

Cover report to the Trust Board meeting to be held on 5 July 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
Date of last meeting:	28 June 2018
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 June 2018:-</p> <ul style="list-style-type: none"> <p>2018/19 Month 2 Financial Performance – paper H advised that the month 2 (May 2018) deficit of £17.1m was in line with plan, reflecting over performance in emergency, non-elective and OPD activity which had been offset by overspends in pay and non-pay to deliver the additional activity. Agency expenditure remained below the required level and CIP performance stood at £3.1m against the plan of £2.4m (favourable by £0.7m). Discussion took place regarding the need to re-balance elective and emergency activity, reduce cancellations and improve productivity in order to deliver the forecast deficit of £21.2m. Patient care activity levels appeared to be in line with plan for the month of June 2018 to date, but it was too early to predict the income, analysis by case mix or expenditure data at the current time;</p> <p>UHL Productivity Improvement Programme – the Director of Efficiency and CIP introduced paper J, providing an overview of the programme, including the development of new KPIs, progress of enabling workstreams, Lean Apprenticeship Programme, benchmarking and exploration of an opportunity relating to Section 106 agreements to access Community Infrastructure Levy funding. The Committee Chair offered his support in respect of the latter issue. A focus on the quality of clinical coding and the implementation of an ‘orange dot’ initiative had improved performance considerably over the last 2 months. The Trust Chairman and the Committee Chair had visited the Coding Department approximately 3 years ago and they commented upon the significant progress since this visit. The Director of Performance and Information relayed an invitation for them to re-visit the Coding Team and the Trust Chairman agreed to arrange for his PA to schedule this visit accordingly;</p> <p>UHL Procurement Strategy Update – the Head of Procurement and Supplies attended the meeting to present paper L, providing his 6-monthly update on progress with the 3 Year Procurement Strategy. Progress was on track to exceed the £8m savings target and the refreshed Procurement Transformation Plan had been submitted to NHS Improvement in May 2018. Work continued to prepare for the changes to the Supply Chain Logistics contract in April 2019. The proposed merger with the LPT Procurement Team was not now being progressed. Responding to a query from the Committee Chair, it was noted that a self-assessment would be carried out against the next stage of the NHS Standards of Procurement, but the Trust would not be able to formally apply for accreditation until a year after the last successful application;</p> <p>Quarterly Update on the IBM Contract – the Service Delivery and Transition Manager attended the meeting to present paper M, providing the quarterly update on the IBM contract. He noted that the core contract was being delivered as planned, but the majority of Priority 1 calls mostly related to the PACS and RIS solution. The number of complaints and incidents relating to EMRAD were of concern, but users were not consistently reporting the faults they experienced. He briefed the Committee on the outcome of a recent audit of the NHS Digital assessment, advising that the Chief Information Officer would be following up a query about the 3 year financial strategy for IT and that UHL had been invited to showcase its new ED systems and NerveCentre solution, and</p> <p>Provisional meeting dates for 2019 – paper R set out the provisional Finance and Investment Committee meeting dates for 2019. These were approved, subject to any comments being raised about members’</p> 	

availability for the April, May and August meetings and their proximity to any key holiday dates.

Matters requiring Trust Board consideration and/or approval:

- **Relocation of ICU Capacity and Associated Specialties from the LGH Site** – paper C1 provided the draft Full Business Case and set out the proposals for meeting the conditions required by NHS Improvement (eg ensuring that the revenue consequences of the scheme would be manageable within existing resources). Department of Health approval for the OBC was expected to be received on 2 July 2018 and assurance had been provided regarding the timescale for the subsequent FBC approval within a 3 month timeframe to ensure that the tendered prices would still be valid and that the work could commence in October 2018. In the event of any delay with the FBC approvals process, a further report would be submitted to FIC on the associated impact upon the schemes for Gynaecology Services and the relocation of the East Midlands Congenital Heart Centre. Discussion took place regarding a temporary shortfall of 5 ICU beds during the construction process, theatre availability and opportunities to develop new ways of working. The Director of Estates and Facilities confirmed that he was also exploring the scope to progress the theatre maintenance programme in parallel. The FBC was endorsed for Trust Board approval, noting that a refreshed paper would be presented to the Trust Board on 5 July 2018, and the outcome of the OBC approval would be known before that meeting. In addition, the FBC was scheduled for presentation to the 3 CCG Boards in July 2018, and
- **2018/19 Final Annual Operational Plan** – paper G provided the final Annual Operating Plan for 2018/19, as submitted to NHS Improvement on 20 June 2018, detailing a planned income and expenditure deficit of £21.1m (excluding Provider and Sustainability Funding of up to £21.9m). FIC members endorsed the final AOP, noting that it would be presented to the public Trust Board meeting on 5 July 2018.

Matters referred to other Committees:

- **None.**

Date of next meeting:

26 July 2018