

Cover report to the Trust Board meeting to be held on 7 March 2019

Trust Board paper N

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:	28 February 2019
Summary of key matters considered by the Committee and any related decisions made:	
<p>This report provides a summary of the following key issues considered at the Finance and Investment Committee on 28 February 2019:-</p> <ul style="list-style-type: none"> <p>2018/19 Month 10 Financial Performance – paper E advised that the month 10 (January 2019) deficit of £55.3m excluding Provider Sustainability Funding (PSF) was £31.7m 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 PSF, the year to date deficit was £52.9m which was adverse to plan by £46.3m due to non-recognition of PSF within the Quarter 2 reporting period. The Trust continued to forecast a year-end outturn of £51.8m, although there remained a further degree of risk (between £2m and £6m) which was intended to be addressed through increased pay controls and proactive management of risks and opportunities to achieve the best possible outturn. January 2019 performance had been robust in terms of delivering planned elective activity, theatre productivity and operational performance and this had been achieved within the context of robust winter planning and without any pay bill growth. Assurance was provided that the Clinical Management Groups (CMGs) had demonstrated commitment and risen to the challenge to deliver their January 2019 control totals wherever possible and the quantum of any variances were relatively small. Discussions were being held with Commissioners regarding the current level of contractual challenges and every effort was being made to ensure that the Trust was recompensed for all clinical activity undertaken. Looking ahead to the 2019/20 financial year, the Chief Financial Officer briefed FIC on planned changes to the emergency care tariff and the expected impact that this would have on the Trust’s underlying financial position in future years;</p> <p>UHL Productivity Improvement Programme (PIP) – the Director of Efficiency and CIP introduced paper G 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, CMG and Corporate Directorate productivity measures, and a review of the governance framework. The forecast outturn against the £51.5m CIP target for 2018/19 stood at £49.7m and the proportion of schemes that had been approved via the quality impact assessment process had increased from 69% to 70%. FIC noted that clinical coding from case notes had risen from 68% to 79% (subject to validation) and that a business case was being developed for additional clinical coding support. Discussion took place regarding the rationale for including clinical coding as a CIP scheme. Members recognised that this should be considered to be business as usual, but it did require significant resources to deliver it effectively and once established robust coding processes became an enabler for other improvement work streams. A meeting was being held with Local Authorities on 8 March 2019 to consider the proposed arrangements for Section 106 agreements. The Director of Efficiency and CIP agreed to invite Mr A Middleton, Property Manager to join him in attending this meeting. At the Executive Performance Board meeting on 26 February 2019, the CMGs had been supportive of the proposed approach to Corporate Directorate CIP targets for 2019/20 and the proposed targets would be agreed within the next week. Assurance was provided that the Trust was planning to implement a 5-year tracker tool for capturing the development of CIP schemes, with the aim of creating a rolling programme for measuring CIP performance;</p> <p>Quarterly Contract Update – the Chief Financial Officer introduced paper H, briefing the Committee on contractual performance against the NHS Standard Contracts for Acute and Specialised Services as at the end of Quarter 3 (December 2018), noting over-performance against plan of £8.0m for Acute services and £3.3m for</p> 	

Specialised. There continued to be a significant level of contractual challenges from both main Commissioners, but the Chief Financial Officer was confident that sensible agreements would be reached by the end of the 2018/19 financial year and that this would be monitored through the monthly triangulation process. Table 1 on page 2 of the report detailed the notional sanctions that would have been applied within Quarter 3 of the contract – had the Trust and the CCGs not reached a local arrangement to remove all contractual levers for a 2 year period. The FIC Chair sought and received information about the proposed system-wide approach to contracting in 2019/20 and for future years;

- **Draft FIC Annual Work Plan for 2019/20** – paper J provided the first draft of the FIC calendar of business for 2019/20. This was approved, subject to clarification of the timescales for the Committee’s consideration of reports on Annual Planning/Financial Planning and the Unified Approach to Quality Improvement, Productivity and Efficiency, and
- **Items for scrutiny and information** – the Committee received and noted the following reports for information:-
 Paper K – Timetable for UHL Business Cases;
 Paper L – action notes from the Executive Performance Board meeting held on 29 January 2019;
 Paper M – action notes from the Capital Monitoring and Investment Committee meeting held on 18 January 2019, and
 Paper N – action notes from the Revenue Investment Committee meeting held on 18 January 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:	28 March 2019
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