


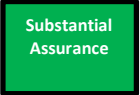
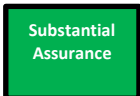


## Sandwell and West Birmingham NHS Trust

### Board Committee Chair's Assurance Report

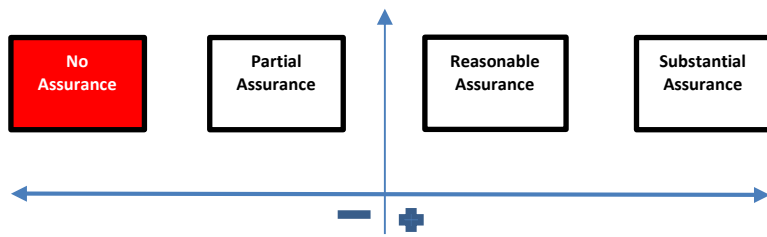
<b>Meeting:</b>	<b>Finance, Investment and Performance Committee</b>
<b>Chair:</b>	Rachel Hardy
<b>Date:</b>	28 <sup>th</sup> October 2022
<b>Present:</b>	<p><u>Members:</u> Rachel Hardy, Mike Laverty, Dinah McLannahan, Johanne Newens, Martin Sadler</p> <p><u>In attendance:</u> Dave Baker, Simon Sheppard, Craig Higgins, Meagan Fernandez</p> <p><u>Apologies:</u> Dan Conway, Frieza Mahmood, Paul Stanaway</p>

Key points of discussion	
<b>1.</b>	<p><b>Month 6 Finance Report</b></p> <p><u>Chair's opinion:</u> Report received, discussed and noted. Main discussion focussed on the 2022/23 forecast outturn.</p> <p style="text-align: right;"><b>Substantial Assurance</b></p>
<b>2.</b>	<p><b>2022/23 Financial Forecast and Recovery Plan</b></p> <p><u>Chair's opinion:</u> The forecast outturn position presented and discussed gave greater confidence in delivering the Trust's plan of a £17.1m deficit. However, there are some key significant issues to note and discuss as a Board:</p> <ul style="list-style-type: none"> <li>• A revised forecast of £43m has been calculated with a set of financial recovery options totalling £25.9m delivering a planned deficit of £17.1m</li> <li>• The majority of financial recovery schemes are now amber or green RAG Rated, therefore are expected to deliver with some risk in certain areas.</li> <li>• However, the majority of the financial recovery plan offers non recurrent technical finance sourced solutions which means that the underlying position of the organisation has significantly deteriorated to a £47m deficit. This impacts on the plan for 2023/24 and gives further significant affordability issues to the MMUH model or the Medium-Term Financial Model.</li> <li>• There is a real issue of triangulation between finance, productivity, capacity and workforce which must be addressed as a matter of</li> </ul> <p style="text-align: right;"><b>Reasonable Assurance</b></p>

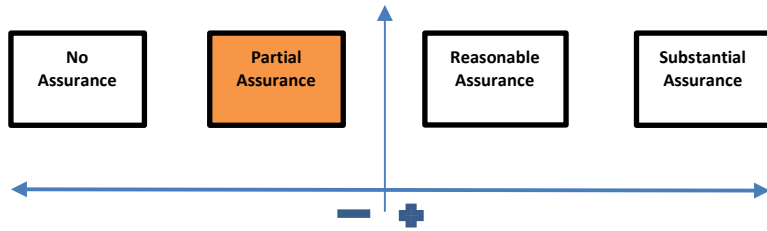
	<p>urgency for 23/24 planning and the medium-term plan which includes the opening of MMUH to give clarity and confidence of planning and delivery.</p> <ul style="list-style-type: none"> <li>• The capital forecast is £4m overcommitted, however, there are external solutions to manage this.</li> <li>• There is currently no agreed solution with the ICB to deliver the further commitment of a break-even position.</li> </ul>	
<b>3.</b>	<p><b>MMUH Affordability Update (The Medium-Term Financial Model)</b></p> <p><u>Chair's opinion:</u>  The financial model for the next 3 years was presented with the impacts of the deterioration of the 22/23 underlying position factored in. There are significant issues, that immediate action is recommended, from the output of the model and the context set by agenda item 4 which is likely to require a further level of stringency to the plan whilst managing the environment of the new hospital move. This provides a difficult and complex set of issues to manage that require some focussed debate and immediate action by the Board: -</p> <ul style="list-style-type: none"> <li>• The original affordability gap of £88m has deteriorated by £29.5m to £117.5m.</li> <li>• This gap assumes a CIP delivery of £33m over the years 23/24 and 24/25 for which plans are not formulated yet.</li> <li>• Closing the gap relies on known solutions which require external funding for capital charges and the ACM. These are not confirmed yet and there is no mitigation plan. If received this will still not close the gap as it stands now.</li> <li>• Impacts of the Autumn statement are not yet known at the time of writing, however, are expected to have a further impact.</li> <li>• This is a stand-alone financial model not a triangulated model.</li> </ul> <p>FIPC agreed that the following should be discussed urgently by the Board.</p> <ul style="list-style-type: none"> <li>• To develop a clearly triangulated approach moving forward for finance, capacity, productivity and workforce with clear links, impacts and correlations.</li> <li>• To develop an immediate action plan to refocus and reframe work to plan the 3-year recovery plan in the triangulated methodology described above which will bring together the BAU efficiency and productivity and dove tail with MMUH.</li> <li>• How to engage with the organisation to develop this significantly complex delivery plan as a matter of urgency alongside the opening of MMUH, ensuring that there is one plan.</li> <li>• To refocus and review the material available to benchmark costs and productivity ensuring that this is refocussed as one of the key business components of the trust.</li> </ul>	
<b>4.</b>	<p><b>NHSE Board Paper – Medium Term Financial Outlook</b></p> <p><u>Chair's opinion:</u>  Received and discussed. Important information to further set the context for the medium-term plan.</p>	<p><b>For Information</b></p>

5.	<p><b>BAF Update</b></p> <p><u>Chair's opinion:</u> Received and noted. Will be updated alongside the development of the medium-term plan.</p>	
6.	<p><b>MMUH Finance Report - Construction</b></p> <p><u>Chair's opinion:</u> Received and noted. No significant issues to be discussed</p>	
7.	<p><b>Board Level Metrics</b></p> <p><u>Chair's opinion:</u> Received and discussed</p>	
8.	<p><b>EAS Performance Report</b></p> <p><u>Chair's opinion:</u> Received and discussed. Action agreed to review how performance data is discussed and presented to FIPC with view of triangulating key data to enable a more rounded debate. Further work to be undertaken.</p>	
<p><b>Positive highlights of note</b></p>		
<ul style="list-style-type: none"> <li>•</li> </ul>		
<p><b>Have any of the reports/discussions today impacted the FIP risk included in the BAF?</b></p>		
<ul style="list-style-type: none"> <li>•</li> </ul>		
<p><b>Matters of concern or key risks to escalate to the Board</b></p>		
<ul style="list-style-type: none"> <li>•</li> </ul>		
<p><b>Matters presented for information or noting:</b></p>		
<ul style="list-style-type: none"> <li>•</li> </ul>		
<p><b>Decisions made:</b></p>		
<ul style="list-style-type: none"> <li>•</li> </ul>		
<p><b>Actions agreed:</b></p>		
<ul style="list-style-type: none"> <li>•</li> </ul>		

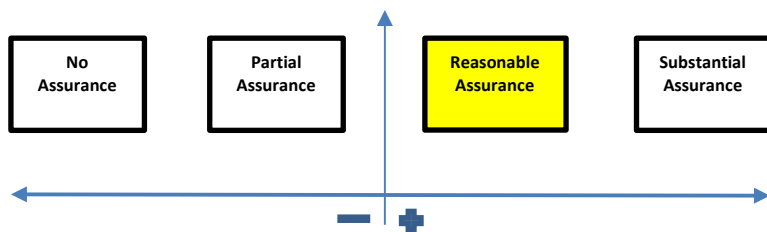
## Assurance classification



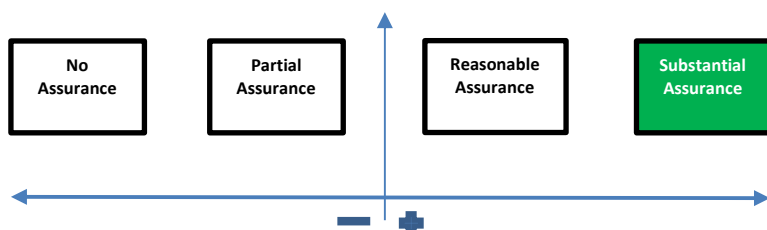
Management cannot clearly articulate the matter or issue; something has arisen at Committee for which there is little or no awareness and no action being taken to address the matter; there are a significant number of risks associated where it is not clear what is being done to control, manage or mitigate them; and the level of risk is increasing.



There is partial clarity on the matter to be addressed; some progress has been made but there remain a number of outstanding actions or progress against any plans so will not be delivered within agreed timescales; independent or external assurance shows areas of concern; there are increasing risks that are only partially controlled, mitigated or managed.



There is evidence of a good understanding of the matter or issue to be addressed; there are plans in place and these are being delivered against agreed timescales; those that are not yet delivered are well understood and it is clear what actions are being taken to control, manage or mitigate any risks; where required there is evidence of independent or external assurance.



There is evidence of a clear understanding of the matter or issue to be addressed; there is evidence of independent or external assurance; there are plans in place and these are being actively delivered and there is triangulation from other sources (e.g., patient or staff feedback)