improve, Create and Sustain (TWICS) Programme Board has been established with supporting workstreams that will develop plans to target efficiencies to address the sustainability challenge.</p> <p><b>Half 2 Plan</b></p> <p>For Half 2, the Trust will continue to receive Top-up and COVID funding to support the delivery of a break-even plan. The Half 2 efficiency requirement is £1.6m (£2.3m for the full year), with plans being developed and implemented through the TWICS Programme. Transformation and MHIS funding has been agreed with the CCG for 2021/22, but there is still a requirement to agree the recurrent nature of some elements of the funding.</p> <p>The key financial risks relate to acuity/demand and the associated impact on special observation and out of area placement costs; and staff sickness levels.</p> <p><b>Planning 2022/23</b></p> <ul style="list-style-type: none"> <li>• 2022/23 – expected move back to “normal” contracting, aligned with CCG allocations</li> <li>• National planning guidance expected 9<sup>th</sup> December, alongside 3-year ICS capital allocations</li> <li>• Contract baselines (using exit baseline 21/22) to be agreed Feb 2022 as start point for 22/23 contracting</li> <li>• Final plan submission March 2022</li> </ul> <p><b>ICS Position</b></p> <p>The headline position for the ICS for Half 1 and associated risks:</p> <ul style="list-style-type: none"> <li>• Favourable position at Month 6 of £2.6m, driven by achievement of Elective Recovery</li> <li>• ICS capital forecast to be fully committed, risks being largely managed locally, and national cover expected for £5m AHFT RAAC replacement programme.</li> </ul>

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	<b>State below 'Yes' or 'No'</b>	If yes please set out what action has been taken to address this in your paper
	<b>No</b>	

<b>Recommendation</b>
<p>The Board of Directors is asked to:</p> <ul style="list-style-type: none"> <li>Note the year to date financial position of the Trust and ICS</li> <li>Approve the operational budgets for Half 2, noting the risks and mitigations</li> <li>Delegate approval of changes to Half 2 plan to the Director of Finance and Estates</li> <li>Note headlines for financial planning in 2022/23</li> <li>Highlight further assurances required</li> </ul>

<b>Strategic vision</b>				
Please mark those that apply with an X				
Providing excellent quality services and seamless access	Creating the best place to work	Supporting people to live to their fullest potential	Financial sustainability growth and innovation	Governance and well-led
X	X	X	X	X

<b>Care Quality Commission domains</b>				
Please mark those that apply with an X				
Safe	Effective	Responsive	Caring	Well Led
X	X	X	X	X

<b>Relationship to the Board Assurance Framework (BAF)</b>	<p>The work contained with this report links to the strategic risk(s) as identified in the BAF:</p> <ul style="list-style-type: none"> <li>SO6: To make effective use of our resources to ensure that services are clinically, environmentally, and financially sustainable</li> </ul>
<b>Links to the Strategic Organisational Risk Register (SORR)</b>	<p>The work contained with this report links to the following corporate risks as identified in the SORR:</p> <ul style="list-style-type: none"> <li>Risk 2536: If we do not make effective use of our resources this may result in regulatory interventions, as well as impacts on quality of services.</li> </ul>
<b>Compliance and regulatory implications</b>	<p>The following compliance and regulatory implications have been identified as a result of the work outlined in this report:</p> <ul style="list-style-type: none"> <li>The NHS Single Oversight Framework requires providers to report performance against national requirements including quality of care, financial performance and sustainability, and delivery of national standards (though some reporting is suspended during the Covid-19 pandemic)</li> </ul>