

Meeting title:	Trust Board Public Trust Board paper I
Date of the meeting:	12 January 2023
Title:	Roadmap to Sustainable Financial Improvement December 2022 Overview Report
Report presented by:	Lorraine Hooper, Chief Financial Officer
Report written by:	Transformation Programme Manager

Action – this paper is for:	Decision / Approval		Assurance	x	Update	
Where this report has been discussed previously	Executive Finance & Performance Board Finance Investment Committee					

To your knowledge, does the report provide assurance or mitigate any significant risks? If yes, please detail which

The purpose of this report is to provide assurance against the actions necessary to meet the criteria required to exit the Recovery Support Programme (RSP)

Impact assessment

None

Purpose of the Report

In August 2020, UHL was placed into Financial Special Measures (now called the Recovery Support Programme) by the regulator, NHS Improvement. With support from the Financial Improvement Director, UHL created a Roadmap to Sustainable Financial Improvement. This Roadmap sets out the actions necessary to meet the criteria required to exit RSP. Progress against the Roadmap is overseen by the RSP Exit Steering Group which is chaired by the Chief Financial Officer. The December report on progress against the Roadmap is attached.

Recommendation

Trust Board Members are asked to receive this report for assurance.

Summary

The Chief Financial Officer is invited to highlight the key points from this report.

Main report detail

See subsequent pages



Roadmap to Sustainable Financial Improvement: December 2022 Overview Report

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- A. Recent progress
- B. Key risks
- C. Roadmap actions

One team shared values



A. Recent Progress

- Of the 20 actions in the roadmap 13 are now complete with evidence submitted to the region. Of the remaining 7 actions a further four have evidence collected to date also submitted to the region. The region and intensive support colleagues reviewed all the evidence submitted to date in early December and the region were content with everything submitted (written feedback is to follow). They flagged a few areas where further evidence would be needed. These mainly relate to the open actions such as MTFP, 2021/22 financial accounts and 2022/23 plan delivery. The region have also requested more evidence to demonstrate the impact of productivity improvements made and also further evidence of system working in 2022/23 plan delivery
- 2021/22 Accounts audit has commenced with KPMG and is progressing well with regular updates and clear, quick escalation of any issues. It is anticipated that accounts will be completed for Board adoption in February 2023
- The Financial Improvement Plan progress continues, with the improvement board chaired by the CFO meeting twice a month. The overarching aim is to ensure improvement in control and accounting processes in line with actions from external and internal audit reports and so continue improvement in the accounts opinion
- The Trust is reporting a £9.2m deficit at month 8, representing additional capacity, costs associated with covid and inflation. The final forecast for this year is intended to be finalised in December alongside that of ICS partners
- Financial planning for 2023/24 has commenced with the intention of understanding the financial environment and efficiency opportunities for two years in detail as well as developing the strategic recovery plan. Further high level planning will be undertaken in the spring as the development of the Trust strategy is completed

B. Key risks: December 2022

Ref	Risk	RAG August 2022	RAG September 2022	RAG October 2022	RAG November 2022	RAG December 2022	Mitigation	RAG	Delivery date
2a	2020/21 Accounts CFO/Audit Committee unable to recommend the 2020/21 Accounts to the Board for adoption. Adoption of 2020/21 Accounts not delivered to planned timeline - 1/9/22	A	G	G	G	G	Accounts adopted by Board and submitted to NHSI 12 September 2022	(SRO) Lorraine Hooper (AO) Simon Linthwaite	Accounts adopted at 9.9.22 Trust Board
2b	2021/22 Accounts CFO/Audit Committee unable to recommend the 2021/22 Accounts to the Board for adoption. Adoption of 2022/22 Accounts not delivered to planned timeline - 31/12/22		A	A	A	A	The external audit of the 2021/22 accounts is underway. It is expected that testing will be completed in January 2023, with audit management review and quality processes undertaken in January / February to inform the audit opinion and Trust Board adoption of the Accounts in February 2023	(SRO) Lorraine Hooper (AO) Simon Linthwaite	Adoption of the Accounts by Trust Board 28.2.23
3	Medium Term Financial Plan The MTFP is a complex and significant programme of work for UHL. There is a risk there is a risk insufficient progress is made in its development or the scope, resourcing or timeframes are not agreed by all relevant stakeholders.	A	A	A	A	A	Next steps: <ul style="list-style-type: none"> Financial modelling of key productivity/savings schemes - December 2022 Board development workshop - January 2023 Update of MTFP to align with approved Trust strategies - spring 2023 Development of 2023/24 detailed financial plan, in line with operational planning process - March 2023 Development of three year System financial plan - date tbc 	(SRO) Lorraine Hooper (AO) Jonathan Shuter	April 2023
5	2022/23 financial plan Revised (breakeven) UHL / system financial plan submitted 20 th June 2022. This plan includes financial risk for the Trust that is not yet fully mitigated.	R	R	R	R	R	Risk share arrangement agreed with system partners. In addition the Trust is working with NHSE to ensure risks and progress against mitigating these are clearly understood, including where support is needed.	(SRO) Lorraine Hooper (AO) Jonathan Shuter	March 2023

C. Roadmap actions (1 of 5)

Ref	Exit criteria	Topic	Action	SRO	Action owner	STATUS	END DATE	Notes
1	1. Delivery against agreed financial recovery plan	22/23 plan	22/23 plan agreed with system and NHSE/I	Lorraine Hooper	Jonathan Shuter	Complete	28/04/2022	EVIDENCE UPLOADED
2	1. Delivery against agreed financial recovery plan	22/23 plan	UHL delivers against the 22/23 financial plan	Lorraine Hooper	Jonathan Shuter	On track	30/04/2023	EVIDENCE UPLOADED
3	1. Delivery against agreed financial recovery plan	22/23 plan	Review by NHSE/I of 22/23 plan including focussed work on risk areas such as CIPs	Lorraine Hooper	Jonathan Shuter	Complete	20/05/2022	EVIDENCE UPLOADED *Intensive Support Team working with Region on joint review of the 2022/23 CIP programme review held 12.5.22 & 7.10.22 *Ongoing delivery against action 3 will be embedded in action 2
4	1. Delivery against agreed financial recovery plan	22/23 plan	UHL develops and improves its understanding of its productivity (following national analysis from NHSE/I)	Moira Durbridge	Ben Shaw	Complete	30/05/2022 31/8/2022	EVIDENCE UPLOADED
5	1. Delivery against agreed financial recovery plan	MTFP	Approach and timeline for MTFP agreed with NHSE/I and UHL Board	Lorraine Hooper	Jonathan Shuter	Complete	31/04/2022	EVIDENCE UPLOADED
6	1. Delivery against agreed financial recovery plan	MTFP	Develop the MTFP by the agreed timeline	Lorraine Hooper	Jonathan Shuter	Superseded	30/05/2022	
6a	1. Delivery against agreed financial recovery plan	MTFP	Revised draft of MTFP inc system numbers	Lorraine Hooper	Jonathan Shuter	Off track	31/08/2022 3/11/2022	*Update to 3.11.22 TB *Timeline for socialisation of MTFP tbc

C. Roadmap actions (2 of 5)

Ref	Exit criteria	Topic	Action	SRO	Action owner	STATUS	END DATE	Notes
6b	1. Delivery against agreed financial recovery plan	MTFP	Develop 3 year system plan	Lorraine Hooper	Jonathan Shuter	TBC	tbc	*National timeline to be confirmed
6c	1. Delivery against agreed financial recovery plan	MTFP	Align MTFP & 3 year system plan with trust strategies	Lorraine Hooper	Jonathan Shuter	On track	30/04/2023	
7	2. Robust financial controls and governance	Accounts	19/20 financial accounts signed off by UHL board	Lorraine Hooper	Mark Brice	Complete	31/03/2022	EVIDENCE UPLOADED
8	2. Robust financial controls and governance	Accounts	20/21 financial accounts signed off by UHL board	Lorraine Hooper	Simon Linthwaite	Complete	20/05/2022 1/9/2022 9/9/2022	EVIDENCE UPLOADED
9	2. Robust financial controls and governance	Accounts	Programme of work underway and agreed with UHL Board and NHSE/I to sign off 21/22 financial accounts by agreed deadline	Lorraine Hooper	Simon Linthwaite	On track	12/1/2022 28/2/2023	*2021/22 draft accounts (TACS and PFRs Technical schedules) submitted to NHSI on 27/4/2022. *Exact timing of the audit of 2021/22 is still to be determined and is driven in part by the completion of the 2020/21 accounts process; expected to conclude towards the end of this calendar year (December 2022).

C. Roadmap actions (3 of 5)

Ref	Exit criteria	Topic	Action	SRO	Action owner	STATUS	END DATE	Notes
10	2. Robust financial controls and governance	Accounts	Programme of work in place to drive forward continued improvements in financial accounts including implementing recommendations from AFR and reporting continued progress to audit committee	Lorraine Hooper	Simon Linthwaite	On track	31/08/2022 30/9/2022 3/11/2022 31/3/2023	EVIDENCE UPLOADED *Linked to Action 8 above *Action relates to the AFR for 2020/21; (AFR for 2019/20 received by Audit Committee 25/3/2022). *Consolidated improvement plan for 2019-20 & 2020-21 Accounts to be presented at October 2022 Audit Committee
11	2. Robust financial controls and governance	Internal Audit	Owners and actions in place for all current internal audit recommendations. Regular paper to audit committee demonstrating progress in delivering recommendations	Lorraine Hooper	Jonathan Shuter	Off track	09/05/2022 31/8/2022 31/10/2022	EVIDENCE UPLOADED *41 Finance Internal Audit actions embedded in / tracked through the Financial Improvement Plan - 32 outstanding
12	2. Robust financial controls and governance	Grip and Control	Final grip and control paper agreed by AC which demonstrates successful completion of the checklist and also an agreed programme to manage grip and control going forward, including monitoring of KPIs	Lorraine Hooper	Jonathan Shuter	Complete	09/05/2022	EVIDENCE UPLOADED
13	2. Robust financial controls and governance	Governance	UHL's performance accountability framework is up to date, agreed by relevant committee and communicated to all staff (including training where appropriate)	Becky Cassidy	Becky Cassidy	Complete	31/05/2022 1/10/2022	EVIDENCE UPLOADED *To be presented at 28.10.22 Audit Committee then 3.11.22 Trust Board

C. Roadmap actions (4 of 5)

Ref	Exit criteria	Topic	Action	SRO	Action owner	STATUS	END DATE	Notes
14	2. Robust financial controls and governance	Governance	SFIs are reviewed, agreed be relevant committee and communicated to all staff (including training where appropriate)	Lorraine Hooper	Becky Cassidy	Complete	09/05/2022 30/9/2022 3/11/2022	EVIDENCE UPLOADED
15	2. Robust financial controls and governance	Governance	UHL prepare board update on governance describing improvements in place so far since entering RSP and forward plan for further improvements. Share paper with NHSE/I as part of evidence to support exit from RSP	Becky Cassidy	Becky Cassidy	Complete	09/06/2022	EVIDENCE UPLOADED
16	2. Robust financial controls and governance	Governance	Refresh and improved Board Assurance Framework in place at UHL	Becky Cassidy	Richard Manton	Complete	31/05/2022	EVIDENCE UPLOADED
17	3. The trust and system have a shared understanding of risks to the financial plan	Process to manage financial risk	Clear process agreed and documented (where appropriate) to manage financial risk in year within UHL , including investment decisions	Lorraine Hooper	Jonathan Shuter	Complete	31/07/2022	EVIDENCE UPLOADED
18	3. The trust and system have a shared understanding of risks to the financial plan	Process to manage financial risk	Clear process agreed and documented (where appropriate) to manage financial risk in year within the LLR System , including investment decisions	Lorraine Hooper	Jonathan Shuter	Complete	01/08/2022	EVIDENCE UPLOADED
19	4. Trust and wider system have declared oversight and support mechanisms to ensure continued improvement	Post exit support	UHL, system and NHSE/I agree post exit support package	TBC	TBC	On track	9/30/2022 31/12/2022	

C. Roadmap actions (5 of 5)

Ref	Exit criteria	Topic	Action	SRO	Action owner	STATUS	END DATE	Notes
20	5. Assurance that the plan places no significant risk to maintaining quality, and robust internal processes are in place to identify any worsening	Quality impact of financial improvement	UHL prepare trust board paper evidencing assurance over quality outcomes and mortality has improved. 2 external independent assessments of QIA. Triangulation at exec team. Linked to activity	Moira Durbridge	Helen Harrison	On track	31/03/2023 31/12/2022	EVIDENCE UPLOADED