

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

Trust Board paper I3

Report Title:	Finance and Investment Committee – Committee Chair’s Report
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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:	29 October 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 29 October 2020 (*involving Mr A Johnson FIC Non-Executive Director Chair, Mr M Traynor Non-Executive Director [part], Mr M Williams Non-Executive Director, Ms D Mitchell Acting Chief Operating Officer [part], Mr J Shuter Director of Operational Finance, Miss M Durbridge Director of Quality Transformation and Efficiency Improvement [part], Mr R Cooper Financial Improvement Director [part], Mr D Kerr Director of Estates and Facilities [part] and Mr A Carruthers Chief Information Officer [part]*). NB: full Minutes will be issued prior to the November 2020 FIC and December 2020 Trust Board meeting. This meeting was part-in-quire.

- **Minutes of the FIC meeting held on 24 September 2020** – these were approved as presented, noting that detailed summaries of that meeting had been submitted to the Trust Board on 1 October 2020.
- **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. The Director of Quality Transformation and Efficiency Improvement, Project Management Office (PMO), Interim Chief Financial Officer and Director of Operational Finance were all reinforcing the need for appropriate governance and rigour to Clinical Management Groups (CMGs) and Corporate Directorates. Differential CIPs had been set for 2020/21, and schemes were only included on the tracker once signed off by the appropriate Head of Finance (thus confirming that postholder’s accountability for and ownership of the scheme). Executive-level ownership was then monitored through the Financial Recovery Board by the appropriate Executive Director Senior Responsible Officer. Approximately 600 schemes were currently included on the overarching CIP tracker, which was monitored daily and was supported by very detailed underpinning information at CMG level. The Director of Quality Transformation and Efficiency Improvement shared an updated iteration of the CIP tracker at the FIC meeting, noting that £5.281m of the 2020/21 CIP had now been identified, with a further circa £1m of schemes currently being worked up. She outlined the actions underway to identify the remaining amount, including work with the Alliance and also a key focus on UHL premium pay costs across all CMGs. The PMO was meeting with all CMGs to understand their premium pay costs and explore any local blockers to reducing those.

Although welcoming the report, the FIC Non-Executive Director Chair emphasised the crucial need for CMGs to have a real understanding of the evidential basis for their CIP schemes, eg what savings would be delivered and when, and he considered that this needed strengthening. In identifying the remainder of the 2020/21 CIP, the FIC Non-Executive Director Chair also emphasised the need to focus attention appropriately on the areas of highest-opportunity – in response, the Director of Quality Transformation and Efficiency Improvement provided assurance that such a focus was in place. In response to a query from Mr M Traynor Non-Executive Director, the Director of Quality Transformation and Efficiency Improvement advised that further work was needed to improve the accessibility of UHL’s staff bank processes.

The FIC Non-Executive Director Chair considered that the CIP position was likely to be significantly challenging for the remainder of 2020/21, and highlighted his concerns at the meeting. He also noted his view that there was likely to be some slippage on the already-identified schemes, leading to a potential increase in the current shortfall. In terms of delivery of the wider financial position, the Financial Improvement Director emphasised the need to improve UHL’s forecasting ability re: ongoing costs. The Financial Improvement Director welcomed the improvements made to the previous CIP process – although noting that the 2020/21 CIP was relatively small compared to the Trust’s overall budget, he noted the key importance of having a realistic and workable CIP

process in place to maximise delivery, even if the programme was not delivered in full. The Financial Improvement Director also advised of the need to be clear on the full year effect of CIPs for the 2021/22 year, emphasising the importance of robust delivery ability within CMG management teams.

- ***Financial Governance Improvement Plan** – FIC received and noted the latest iteration of the financial governance improvement plan (monthly standing item).
- **Financial Recovery Board (FRB)** – FIC received and noted the action notes from meetings of the FRB held on 22 September 2020 and 6 October 2020, and the agenda and resulting actions from the FRB meeting on 20 October 2020. The FIC Non-Executive Director Chair welcomed the changes to the latest FRB agenda, demonstrating an improved focus on its primary purpose of driving financial recovery, and emphasised the need to keep this focus on track.
- **Items for noting** – the following reports were received for information:-
 - Executive Performance Board action notes from 22 September 2020, and
 - Executive Finance and Performance Board agenda from 27 October 2020.

* = *inquire item*

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:

26 November 2020