

Cover report to the Trust Board meeting to be held on 3 December 2020

Trust Board paper F4

| | |
|----------------------|--|
| Report Title: | Finance and Investment Committee – Committee Chair’s Report |
| Author: | Helen Stokes, Corporate and Committee Services Manager |

| | |
|------------------------------------|--|
| Reporting Committee: | Finance and Investment Committee |
| Chaired by: | Andrew Johnson Non-Executive Director |
| Lead Executive Director(s): | Simon Lazarus Interim Chief Financial Officer, Debra Mitchell Acting Chief Operating Officer |
| Date of FIC: | 26 November 2020 |

Summary of key public matters considered by the Committee:

This report provides a summary of the key public issues considered by the Finance and Investment Committee on 26 November 2020 (*involving Mr A Johnson FIC Non-Executive Director Chair, Mr M Traynor Non-Executive Director, Mr M Williams Non-Executive Director [part], Ms D Mitchell Acting Chief Operating Officer, Mr J Shuter Director of Operational Finance, Miss M Durbridge Director of Quality Transformation and Efficiency Improvement, Mr R Cooper Financial Improvement Director [part], Mr D Kerr Director of Estates and Facilities [part], and Mr M Wightman Director of Strategy and Communications [part]*). NB: full Minutes will be issued prior to the December 2020 FIC and January 2021 Trust Board meeting.

- **FIC matters arising log** – the FIC Non-Executive Director Chair undertook a line by line review of the action log, receiving updates from lead Executive Directors in response to specific queries. The matters arising log would be amended to reflect these updates.
- **2020/21 transformation programme and cost improvement programme (CIP) update** - the Director of Quality Transformation and Efficiency Improvement updated FIC on the progress of the Trust’s £8m cost improvement programme for months 7-12 of 2020/21, noting that she would circulate (for information) the slides being used for a forthcoming meeting with NHSE/I. An update on that meeting would be provided to the December 2020 FIC. £6.5m of the 2020/21 CIP had now been identified, which was an increase on the £5.281m reported to the October 2020 FIC. Focused work was underway to identify the remaining CIP, and the Director of Quality Transformation and Efficiency Improvement was confident that the full £8m 2020/21 CIP would be achieved. Significant preparatory work was also underway on the 2021/22 CIP – this was being closely monitored through the Financial Recovery Board and more detail on the 2021/22 CIP schemes would be available in January 2021 once the 2021/22 budgets had been set. The Director of Quality Transformation and Efficiency Improvement provided assurance to FIC that she was working closely with the senior Finance Team. The Transformation PMO (project management office) continued to work closely with CMGs, and premium pay costs were being addressed through a key CIP workstream.

Although welcoming the report, the FIC Non-Executive Director Chair reiterated his continued concerns over the delivery of the 2020/21 £8m CIP, particularly given the reliance on pay cost schemes and the related need for appropriate phasing of such schemes. He requested additional assurance on the level of confidence of delivery. In response, the Director of Quality Transformation and Efficiency Improvement detailed the work underway with CMGs to progress true efficiencies, which she would clarify in future updates. The Interim Chief Financial Officer emphasised the need for the £8m CIP to be genuine cash reduction, and he outlined his discussions with the Financial Improvement Director on causation elements and the agreed approach that all cash-reducing savings would be classed as CIP. He supported the Director of Quality Transformation and Efficiency Improvement’s assessment that the £8m would represent true savings. The FIC Non-Executive Director Chair also sought assurance on the preparedness of CMGs for the 2021/22 pay cost CIP schemes and their phasing – in response, the Director of Quality Transformation and Efficiency Improvement acknowledged that further work was needed with CMG management teams to progress their understanding further. She clarified that the information in the report was high level at present and was aiming to provide assurance that the ‘top 10’ schemes were already being looked at for 2021/22 – it was recognised that further work was needed on the granularity of those schemes.

- **2020/21 capital plan update** – the Interim Chief Financial Officer advised FIC of a meeting held on 25 November 2020 chaired by the Acting Chief Executive, which had agreed that the relevant capital programme leads would review the monthly profile. This would not change the forecast outturn but would result in more realistic phasing. The updated plan would be reviewed further at the next Capital Monitoring and Investment Committee meeting, which would also explore the potential slippage on the estates capital programme (due to late receipt of funding)

and how to appropriately mitigate that through bring-forward schemes from 2021/22. Further confirmation of Covid-19 capital funding was awaited. The FIC Non-Executive Director Chair reiterated his previous concerns that the Trust was not spending its capital funding; he considered that there was a lack of control and that UHL was not making optimum use of its available capital.

- **Financial Recovery Board (FRB)** – FIC received and noted for information the action notes from meetings of the FRB held on 20 October 2020 and 3 November 2020, and the agenda and resulting actions from the FRB meeting on 17 November 2020.
- **Items for noting** – the following reports were received for information:-
 - Executive Finance and Performance Board action notes from 27 October 2020, and
 - Executive Finance and Performance Board agenda from 24 November 2020.

Public 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 FIC meeting:

17 December 2020