

Summary for Trust Board members Public TB paper S

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:	30 September 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 30 September 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 A Carruthers Chief Information Officer; Ms B Cassidy Director of Corporate and Legal Affairs; Ms K Ceesay associate Director of People Services [part]; Ms G Collins-Punter Associate Non-Executive Director; Miss M Durbridge Director of Quality Transformation and Efficiency Improvement; Ms L Gale Head of Finance [part]; Ms H Hendley LLR Director of Planned Care [part]; Ms L Hooper Chief Financial Officer; Mr J MacDonald Trust Chairman [part]; Mr R Manton Head of Risk Assurance [part]; Mr J Melbourne Chief Operating Officer; Mr B Patel Non-Executive Director; Mr T Roost Category Specialist [part]; Mr J Shuter Director of Operational Finance; Mr J Sandbach Project Manager [part]; Mr M Simpson Interim Director of Estates and Facilities; Mr J Stewart PwC [part]; Ms C Teeney Chief People Officer [part]; Mr M Williams Non-Executive Director, and Mr J Worrall Associate Non-Executive Director*). Minutes will be submitted to the October 2022 FIC.

Discussion items:

- **National context** – at the start of the meeting, the Trust Chairman noted the national financial context (including inflationary pressures), and reiterated the continuing need for the Trust to robustly scrutinise all funding requests and assure itself of the need for, and value-for-money aspects of, those requests. It was agreed to bring a report back to FIC summarising the commitments agreed for 2022/23 to date, and identifying their position in relation to the original budget plan.

- **2022/23 month 5 financial performance** – FIC noted the month 5 position for 2022/23, which was a deficit of £4.3m (£1.5m favourable to plan) due primarily to lower than planned elective recovery spend and over-achievement on the Trust’s Cost Improvement Programme. Intensive work was underway with Clinical Management Groups to better understand their forecasts and risks, with the aim of identifying actions to reduce the potential emerging risk within the ‘likely case’ scenario. In reviewing the month 5 report, the FIC Non-Executive Director Chair remarked on the reduction in creditors, and also took assurance from the Chief Financial Officer’s comments re: the e-financials system. FIC also received an update from the Chief Financial Officer re: the system-wide financial plan, noting the challenges posed and the need for the Trust to deliver on the variables within its control.
The 2022/23 month 5 financial position is highlighted to the Trust Board for information.

- **2022/23 month 5 capital plan update** – year-to-date capital expenditure at month 5 was £15m, representing an underspend of £6.5m for the reasons detailed in the report. As requested at the August 2022 FIC, the capital plan update also set out a risk range assessment and provided a list of potential contingency schemes in the event of further national capital becoming available (noting the need for an appropriately flexible and responsive approach). The Interim Director of Estates and Facilities highlighted the need for non-estates schemes to appropriately factor in any required estates enabling works – 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 2022/23 month 5 capital position is highlighted to the Trust Board for information.

- **2022/23 transformation and cost improvement programme (CIP) update** – the Director of Quality Transformation Efficiency and Improvement highlighted the continued good position in month 5 re: CIP delivery (ahead of plan, at £13.5m). The position was not without risk, however, and the Transformation Team continued to work closely with any off-track Clinical Management Groups. System-level schemes, productivity,

and the medium term financial plan work were also key areas of focus. FIC noted, however, that there was less detail available on the £5m stretch schemes, and the FIC Non-Executive Director Chair voiced concern at the 'stretch target' which was as yet not identified. Recognising this point, the Director of Quality Transformation Efficiency and Improvement provided assurance that the Transformation Team continued to focus on working with CMGs and Corporate Directorates to identify appropriate schemes, and she noted her confidence that the 2022/23 CIP target would be achieved, albeit not with the recurrent/non-recurrent split level originally targeted.

- **Exiting the Recovery Support Programme/roadmap to sustainable financial improvement** – FIC was advised of good progress on the roadmap actions, noting the significant level of detail underpinning that RAG rated update. A further meeting on exiting the Recovery Support Programme was scheduled for November 2022 with NHSE/I, and the Chief Financial Officer briefed FIC on a helpful preparatory meeting held with NHSE/I on 29.9.22.
- **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 the previous meeting and considering whether assurance had been gained during the meeting. The FIC Non-Executive Director Chair reiterated the need for the BAF to be a living, breathing document, and he considered that it would be helpful to refer to it at the start of each FIC meeting.
- **Items for noting** – FIC received and noted the 23.8.22 Executive Finance and Performance action notes and the 27.9.22 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 5 financial and capital performance

Public matters referred to other Committees:

- None

Date of next FIC meeting:	27 October 2022
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