

Board of Directors - Public

SUMMARY REPORT

Meeting Date: 25 September 2024
 Agenda Item: 21

Report Title:	Finance Strategy 2022-2026 Progress Review	
Author(s):	Chris Cotton, Deputy Director of Finance	
Accountable Director:	Philip Easthope, Executive Director of Finance, IMST 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:	12 th September 2024
Key points/recommendations from those meetings	Finance & Performance Committee were briefed on the progress review, it was felt that the paper presented to FPC was too critical in terms of performance, the report has been updated to reflect the comments made. It was highlighted in the discussion that outputs from Corporate benchmarking will be presented to FPC.	

Summary of key points in report

Attached is a slide deck summary covering the progress made over the last year with regards to the finance strategy implementation, ongoing risks and next steps. We have RAG rated progress on all six deliverables, with discussions on ratings and information at Business Planning Group (BPG), Operational Management Group (OMG) and Finance and Performance Committee (FPC)

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

Improvements have been made across all deliverables. There are next steps under each heading but the priority areas of focus to progress the strategy delivery are as follows:

1. Improve and Embed business partnering across all teams in Finance department.
2. Develop and Improve Service/Patient Level Reporting and Benchmarking information to create better financial understanding of services and identify efficiency opportunities.
3. Ensure greater level of triangulation of finance, workforce and activity data is completed through 2025/26 planning process.

Recommendation for the Board/Committee to consider:

Consider for Action		Approval		Assurance	X	Information	X
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Board is asked to:

Note the progress made over the last 12 months, risks and next steps to ensure delivery of the 2022 – 2026 finance strategy.

Please identify which strategic priorities will be impacted by this report:					
Effective Use of Resources			Yes	X	No
Deliver Outstanding Care			Yes	X	No
Great Place to Work			Yes	X	No
Ensuring our services are inclusive			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 13: Financial Position Regulation 17: Good Governance
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	X	No		No adverse impact
Financial (revenue & capital)	Yes	X	No		Next step actions should enable greater identification of efficiency opportunities and reduce financial risk
Organisational Development /Workforce	Yes	X	No		No adverse impact
Equality, Diversity & Inclusion	Yes	X	No		No adverse impact
Legal	Yes	X	No		No adverse impact
Environmental sustainability	Yes	X	No		No adverse impact

Finance Strategy Progress Review

September 2024



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: Amber

Progress

- 2023/24 Cost Improvement Plan (CIP) and planned deficit not achieved
- Reviewed Governance and launched Value Improvement Programme
- PMO and Finance supporting Directorates on VIP & Recovery plans - £2.5m increase in delivery
- Service/Patient Level Reporting not progressed as originally planned – re-prioritised resource to business partnering, planning and efficiency delivery



Risks and challenges

- CDEL constraints impacting speed of estate refurbishment
- Costing role currently vacant – Options Appraisal being completed on future of role/support

Next Steps

- Improved Integrated Planning for 2025/26 is commencing in September
- Agree Service/Patient Level Reporting development plan
- Increased reporting on benchmarking to identify efficiency opportunities

2. Proactive Procurement

RAG Rating: Green

Progress

- Achieved Commercial Continuous Improvement Assessment (CCIA) Good rating – first South Yorkshire NHS organisation
- Reporting on contracts and workplan to Business Planning Group (using atamis system)
- Active member of South Yorkshire Integrated Care System Procurement Collaborative
- Non-Pay additional review and control – c£100/month run rate reduction

atamis  improving procurement visibility and control



Government Function:
Commercial

Risks and challenges

- Prioritising competing work – Capital plan, value improvement programme, additional controls

Key Next Steps

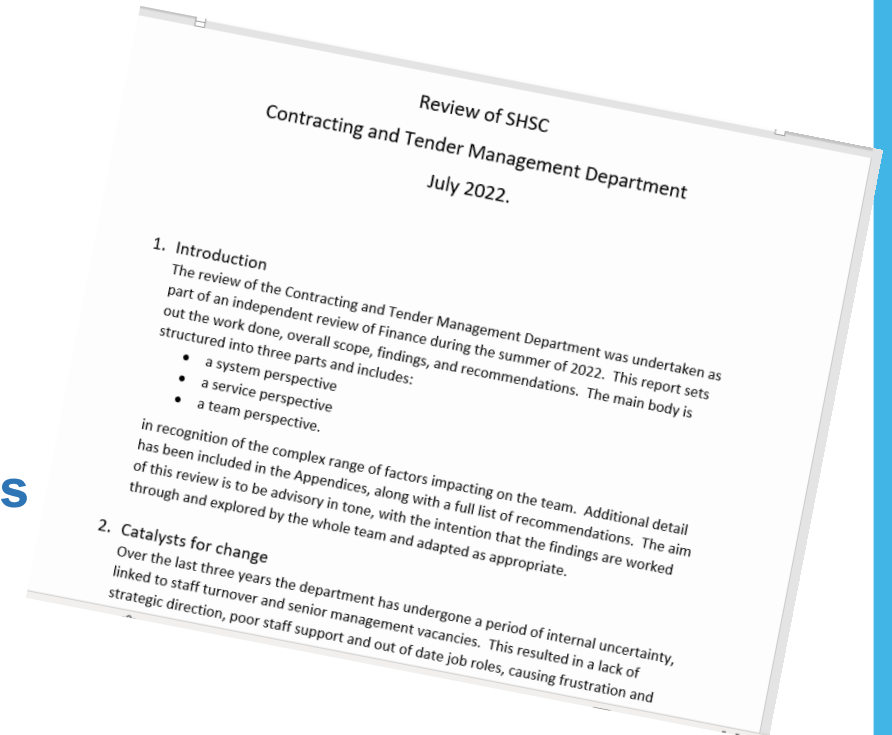
- Embed and further improvements to reporting
- Greater focus on business partnering from transactional support
- Work towards Commercial Continuous Improvement Assessment (CCIA) Better rating

2. Proactive income contract management

RAG Rating: Amber

Progress

- Concluded organisational change process and recruitment to vacant role.
- Good Progress on improvement plan.
- Main NHS contracts signed for 2024/25.
- Progress on SYICB service specification reviews
- Improved reporting and visibility on income contracts and improvement/workplan to Business Planning Group and senior leaders.



Risks and challenges

- Small team of 3 (including new starter from mid-August 2024) so limited capacity and need to re-prioritise for bids/tenders.
- Delays in activity/performance data improvements due to RIO implementation pulling on Digital resources.

Key Next Steps

- Agree costing principles for proactive negotiations, income maximisation and reduced debt/deficit in future.
- Continue work on improvement plan.

3. Data triangulation: finance, workforce, activity

RAG Rating: Amber

Progress

- Improved reporting and triangulation of roster information
- Submission of National Cost Collection
- Workforce and finance plan submission triangulated at Trust wide
- Limited activity and financial plans triangulation – Focus on Rio implementation



Risks and challenges

- Continued challenge on improved activity and finance triangulation until Rio implemented and embedded

Key Next Steps

- Improving Planning process to enable better triangulation of workforce, activity and finance at each service level
- Group being established to progress demand and capacity work which will be linked into financial planning, contract negotiations and efficiency opportunities

4. Optimise use of resources

RAG Rating: Amber

Progress

- Implementation of additional controls
- Launched Value Improvement Programme
- Participated in Corporate Benchmarking
- Increased communication and understanding within organisation on financial position

Risks and challenges

- Aged Debt has increased resulting in reduced cash balances

Key Next Steps

- Increase use of benchmarking information and tools
- Continued focus on reducing Aged Debt and increasing cash balances
- Further development of internal communication on financial position

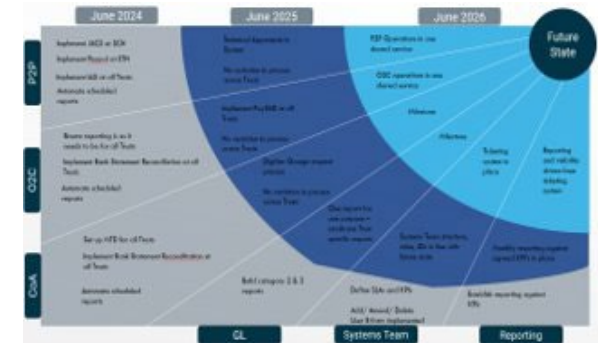


5. Implement new finance system and e-procurement

RAG Rating: Green

Progress

- Embedded e-requisitioning
- Updates installed and development plan agreed to finance system



Risks and challenges

- Ensure new users are trained effectively

Key Next Steps

- Improve budget manager reporting
- Implement procurement catalogue

6. Introduce Finance Business Partners

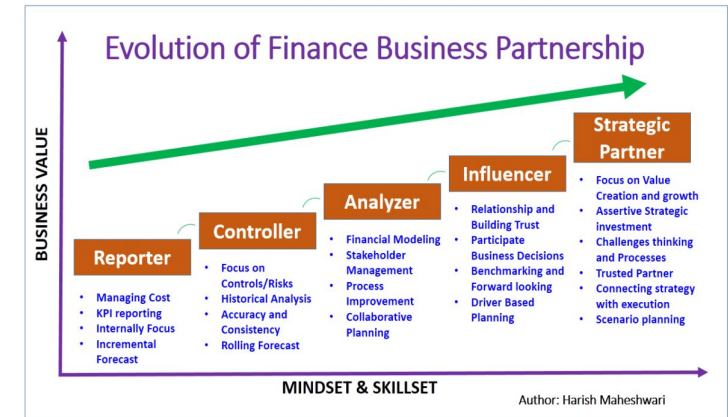
Progress

- Business Partnering team structure implemented
- Continue to develop and how finance team as a whole can support organisation and colleagues in most effective way

Risks and challenges

- Resilience in the management accounts team has been challenging
- This has led to delays and more reactive offer – this is improving

RAG Rating: Amber



The Trusted Advisor Model



Key Next Steps

- Focus on Proactive business partnering and timely information
- Collect more formal feedback from colleagues

Thank you
Questions.....