

Summary for Trust Board members

Report Title:	Finance and Investment Committee – Committee Chair’s Report
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Reporting Committee:	Finance and Investment Committee (FIC)
Chaired by:	Steve Harris Non-Executive Director (FIC Chair)
Lead Executive Director(s):	Simon Barton Deputy Chief Executive, Lorraine Hooper Chief Financial Officer, and Jon Melbourne Chief Operating Officer.
Date of FIC:	27 October 2022

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 27 October 2022 (*involving Mr S Harris FIC Non-Executive Director Chair; Ms L Barbrook Head of Contracts E&F [part]; Mr S Barton Deputy Chief Executive; Mr N Bond Deputy Director of Estates and Facilities; Mr A Carruthers Chief Information Officer; Ms B Cassidy Director of Corporate and Legal Affairs; Miss M Durbridge Director of Quality Transformation and Efficiency Improvement; Ms L Hooper Chief Financial Officer; Mr R Manton Head of Risk Assurance [part]; Mr J Melbourne Chief Operating Officer; Mr B Patel Non-Executive Director; Mr J Shuter Director of Operational Finance; Mr M Williams Non-Executive Director, and Mr J Worrall Associate Non-Executive Director*). Minutes will be submitted to the November 2022 FIC.

Items for recommendation to the Trust Board:

None

Discussion items:

- **Board Assurance Framework (BAF)** – as a standing item, FIC reviewed the updated iteration of the 2022/23 BAF risks within its remit, noting the updates since September 2022. A further review of the BAF also took place at the end of the meeting, taking account of the discussions had on those risk issues during the course of FIC and considering whether assurance had been gained accordingly. As the lead Executive for the FIC BAF risks, the Chief Financial Officer advised FIC how the agenda’d reports aligned to the FIC BAF risks. The FIC Non-Executive Director Chair considered that the risk workshop scheduled for Trust Board members in November 2022 would be key to reviewing risk scores and appetite. In re-reviewing the BAF at the end of the meeting, FIC noted the key issue of inflationary cost rise risks, and commented also on the need for appropriate alignment of UHL’s BAF at a wider ICS level.

- **2022/23 month 6 financial performance** – FIC noted the month 6 position for 2022/23, which was a deficit of £6.7m (£1.1m favourable to plan) due primarily to lower than planned elective recovery spend, over-achievement on the Trust’s Cost Improvement Programme, and the impact of pay inflation funding. Although the Trust’s cash position remained strong it was expected to reduce in reflection of the continuing intensive good work to reduce aged creditors, and the FIC Non-Executive Director Chair welcomed UHL’s implementation of a proactive plan to address this issue. Detailed work also continued with Clinical Management Groups to identify recovery actions, and FIC recognised the challenge of the year-end financial position. The current risk range had narrowed, however, which was welcomed by FIC. Mr M Williams Non-Executive Director reiterated previous queries about the workforce position, and received assurance from the Director of Operational Finance that work continued with CMGs to validate their workforce forecasts. FIC was also briefed on ICB-level discussions about the pay inflation funding, and noted the need for assurance on the consistency of calculations.
The 2022/23 month 6 financial position is highlighted to the Trust Board for information.

- **2022/23 month 6 capital plan update** – the pace of expenditure had increased, and year-to-date capital expenditure at month 6 was £20.2m (representing an underspend of £4.6m for the reasons detailed in the report). All capital subgroup chairs had provided assurance to the Capital Monitoring and Investment Committee (CMIC) that their 2022/23 programmes would be delivered, and both CMIC and the Director of Operational Finance were undertaking very active management of the position. Following the 25.10.22 Executive Finance and Performance Board, the finance team was now putting together a forecast for each workstream, a forecast risk range, and a clear list of priority actions; this work would be presented back

through EFPB and CMIC *en route* to the November 2022 FIC. Mr B Patel Non-Executive Director reiterated comments at the September 2022 FIC on the need for CMGs to appropriately factor in funding any required estates enabling works associated with their capital schemes. – this point was emphasised by FIC, who reiterated the need for scheme leaders to have a clear, holistic understanding of all requirements for their schemes. The Deputy Chief Executive also noted that this issue of E&F enabling capital costs would be fed into the review of the interim ICU reconfiguration project.

The 2022/23 month 6 capital position is highlighted to the Trust Board for information.

- **2022/23 transformation and cost improvement programme (CIP) update** – advising that a more detailed report on transformation activities would be presented to the November 2022 FIC, the Director of Quality Transformation Efficiency and Improvement highlighted the continued good progress as at month 6 re: cash-out CIP delivery (ahead of plan at £15.3m, thus reflecting a further £1.89m improvement). Good progress was also being made on productivity schemes. The position was not without risk, however, and the Transformation Team continued to work closely with any off-track Clinical Management Groups, noting an improvement in 2 of those CMGs since the September 2022 FIC. CIP planning for 2023/24 was also underway by the Transformation Team, and the Director of Quality Transformation Efficiency and Improvement outlined her views on the significant transformational opportunity re: administrative processes. Discussion then took place on the Trust’s relative use of agency staff (including the need to use an appropriate comparator) and the key role played by administrative staff in terms of clinical pathways and processes – it was agreed to explore agency staffing issues further at the next FIC.
- **Exiting the Recovery Support Programme/roadmap to sustainable financial improvement** – FIC was advised of continued and significant good progress on the roadmap actions, with half of the remaining open actions judged by the Director of Quality Transformation Efficiency and Improvement as able to be closed. One action was red RAG rated. FIC was advised that the planned November 2022 meeting with NHSE/I on exiting the Recovery Support Programme had been re-scheduled, and noted the reasons for that.
- **Electronic Patient Record (EPR) programme update** – the Chief Information Officer provided an overview of the Trust’s EPR programme, highlighting the scope of the work, the progress made, and any risks to the programme. This was a multi-year programme involving multiple different projects, and the Chief Information Officer set out how it featured within the Trust’s capital requirements. He advised that he would also be discussing how best to communicate internally on the EPR programme and other IM&T developments, with the Trust’s new Director of Communication and Engagement. The FIC Non-Executive Director Chair considered that the digital programme needed appropriate prioritisation within the Trust’s medium term financial plan, and also noted the need for appropriate release of staff for digital training. Going forward, FIC requested a bi-monthly update on the EPR milestone delivery programme, together with detail of any action required and how FIC could input to resolving any challenges.
- **Finance team KPIs: quarterly update** – FIC welcomed the progress clearly evidenced by the quarterly update on finance team performance and culture KPIs. Having achieved level 1 accreditation, the Trust continued to work towards achieving Future Focused Finance level 2 accreditation by April 2023. In discussion, Mr M Williams Non-Executive Director commented that some of the KPIs required a collective UHL effort beyond the finance team, for example those relating to use of purchase orders.
- **Items for noting** – FIC received and noted the 27.9.22 Executive Finance and Performance action notes and the 25.10.22 Executive Finance and Performance Committee agenda.

Public matters requiring Trust Board consideration and/or approval:

Recommendations for approval

- none

Items highlighted to the Trust Board for information

- 2022/23 month 6 financial and capital performance

Public matters referred to other Committees:

- None

Date of next FIC meeting: 24 November 2022