

Cover report to the Trust Board meeting to be held on 1 March 2018

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 Darryn Kerr, Director of Estates and Facilities
Date of last meeting:	22 February 2018

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 22 February 2018:-

- 2017-18 Month 10 Financial Performance** – paper C advised of a year-to-date deficit of £31.7m (excluding the tranche 1 winter funding of £2.243m). As requested at the last meeting, an analysis of pay expenditure trends had been undertaken, demonstrating that the total paybill (combining substantive and agency costs) for November and December 2017 was in line with the year-to-date run rate. The outputs of this analysis had been presented to the Executive Strategy Board on 13 February 2018 and circulated to FIC members by email. Excluding winter pressures and the impact of cancelling elective procedures, revised control totals had been set to deliver the planned deficit of £26.7m. Mr A Johnson, Non-Executive Director highlighted the importance of including CMG financial performance within the CMG scorecards. Assurance was provided that the CMGs had a good understanding of what was expected of them, although clinical capacity was not yet available to return to normal operational delivery of planned elective activity;
- Cost Improvement Programme** – the Director of Efficiency and CIP introduced paper G, the monthly CIP progress report, noting in-month delivery of £5.2m savings compared with the planned £6.2m. The variable CIP targets for 2018-19 had been considered and agreed by the Executive Performance Board on 20 February 2018, with lower targets established for CSI and ITAPS in place of gain share agreements with the remaining CMGs. Progress reports on the development of 2018-19 CIP schemes would be presented to the Executive Team on a bi-weekly basis. The Chief Financial Officer requested a list of which schemes had and had not been included within the CIP tracker to inform the quarterly review meeting with NHS Improvement on 16 March 2018. Discussion took place regarding progress of the Productivity Improvement Programme, including the Model Hospital data, GIRFT and implementation of Lean process improvements. FIC supported the arrangements for implementation of Lean using the in-house Listening into Action approach (with funding via the Apprenticeship Levy), instead of applying for the NHS Improvement Lean Programme which was due to be demonstrated at the March 2018 Trust Board thinking day;
- Contract Update** – the Head of Contracts and Commissioning attended to present an update on the contractual performance against the NHS Standard Contracts for Acute and Specialised Services for 2017-19 (paper H refers). Discussion took place regarding the local arrangements for removing fines and penalties from the first year of the contract, progress of contractual challenges and the Identification Rules (IR) exercise involving the allocation of healthcare activities between Commissioners. Assurance was provided that relationships with the Trust’s Commissioners remained positive and that processes were becoming more cohesive with the consolidation of the relevant teams;
- Review of Pay Expenditure Trends between 2015-16 and 2017-18** – due to time constraints at this meeting, consideration of paper J was deferred to the 22 March 2018 FIC meeting (to be placed near the beginning of the agenda);
- Presentation on NHS Resolution: an introduction to its schemes** – the Assistant Director of Corporate and Legal

Affairs provided a presentation on the role of the Litigation Team and the Trust's membership of the various schemes operated by NHS Resolution. The calculation of UHL's contributions was based upon factors such as the number of clinical staff, finished consultant episodes, number of A&E attendances, number of births, historical claims experiences and the value of claims paid. Separate calculations were provided in respect of maternity services as this service was not provided by all Trusts. Particular discussion took place regarding benchmarking of data with other Trusts, and opportunities to learn from claims in order to reduce future contributions. The Director of Corporate and Legal Affairs clarified that NHS Trusts were not permitted to fund insurance policies from Exchequer funding, with the exception of motor insurance and income generation schemes.

Matters requiring Trust Board consideration and/or approval:

- *None.*

Matters referred to other Committees:

- *None.*

Date of next meeting:

22 March 2018