

Board of Director – Public

SUMMARY REPORT

Meeting Date: 27/09/23
Agenda Item: 21

Report Title:	Finance Strategy Annual review	
Author(s):	James Sabin, Deputy Director of Finance	
Accountable Director:	Phillip Easthope, Director of Finance, Digital and Performance	
Other meetings this paper has been presented to or previously agreed at:	Committee/Tier 2 Group/Tier 3 Group	Finance and Performance Committee
	Date:	14/09/23
Key points/recommendations from those meetings	<p>The update was positively received at Finance and Performance Committee noting the good progress made to date.</p> <p>Some aspects have progressed slower than anticipated, due to exceptional circumstances affecting the resource within Management Accounts and the ability to support the wider business partnering agenda.</p> <p>FPC also discussed and recognised the key next step linked to the Optimise Use of Resources workstream including better use of benchmarking to drive opportunities for future savings.</p>	

Summary of key points in report

Please find attached a slide deck summary covering the progress made over the last year with regards to the finance strategy implementation, ongoing risks and next steps.

Of the six workstreams, progress is positive but overall 3 are deemed green and 3 amber.

- | | |
|--|-------------------------------|
| 1. <u>Support the organisation deliver efficiencies</u> | (Green) |
| 2. <u>Proactive contract management</u> | (Amber) Progress underway |
| 3. <u>Data triangulation: finance, workforce, activity</u> | (Amber) Impacted by EPR delay |
| 4. <u>Optimise use of resources</u> | (Green) |
| 5. <u>Implement new finance system and e-procurement</u> | (Green) |
| 6. <u>Introduce Finance Business Partners</u> | (Amber) Experienced delays |

Progress in some areas has been slower than ideally wanted but has been impacted by various factors including many outside the control of the function leadership team.

Overall, we are pleased with the progress and team effort to continuous improvement. We expect to be able to continue to make progress and to free up more capacity to further add value in support of the Trusts overall strategic objectives.

We are also looking to expand the engagement on a national level more with closer working with the NHS endorsed finance bodies. HFMA, One NHS Finance and Skills Development Network. This will help ensure

we are capturing and delivering opportunities and best practise.							
Recommendation for the Board/Committee to consider:							
Consider for Action		Approval		Assurance	X	Information	X
Note the progress made over the last 12 months and ongoing developments across the functions in support of the Trusts overarching delivery of the 2022 – 2026 finance strategy.							

Please identify which strategic priorities will be impacted by this report:			
Recover services and improve efficiency	Yes	X	No
Continuous quality improvement	Yes	X	No
Transformation – Changing things that will make a difference	Yes	X	No
Partnerships – working together to make a bigger impact	Yes	X	No

Is this report relevant to compliance with any key standards ?				State specific standard	
Care Quality Commission Fundamental Standards	Yes	X	No	Regulation 17: Good Governance Regulation 13: Financial Position	
Data Security and Protection Toolkit	Yes		No	X	
Any other specific standard?				X	

Have these areas been considered ? YES/NO					If Yes, what are the implications or the impact? If no, please explain why	
Service User and Carer Safety, Engagement and Experience	Yes		No	X	No adverse impact	
Financial (revenue & capital)	Yes		No		Identification of financial sustainability risks	
Organisational Development /Workforce	Yes		No	X	No adverse impact	
Equality, Diversity & Inclusion	Yes		No	X	No adverse impact	
Legal	Yes		No	X	No adverse impact	
Environmental sustainability	Yes		No	X	No adverse impact	

Finance Strategy Review

Board of Directors

August 2023

Finance Strategy 2022/23 - 2025/26



Our Vision

To improve the mental, physical and social wellbeing of the people in our communities.

Trust Strategic aims

- ▶ Deliver outstanding care.
- ▶ Create a great place to work.
- ▶ Ensure effective use of resources.
- ▶ Ensure our services are inclusive.

“Our Strategy will ensure we are using our resources effectively to deliver the best care we can”

We will deliver our strategy through six priority areas that focus on

- ✓ *Effective use of resources.*
- ✓ *Partnership working across our teams and with our partners.*
- ✓ *Using effective systems and information to underpin the decisions we make as a Trust.*

-  Support the organisation deliver Efficiencies 1
-  Proactive Contracting 2
-  Data triangulation; Finance, Workforce, Activity 3
-  Optimise use of Resources 4
-  Implement new Finance System & E-procurement 5
-  Introduce Finance Business Partners 6

Finance Strategy 2022/23 – 2025/26

Key priorities and deliverables

1. Support the organisation deliver efficiencies
2. Proactive contract management
3. Data triangulation: finance, workforce, activity
4. Optimise use of resources
5. Implement new finance system and e-procurement
6. Introduce Finance Business Partners



1. Support the organisation deliver efficiencies

Rag Rating: Green

Progress

- CIP delivery on track.
- CIP Programme Board established and all workstreams fully supported by finance input and engagement.
- All CIP reporting finance led. Continues to evolve.
- Opportunities continue to be flagged and raised from finance and procurement.
- Supporting wider workstreams around corporate efficiency.

Risks and challenges

- CDEL constraints impacting speed of estate refurbishment and progress to OOA reduction workstreams.
- Key gaps reducing impact of agency reduction. Non-clinical usage expected to continue in estates and Digital.



Next Steps

Planning for 24/25 is commencing in September and reporting into FPC in October. Ongoing work includes development of medium-term plan.

2. Proactive Procurement

Rag Rating: Green

Progress

- Full implementation of e-procurement completed by April 2023, with paperless requisition rolled out to 100% of the organisation.
- Phase 1 of implementing digital contract/workflow management system (Atamis) by end August 2023. Aimed at supporting 80% of the expenditure contracts let by the Trust (over £10k)
- Build-up to submitting application for Commercial Continuous Improvement Assessment (CCIA: Aiming for Good. Initial gap analysis complete. Now starting document drafting. Application to be complete by end September 2023
- Active member of the SY ICS Procurement 'Collaborative'
- Improved efficiency of processes, less manual intervention. Easier to report on and adhere to compliance of SFIs

Risks and challenges

- Timescales to deliver CCIA assessment is a 'stretch' and dependant on BAU activity to be achieved.

atamis  improving procurement
visibility and control



Government Function:
Commercial

Key Next Steps

- 1) Continue to develop the national Atamis system for improved visibility of contract management and planning. Ensuring well maintained data quality.
- 2) Progress Accreditation during quarter 3. (Other Trusts already delayed but we are pushing on.)

2. Proactive income contract management

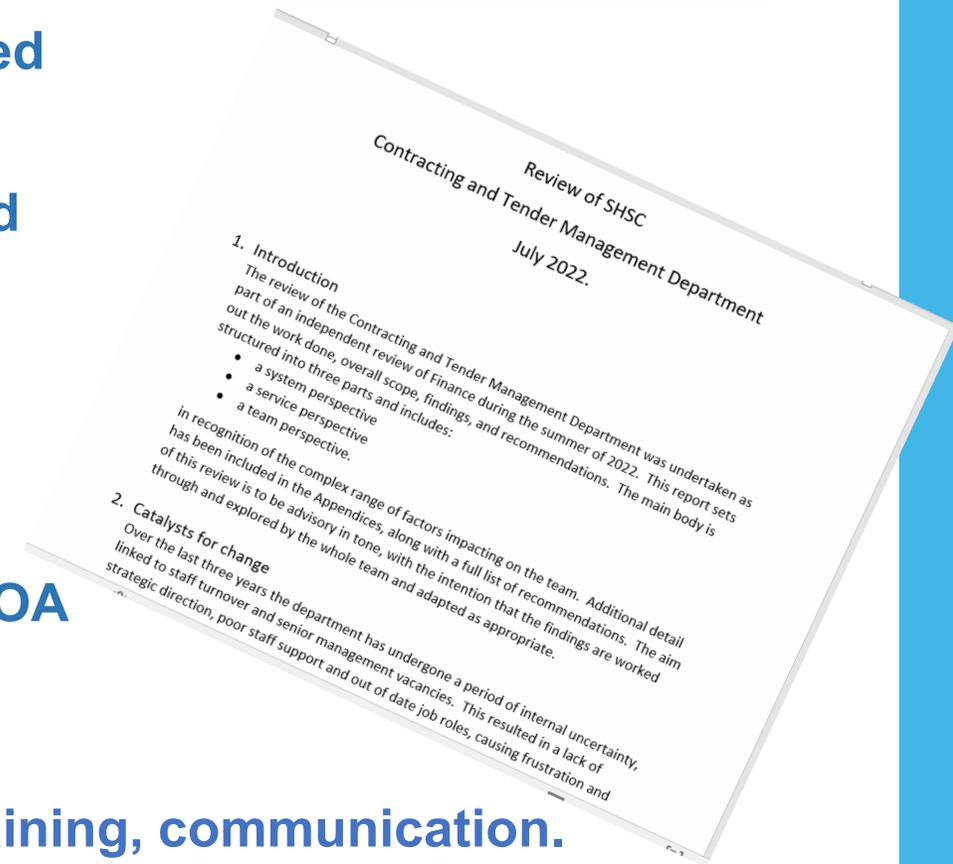
**Rag Rating: Amber.
Progress underway.**

Progress

- Contracting organisational change process launched and aims to complete by quarter 3.
- Contracting created a new team vision, function and themed improvement workplan to drive continuous improvement and support organisation through challenging times of change minimising financial loss.
- Out of scope workload and tasks transferring to appropriate teams (e.g. P&I for activity reporting, OOA monitoring.)

Risks and challenges

- Foundations first – processes, SOPs, templates, training, communication.
- Small team of 3, so limited in what can be achieved in a single year due to capacity.
- Inter-dependency with other teams (e.g. P&I, Management Accounts) Some aspects will be delivered post Rio.



3. Data triangulation: finance, workforce, activity

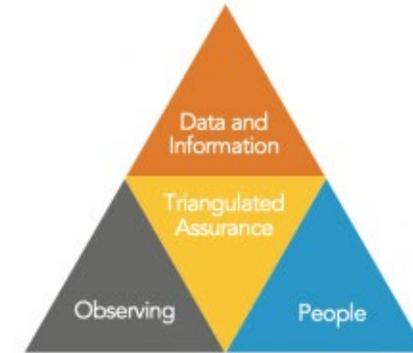
**Rag Rating: Amber.
Impacted by EPR delay.**

Progress

- Alignment across finance and HR improved. Data Quality increased and work on process flows almost complete. Issues remain re links to activity and we await the EPR roll out.
- The contracting restructure will support a shift in all activity and data work moving to the Performance and data team.
- Wider P & I and informatics review pending (outside our direct control) but will feed in and support as key stakeholder and partner.
- Awaiting EPR and data warehouse implementation.

Risks and challenges

- Need for consistent, reliable and timely activity data to support productivity, benchmarking and wider contracting work remains a challenge. ICB demands growing and becoming less patient. Impact of delay TBC.



Next Steps

- 1) Continue to support disinvestment linked to loss of contracts.
- 2) Continued work on developing updated specifications.
- 3) Develop better understanding and access to activity and waiting list data.

4. Optimise use of resources

Rag Rating: Green

Progress

- Opportunities continue to be flagged but not always possible to be taken forward. Overseen via CIP programme Board.
- CFO led corporate overheads reduction group in place.
- Utilising benchmarking more as source of identifying opportunities.
- A lot of the potential benefits of AI and RPA and are being added to a Long-term list of future opportunities (year 2-3) post EPR and data warehouse.

Risks and challenges

- Decisions are still made by the directorates that oversee the expenditure. Still risk of some silo working.
- Not a lot of progress is being driven by ICB wide decision making. Lack of estate and digital or procurement solutions coming via the ICB.



Next steps

Develop understanding of benchmarking.

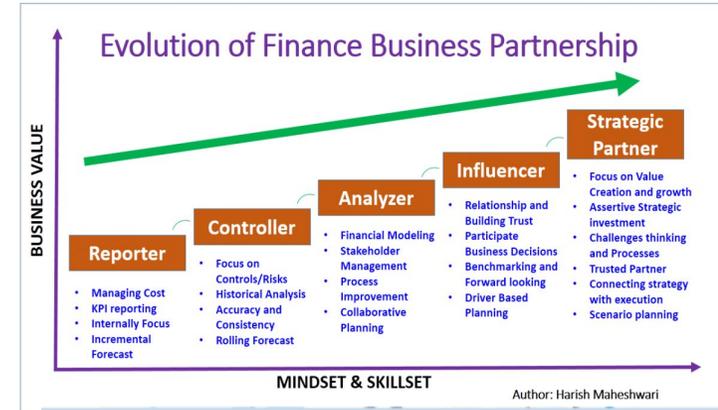
Early planning for 24/25 CIPs

6. Introduce Finance Business Partners

Rag Rating: Amber.
Experienced delays.

Progress

- Management Account structure and roles now fully recruited.
- Some exceptional circumstances have led to some delays in progress (loss of 66% of qualified staff due to unfortunate personal circumstances.)
- Interim arrangements in place and communicated.
- Function now in a position to be forward facing and responsive.
- Development and monitoring of customer service KPIs



The Trusted Advisor Model



Next steps

Focus for quarter 3 is around more financial communication organisational wide and continued support to budget managers in managing challenging financial positions.

Risks and challenges

- Need to start planning for 24/25 during early quarter 3 (budget setting and CIP planning).
- Varied levels of engagement and differential in financial management skills across the Trust. Providing in reach support where need identified or requested.

Looking forward – recalibration?

Internal alignment and needs

- Support continued efficiency and help identify and eradicate waste.
- Need to support the organisation with benchmarking insight to drive efficiency.
- Support the wider sustainability agenda.
- As a function, need to streamline time on reporting, to free up more resource to add value

Place / System/ National

- Need to support a growth strategy in times of financial challenge and little growth money.
- Continue to support MHIS and ensure parity of esteem is maintained in challenging times.
- Support sensible conversations around viability of services. (loss making services)

All Trust core KPIs are well managed. No concerns re resources.

Adjusting our focus

- More external engagement with national agenda and forums. - One NHS Finance / HMFA / SDN. Having a full team/capacity will help drive this. National forums.
- Support continued staff development of staff.
- Progress finance accreditation (on track for 23/24).

Did you know ?

We have apprentices that have now progressed from band 2 to band 6

Our Mandatory Training compliance is consistently >95%

Thanks goes to the entire team for helping us move forward

In summary, we are making progress but are clear there is plenty more to do.

Year end was a success and vast improvement on the prior year. Validated at Board, ARC and with External Audit

Thank you 😊

Questions...

Our supervision compliance is 100%.

The diversity of the function has improved over the last 18 months.

Finance/Budget management engagement is up on prior years.

We have only one interim in the function. Down from peaks of over 10.

Down to one vacancy which is a new apprenticeship and will be out to advert in September.