

Meeting Title	Board of Directors (Open)		
Date	22 September 2022	Agenda item	Bo.9.22.33

FINANCE REPORT – MONTH 4

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 4		
Key control			
Action required	For information/to note		
Previously discussed at/informed by	Circulated to F&P Academy Chair and Executive Management Team		
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 July 2022 (Month 4).

The Trust has reported a cumulative breakeven Income & Expenditure position for the year to Month 4, which is in line with the plan.

NHSE have provided assurances that 100% of ESRF income planned for Months 1 - 6 can be retained. This partially mitigates the key risk highlighted in previous months. However, there remains no certainty about ESRF recovery in Quarters 3 & 4, which means £6m of planned income remains potentially at risk in Half 2 of the financial year.

The majority of the Clinical Business Units (CBUs) and corporate departments have underspent against their budgets at Month 4. 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.

The Trust is forecasting a breakeven position at year end, which is in line with the annual plan.

It should be noted that the achievement of the projected balanced year end position is currently reliant on a number of non-recurrent measures and underspends. The CBUs' latest planned contributions to the Financial Improvement Programme (FIP) are overwhelmingly non-recurrent in nature. Work is ongoing to address this forecast with a focus on identifying far more recurrent financial improvements. If the FIP forecast remains unchanged there is a risk that the organisation's recurrent expenditure run rate heading into the 2023/24 financial year will be significantly higher than planned and that the financial efficiency requirement next year will be extremely challenging.

The Trust's cash balance at 31 July was £74m, which is £6m higher than planned. It is projected that the year end cash position will be in line with plan at £42m and cash is not a cause for concern at this stage.

As at 31 July, year to date capital expenditure is £0.6m which is £4.4m behind plan (£5.0m). However, the forecast for 2022/23 is for delivery of the £23.5m capital programme in full by 31 March 2023.

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Recommendation
<ul style="list-style-type: none"> The Board of Directors is asked to note the content of the report The Board of Directors is asked to note the risk relating to £6m Elective Recovery Funding in Half 2 of 2022/23 The Board of Directors is asked to note the risk relating to the reliance on non-recurrent measures to deliver the Financial Improvement Programme in 2022/23 and the potential impact on the income and expenditure position in 2023/24

Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients, delivered with kindness			g			
To deliver our financial plan and key performance targets			g			
To be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion					g	
To be a continually learning organisation and recognised as leaders in research, education and innovation				g		
To collaborate effectively with local and regional partners, to reduce health inequalities and achieve shared goals					g	
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"/>

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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):

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"/>