

**Cover report to the Trust Board meeting to be held on 4 April 2019**

Trust Board paper S

<b>Report Title:</b>	Finance and Investment Committee – Committee Chair’s Report (formal Minutes will be presented to the next Trust Board meeting)
<b>Author:</b>	Kate Rayns, Corporate and Committee Services Officer
<b>Reporting Committee:</b>	Finance and Investment Committee
<b>Chaired by:</b>	Martin Traynor, Non-Executive Director
<b>Lead Executive Director(s):</b>	Paul Traynor, Chief Financial Officer
<b>Date of last meeting:</b>	28 March 2019

**Summary of key matters considered by the Committee and any related decisions made:**

This report provides a summary of the following key issues considered at the Finance and Investment Committee on 28 March 2019:-

- 2018/19 Month 11 Financial Performance** – paper E advised that the month 11 (February 2019) deficit of £61.2m excluding Provider Sustainability Funding (PSF) was £33.4m adverse to plan, driven by the cessation of the Facilities Management LLP (FM LLP) and the crystallisation of unmitigated risk within the Financial Recovery Board actions. Including PSF, the year to date deficit was £58.8m which was adverse to plan by £50.5m due to non-recognition of PSF within the Quarter 2 reporting period. The Trust continued to forecast a year-end outturn of £51.8m, and there was a strong belief that this would now be achieved. Strong operational performance was being delivered during Quarter 4 of the financial year. Despite significant increases in urgent and emergency care, elective throughput was being maintained. Productivity and efficiency improvements were also being achieved, in line with the Trust’s financial recovery plan. An increasing number of contractual challenges were being received from Commissioners, but these were being managed appropriately. The documentation relating to the sale of surplus paddock land at Glenfield Hospital had been signed and completion was expected before the end of March 2019. Discussion took place regarding the outlook for the 2019/20 financial year and opportunities to improve UHL’s financial credibility with its Regulators by delivering the agreed financial control total for 2019/20. Individual CMG and Corporate Directorate control totals had been issued on the basis of robust activity plans, tariff changes, appropriate financial bridging arrangements and opportunities for productivity and efficiency savings, supported by the implementation of the Quality Strategy. Careful monitoring of workforce expenditure, recruitment controls and discretionary expenditure would continue to take place. Members requested sight of the phasing of CMG and Directorate control totals by month and additional transparency surrounding proposed financial contingencies in future iterations of this report;
- UHL Productivity Improvement Programme (PIP)** – the Director of Productivity introduced paper G, providing an overview of the performance status of the programme for 2018/19, the development of schemes for 2019/20, progress of the enabling workstreams, key performance indicators, risks and mitigations, cross-cutting workstream highlights, CMG and Corporate Directorate productivity measures, and an update on section 106 agreements. The forecast outturn against the £51.5m CIP target for 2018/19 stood at £39m and non-recurrent savings would be included to ensure delivery of the forecast outturn. Particular discussion took place regarding clinical coding, productivity workstream resources, the role and skill-sets of ward clerks within UHL’s workforce, the Lean Apprenticeship Programme, and section 106 agreements;
- IBM Contract Update** – the Acting Chief Information Officer attended to present paper H, briefing the Committee on service delivery within the IBM contract, which was now in its seventh year. Over the next quarter, a particular focus was planned in respect of reviewing the agreed service level indicators, roll-out of single sign-on, cyber security, and the development of quality metrics. The equipment replacement and wi-fi refreshment programmes were progressing according to plan and scoping work for cyber security enhancements was being undertaken. The Audit Committee Chair sought and received additional information regarding the governance process surrounding IM&T developments, noting in response that these were overseen by a Service Delivery Board and a combined Strategic and Commercial Board (which was Chaired by the Chief Financial Officer). Regular reports on cyber security were provided to the Executive IM&T Board and the Audit

Committee. The Chief Financial Officer agreed to liaise with the Acting Chief Information Officer and the Audit Committee Chair to arrange for an overview of the wider IM&T governance arrangements to be presented to a future meeting of the Audit Committee;

- **2019/20 Planning Update** – the Chief Financial Officer introduced paper J, providing the draft UHL Annual Operational Plan (AOP) for 2019/20 which was also due to be considered during the joint meeting between members of the People, Process and Performance Committee and the Quality and Outcomes Committee later that day. The Chief Financial Officer invited any questions on the financial elements of the AOP, noting that some of the issues had already been discussed earlier in the meeting. The Trust Chairman re-iterated his view that the Trust should strive to deliver its control total for 2019/20 without any deviation to improve the organisation’s credibility and support improved access to capital funding. The Chief Financial Officer supported this view, commenting upon the realistic nature of the control total that had been issued and the internal process improvements that would support its delivery. In response to a request, it was agreed that the 12 month phasing of the income and expenditure profile would be presented to the FIC meeting in April 2019, and
- **Items for scrutiny and information** – the Committee received and noted the following reports for information:-  
Paper M – Timetable for UHL Business Cases;  
Paper N – FIC Calendar of Business 2019/20, and  
Paper O – action notes from the Executive Performance Board meeting held on 26 February 2019.

**Matters requiring Trust Board consideration and/or approval:**

**Recommendations for approval**

- None

**Items highlighted to the Trust Board for information**

- None

**Matters referred to other Committees:**

- *None*

**Date of next meeting:** 25 April 2019