

Cover report to the Trust Board meeting to be held on 6 December 2018

Trust Board paper K	
Report Title:	Finance and Investment Committee – Committee Chair’s Report (formal Minutes will be presented to the next Trust Board meeting)
Author:	Kate Rayns, Corporate and Committee Services Officer

Reporting Committee:	Finance and Investment Committee
Chaired by:	Martin Traynor, Non-Executive Director
Lead Executive Director(s):	Paul Traynor, Chief Financial Officer Mark Wightman, Director of Strategy and Communications
Date of last meeting:	29 November 2018

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 29 November 2018:-

- **Matters arising report** – updates were noted in respect of the following entries on the matters arising log:-
 - Item 5 – the Chief Financial Officer advised that a bridging chart (setting out the trajectory required by each area to deliver the Quarter 2 forecast outturn) would be included in the month 8 financial performance report, and
 - Item 18 – the Trust Chairman briefed FIC on a proposal to hold a session on the Digital Agenda at the 13 December 2018 thinking day, confirming that consideration would be given to scheduling a follow-up session with the Chief Information Officer and IBM at a subsequent meeting;
- **2018/19 Month 7 Financial Performance** – paper D advised that the month 7 (October 2018) deficit of £45.0m excluding Provider Sustainability Funding (PSF) was £23.6m 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 Provider Sustainability Funding (PSF), the year to date deficit was £42.7m which was adverse to plan by £31.1m due to non-recognition of PSF within the Quarter 2 reporting period. Agency expenditure remained below the threshold required by NHS Improvement which effectively mandated a 30% reduction on 2015/16 agency expenditure. CIP performance to date stood at £17.1m against the planned £18.7m and the forecast CIP outturn was £44m reflecting a gap of £7.5m (with £7.9m of the gap being driven by the cessation of the FM LLP). Assurance was provided that the CMGs and Corporate Directorates were being supported and held to account to deliver their planned positions and to improve upon them wherever possible. In addition, the Financial Recovery Board was overseeing a wide range of financial improvement activity and was now meeting on a weekly basis;
- **UHL Productivity Improvement Programme (PIP)** – on behalf of the Director of Efficiency and CIP, the Director of Operational Finance introduced paper F providing an overview of the performance status of the programme, progress of the enabling workstreams, key performance indicators, risks and mitigations, cross-cutting workstream highlights, and CMG and Corporate Directorate productivity measures. The forecast outturn against the £51.5m target for 2018-19 stood at £44.3m, but additional work was taking place to identify new schemes, bring schemes forward from the 2019-20 financial year. Non-recurrent savings were also being utilised to bridge the gap. Further work was taking place to embed the Model Hospital and ‘Vital Few’ workstreams. Members agreed that the identification of future productivity improvements became harder as any ‘low hanging fruit’ was removed but the Getting It Right the First Time (GIRFT) model was very helpful in delivering more fundamental transformation. FIC discussed specific examples of efficiency and productivity improvements (including the 2-way SMS text messaging service for OPD appointments and the clinical decision-making process surrounding use of full replacement hip prostheses or trauma stems);
- **Quarterly Contract Update** – Ms L Wall, Head of Contracts attended the meeting to introduce paper I, briefing the Committee on contractual performance against the NHS Standard Contracts for Acute and Specialised Services as at the end of Quarter 2 (September 2018), noting over-performance against plan of £5.0m for Acute

services and a slight under-performance (£0.1m) for Specialised. Since the report had been prepared, the level of outstanding contractual challenges had increased significantly and a series of escalation meetings had been held with Commissioners. Discussion took place regarding the extent to which UHL's clinical complexity had increased as some of the more straightforward cases had been outsourced to other providers. Finally, the FIC Chair sought and received assurance regarding the nature of the Trust's relationships with its Commissioners going forwards;

- **Approach to 2019/20 Business Planning** – Ms R Vyas, Head of Strategic Planning and the Director of Strategy and Communications introduced paper J, setting out the process, methodology and the proposed timetable for the development of UHL's 2019/20 Annual Operational Plan ahead of the 4 April 2019 submission deadline. Further progress reports would be scheduled for consideration at the December 2018 and January 2019 FIC meetings, and
- **Items for scrutiny and information** – the Committee received and noted the following reports for information:-
 Paper M – Strategic Reconfiguration Programme Project Plan and Timetable for Business Cases;
 Paper N – FIC Calendar of Business 2018/19;
 Paper O – action notes from the Executive Performance Board meeting held on 23 October 2018;
 Paper P1 – Minutes of the Revenue and Investment Committee meeting held on 21 September 2018, and
 Paper P2 – Minutes of the Revenue and Investment Committee meeting held on 18 October 2018.

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:

20 December 2018