

Cover report to the Trust Board meeting to be held on 5 March 2020

Trust Board paper I1

Report Title:	Finance and Investment Committee – Committee Chair’s Report (formal Minutes will be presented to the next Trust Board meeting)
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Reporting Committee:	Finance and Investment Committee
Chaired by:	Martin Traynor, Non-Executive Director
Lead Executive Director(s):	Simon Lazarus, Interim Chief Financial Officer
Date of last meeting:	27 February 2020

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

This report provides a summary of the following key public issues considered at the Finance and Investment Committee on 27 February 2020:-

- **Cash update** – the Interim Chief Financial Officer updated FIC on the improved monthly cash position as at 31.1.20, and reiterated his view that UHL should continue its aim of moving closer towards creditor payment in 30 days. The Financial Controller advised that creditor and debtor positions had both improved, which was welcomed by FIC. The Financial Controller anticipated an improvement in UHL’s performance against the Better Payment Practice Code in the coming months, and he advised FIC that a key focus area for his team would now also be to review the invoice authorisation process. At year-end, the Deputy Chief Financial Officer advised that cash would be differentiated between operational cash and capital cash, and he noted the Trust’s approach of managing cash through the lens of the balance sheet. In response to a query from the People, Process and Performance Committee (PPPC) Non-Executive Director Chair, the Interim Chief Financial Officer outlined that any unanticipated adverse change in the Trust’s cash position ahead of year-end would be managed through slowing the pace of movement towards 30-day creditor payment. In response to further comments from the PPC Non-Executive Director Chair on the drivers for cash injections, the Deputy Chief Financial Officer also advised that he was mapping out the monthly draw down for 2020/21.
- **Update on the 2019/20 capital programme** – the Interim Chief Financial Officer advised FIC of his view that the £54.2m 2019/20 capital programme would be delivered. Capital expenditure of £25.8m was reported as at month 10 (January 2020), which was below plan. As previously reported, the 2020/21 capital programme was challenging and contained a very significant level of pre-commitments (£62.5m). Detailed discussions were scheduled for 28.2.20 to review the capital priorities and ensure they remained valid. Once confirmed, items would only be added on an emergency basis. Delivery of the 2020/21 capital programme was currently contingent on a capital loan, and the Interim Chief Financial Officer noted the need to develop an appropriate contingency plan (if all currently-included priorities remained on). Noting that she had yet to receive a response to her previous questions about the risks of not undertaking specific schemes, the Audit Committee Non-Executive Director Chair asked whether the benefits of delivering the capital programme schemes were clearly articulated. The Chief Executive provided assurance that that information was available (albeit within a number of different source documents), and it was agreed to include an appropriate narrative in the 2020/21 capital programme being submitted for endorsement to the March 2020 FIC.
This item is highlighted to the Trust Board for information
- **Overseas Visitor Policy and approach to implementation** – the Chief Operating Officer introduced this draft new UHL policy, on which NHSE/I comments were awaited. Once approved, the implementation of that policy would be key and a working group had been established accordingly. With regard to the roles and responsibilities set out in the draft policy, the Audit Committee Non-Executive Director Chair advised that it would be appropriate for FIC to receive the proposed regular updates on this issue, rather than the Audit Committee as currently stated, and it was agreed to amend the policy accordingly. In response to his query, the PPC Non-Executive Director Chair received assurance from the Chief Operating Officer that the private patient and overseas visitor staff posts were not additional new posts. FIC welcomed the policy.
- **Overpaid salaries debt** – as requested by the FIC Non-Executive Director Chair, FIC received a report on debt relating to overpaid salaries, including the level of debt involved, the circumstances of how it had arisen, and the steps taken to recover it. This type of debt was very challenging to recover once incurred, and FIC emphasised the need to focus on avoiding such debts. Although noting comments on potential manager training measures and ‘detective’ controls which could be implemented, the Audit Committee Non-Executive Director Chair emphasised the need to put appropriate preventive controls in place. FIC also noted comments from the Interim Chief Financial Officer that this was a chronic problem within the wider NHS as a whole. The Chief Executive

advised that he would raise this issue at an Executive Planning Meeting, with a view to potentially including it in the Internal Audit Plan for 2020/21 – in response, the Audit Committee Non-Executive Director Chair requested that if included, Internal Audit be asked to undertake a wider leavers review.

- **Implementation of new contract with Commissioners 2020/21** – the Interim Chief Financial Officer advised FIC that there was no further update to provide on this issue.
- **Items for noting** – the Committee received and noted the following reports for information:-
 - Reconfiguration programme update and timetable for business case approvals
 - FIC Calendar of Business 2019/20, and
 - Executive Performance Board action notes 28 January 2020.

Public matters requiring Trust Board consideration and/or approval:

Recommendations for approval

None

Items highlighted to the Trust Board for information

- Capital plan 2020/21

Matters referred to other Committees:

- None

Date of next meeting: 26 March 2020