

Cover report to the Trust Board meeting to be held on 5 December 2019

Trust Board paper J1

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):	Chris Benham, Acting Chief Financial Officer
Date of last meeting:	28 November 2019

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 28 November 2019:-

- **2019/20 Month 7 Financial Performance** – paper C advised that the Trust had achieved a year-to-date financial deficit of £31m, excluding Provider Sustainability Funding (PSF), Financial Recovery Funding (FRF) and Marginal Rate Emergency Tariff (MRET). Including PSF/FRF/MRET, the Trust had achieved a year-to-date deficit of £13m which was in line with plan. Discussion took place regarding (a) operational over-performance in Emergency and Urgent Care and the impact on elective activity, (b) the accelerated use of £1.5m central reserves which had since been partly offset by an improvement of £800k in the fully coded position for month 7, (c) the cumulative impact of the Medical Pay Award which had a zero impact on the I&E bottom line, (d) positive progress with the CIP Programme which was expected to over-deliver, and (e) System-level affordability of current activity levels. The Non-Executive Director Audit Committee Chair sought and received assurance about the improvements in the month 7 fully coded position and the proportion of this income that was expected to be achieved. She also re-iterated her request from 31 October 2019, for a deep-dive into the financial performance for the CHUGGS CMG;
- **Update on the 2019/20 Capital Programme** – the Acting Chief Financial Officer introduced paper F, updating FIC on the Capital Programme for 2019/20 and advising that the Trust’s bid for £10m of emergency capital had been approved by the Centre at Taunton, subject to final discussions between the national leads for Estates and Facilities and UHL’s Estates and Facilities team. He also briefed FIC on the successful national funding bid for 2 diagnostic CT machines in addition to the mammography diagnostic equipment funding previously advised, noting that a communications announcement was planned to be circulated in the near future. As per the Audit Committee Chair’s request at the October 2019 FIC, paper F described the risk assessment process that had been undertaken for areas of the Medical Equipment, Estates and Facilities and IM&T programmes which would not receive capital investment in 2019/20. Members considered any additional supporting information that might be provided to the Audit Committee Chair and it was agreed that the Corporate and Committee Services Officer would send her a copy of the July 2019 State of the Nation report and the Acting Chief Financial Officer would arrange for her to receive information on the Medical Equipment Programme categorisation and prioritisation process;
- **Patient Level Information and Costing System (PLICS)** – Mr S Lee, Head of Finance Costing attended the meeting to present an update on the implementation of the new PLICS software (including a live demonstration of the system). The Committee noted the key benefits of the new system (which was quicker and more efficient and offered greater granularity and transparency of the data) and reviewed 2 practical applications where this data was being used to reduce unnecessary costs within the coronary angiography service and to clarify the percentage of gastroenterology cancellations that had arisen as a result of medical or patient reasons. Discussion took place regarding potential links with the Red to Green workstream, alignment with the outputs of GIRFT reviews to identify warranted or unwarranted variations, and the development of thresholds for variances or professional objective-setting. In response to a query about the resources for rolling-out the system more widely, it was noted that a number of clinical leads had been allocated specific PAs within their job plans and that the Transformation Leads were appropriately engaged in this workstream. Members sought and received additional information regarding the proposed implementation plan, noting the Chief Executive’s suggestion that a presentation would be helpful at a future Executive Performance Board (EPB), to inform the Clinical Directors. EPB would then be able to consider and agree the next steps in terms of roll-out and communications;
- **UHL Productivity Improvement Programme (PIP)** – the Director of Productivity introduced paper H providing an overview of UHL’s Productivity Improvement Programme, advising that savings of £27.5m had been identified against the 2019/20 target of £26.6m. FIC received progress updates on the training session for the Integrated Leadership Programme and Section 106 agreements, noting also that UHL’s Procurement Team had secured second place at an awards presentation the

previous evening. Ms S Priestnall, Head of Information and Mr W Jones, Transformation Lead attended the meeting to present a deep dive in respect of the Clinical Coding workstream, with a specific focus on Emergency Department coding and the importance of data quality within clinical coding. The Director of Productivity also briefed FIC on the development of a new monthly productivity metric relating to expenditure per Hospital Episode Statistic Weighted Activity Unit (HES-WAU), noting that January 2019 had demonstrated a 14.4% improvement in productivity compared to January 2018;

- **Reconfiguration Programme update and Timetable for Business Case Approvals** – the Reconfiguration Programme Director introduced paper I (on behalf of the Director of Estates and Facilities), providing a high level overview of the next steps following the announcement of the £450m capital allocation the approvals process for the pre-consultation business case, and the likely impact of Purdah leading up to the General Election on 12 December 2019. A short discussion took place regarding the application of capital charges and the cost of the interest payments on Public Dividend Capital, but assurance was provided that this aspect of the capital bid had been modelled into UHL’s Long Term Financial Plan. A presentation and discussion on the Reconfiguration Programme was scheduled for the 12 December 2019 Trust Board thinking day;
- **Contract Quarterly Update** – Ms L Wall, Contracts Manager, attended to introduce paper J providing the quarterly update on contractual performance against the NHS Standard Contracts for Acute and Specialised Services as at quarter 2 (September 2019). She also briefed the Committee on the development of the 2020/21 contractual arrangements and the increased focus on patient quality and acuity to drive the transformation of patient pathways. At the Chief Executive’s suggestion, the Committee agreed to receive regular reports on the practical implications of implementing the new contract (in place of these contractual performance reports);
- **Development of the Pathology Network – 6 monthly update** – paper K provided a briefing on the current position in respect of the development of a Regional Pathology Network. The report was received and noted for information and a further update was scheduled for May 2020;
- **Items for scrutiny and information** – the Committee received and noted the following reports for information:-
 Paper L – FIC Calendar of Business 2019/20, and
 Paper M – action notes from the Executive Performance Board meeting held on 22 October 2019.

Matters requiring Trust Board consideration and/or approval:

Recommendations for approval

- None

Items highlighted to the Trust Board for information

- None

Matters referred to other Committees:

- None

Date of next meeting:

19 December 2019