

Cover report to the Trust Board meeting to be held on 3 October 2019

Trust Board paper M1

| | |
|----------------------|--|
| 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 Rebecca Brown, Chief Operating Officer Mark Wightman, Director of Strategy and Communications |
| Date of last meeting: | 26 September 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 26 September 2019:-

- **2019/20 Month 5 Financial Performance** – paper C advised that the Trust had achieved a year-to-date financial deficit of £26.7m, excluding Provider Sustainability Funding (PSF), Financial Recovery Funding (FRF) and Marginal Rate Emergency Tariff (MRET). Including PSF/FRF/MRET, the Trust had achieved a year-to-date deficit of £15.0m which was in line with plan. Deep dive reviews had been undertaken of the financial performance by each of the CMGs and the Facilities Directorate and their year-end forecasts had improved by approximately £2m. Further improvements in the region of £3m were still required and work was ongoing to achieve this. The Financial Recovery Board would be meeting on 1 October 2019 to determine whether any of the CMGs would need to be put into ‘special measures’ as defined in the Trust’s Accountability Framework. The Chief Operating Officer clarified that this was a supportive process by which CMGs were helped to improve their forecasts;
- **Update on the 2019/20 Capital Programme** – the Director of Operational Finance introduced paper F updating FIC on the Capital Programme for 2019/20 and reporting verbally to advise that the Trust’s bid for £10m of emergency capital had been successful, but the £8.6m bid for the Decontamination Scheme had not been approved for 2019/20. The Director of Estates and Facilities provided assurance that the additional £10m capital would be spent in the current financial year with a specific focus on the high risk clinical issues, including a £1m allocation for medical equipment. Planning guidance for 2020/21 was not yet available, but the Chief Operating Officer advised that the Decontamination Scheme would be an absolute priority. An updated 2019/20 Capital Programme would be presented to the October 2019 FIC;
- **Service Level Financial Analysis (CHUGGS CMG)** – the Director of Strategy and Communications and the Head of Finance – Costing introduced paper G, providing some sample service line reporting data from the CHUGGS CMG. FIC members welcomed this new style of reporting, noting the intention to roll this out more widely at Performance Review Meetings and future FIC meetings. Members requested clarity whether the variances were being measured between the current and forecast position or the current and previous year’s position. Discussion also took place regarding opportunities to report wider trends (across more than 2 data points) and the links with Model Hospital. Assurance was provided that service line reporting would be used as an integral part of the business planning process for 2020/21;
- **IBM Quarterly Contract Update** – paper I provided the quarterly update on contractual performance within the 7 year contract with IBM, advising that business as usual service remained consistent with the service level agreement. A significant increase in single sign-on enrolment had also been achieved. Following a number of IT security function healthchecks and audits, it was confirmed that a consolidated action plan was being prepared for consideration at the November 2019 Audit Committee;
- **Use of Resources Self-Assessment update** – paper J briefed the Committee on the preparations for the Trust’s Use of Resources Assessment which was scheduled for 15 October 2019. The key lines of enquiry (KLoE) commentary template was required to be signed-off by the Executive Team and submitted to NHSE/I by 1 October 2019. The Chief Financial Officer was requested to arrange for the appropriate individuals to receive a briefing on 14 October 2019 ahead of their assessment interviews;
- **UHL Productivity Improvement Programme (PIP)** – paper K provided an overview of UHL’s Productivity Improvement Programme, advising that savings of £27.0m had been identified against the 2019/20 target of £26.6m. In the absence of the Director of Productivity at this meeting, the report was taken as read. The Chief Financial Officer confirmed that the clinical coding, theatres and outpatient improvement workstreams still had merit for the Trust, but he highlighted that the

approach to these schemes might change in the near future;

- **Update on UHL's Commercial Strategy and Intellectual Property (IP) Policy** – there was no further progress to report at this meeting on the development of UHL's Commercial Strategy and IP Policy, and
- **Items for scrutiny and information** – the Committee received and noted the following reports for information:-
 - Paper L – Timetable for UHL Business Case Approvals;
 - Paper M – FIC Calendar of Business 2019/20;
 - Paper N1 – action notes from the Executive Quality and Performance Board meeting held on 13 August 2019, and
 - Paper N2 – action notes from the Executive Quality and Performance Board meeting held on 27 August 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:

31 October 2019