

Meeting Title	Board of Directors (Open)		
Date	14 July 2022	Agenda item	Bo.7.22.32

FINANCE REPORT – MONTH 2

Presented by	Matthew Horner, Director of Finance		
Author	Chris Smith, Deputy Director of Finance		
Lead Director	Matthew Horner, Director of Finance		
Purpose of the paper	To provide an update on the Income & Expenditure position at Month 2		
Key control			
Action required	To note		
Previously discussed at/informed by	Executive Team Meeting (27 June 2022) Finance & Performance Academy (29 June 2022)		
Previously approved at:	Committee/Group	Date	

Key Options, Issues and Risks

This paper provides an update on the Trust's performance against the annual financial plan as at the end of May 2022/23 (Month 2).

The Trust has reported a breakeven position at Month 2, which is in line with the annual plan.

This position includes £2m of Elective Recovery Funding (ERF), however the baseline and exact details of how the mechanism operates remain unresolved. This means there is a risk that this income may be clawed back if BTHFT or the ICS as a whole falls short of the 104% target. ICS partners are also facing the same uncertainty in their reported positions which requires definitive guidance from NHSEI to resolve.

Should it transpire that the ERF is not recovered consistently or is clawed back in future periods, this would result in an unmitigated financial pressure to delivery of the overall plan. The total annual value of ERF in the plan is £12.1m.

Uncertainty relating to the ERF is therefore currently the key risk to delivering the financial plan in 2022/23. Clear guidance from NHSEI is required to resolve this issue but this remains outstanding.

The majority of the Clinical Business Units (CBUs) and corporate departments have underspent against their budgets at Month 2. The department with the most challenged budgetary position is Urgent & Emergency Care. The CBU have been asked to provide details of the drivers for an ongoing pressure against pay budgets, which may identify mitigations or inform future business cases to formalise some of the additional resources being used.

Recommendation

- The Board of Directors is asked to note the content of the report
- The Board of Directors is asked to note the key risk relating to £12.1m annualised Elective Recovery Funding in 2022/23

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Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients, delivered with kindness						
To deliver our financial plan and key performance targets						
To be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion						
To be a continually learning organisation and recognised as leaders in research, education and innovation						
To collaborate effectively with local and regional partners, to reduce health inequalities and achieve shared goals						
The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes.	Low		Moderate	High	Significant	
	Risk (*)					
Explanation of variance from Board of Directors Agreed General risk appetite (G)						

Benchmarking implications (see section 4 for details)	Yes	No	N/A
Is there Model Hospital data relevant to the content of this paper?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there any other national benchmarking data relevant to the content of this paper?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the Trust an outlier (positive or negative) for any benchmarking data relevant to the content of this paper?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Risk Implications (see section 5 for details)	Yes	No
Corporate Risk register and/or Board Assurance Framework Amendments	<input type="checkbox"/>	<input type="checkbox"/>
Quality implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Resource implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal/regulatory implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Diversity and Inclusion implications	<input type="checkbox"/>	<input type="checkbox"/>
Performance Implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Regulation, Legislation and Compliance relevance
NHS Improvement: (please tick those that are relevant)
<input type="checkbox"/> Risk Assessment Framework <input type="checkbox"/> Quality Governance Framework <input type="checkbox"/> Code of Governance <input checked="" type="checkbox"/> Annual Reporting Manual
Care Quality Commission Domain: Well Led
Care Quality Commission Fundamental Standard: Good Governance
NHS Improvement Effective Use of Resources: Finance
Other (please state):

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Relevance to other Board of Director's Committee: (please select all that apply)					
Workforce	Quality	Finance & Performance	Partnerships	Major Projects	Other (please state)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>