

Summary for Trust Board members

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:	24 November 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 24 November 2022 (*involving Mr S Harris FIC Non-Executive Director Chair [part]; Mr S Barton Deputy Chief Executive; Mr A Carruthers Chief Information Officer; Ms G Collins-Punter Associate Non-Executive Director; Miss M Durbridge Director of Quality Transformation and Efficiency Improvement; Mr A Furlong Medical Director [part]; Ms L Hooper Chief Financial Officer; Mr R Manton Head of Risk Assurance ; Mr J Melbourne Chief Operating Officer; Ms E Meldrum Deputy Chief Nurse; Mr B Patel Non-Executive Director; Mr B Shaw Director of Productivity [part]; Mr J Shuter Director of Operational Finance; Mr M Simpson Director of Estates and Facilities; Mr D Turner Improvement Lead [part]; Mr M Williams Non-Executive Director [Acting Chair for part of the meeting], and Mr J Worrall Associate Non-Executive Director*). Minutes will be submitted to the December 2022 FIC.

Items for recommendation to the Trust Board:

- **FIC terms of reference** – FIC reviewed and endorsed the updated FIC terms of reference as presented, and recommended them for Trust Board approval. FIC also reviewed an updated workplan based on those terms of reference.

The updated FIC terms of reference are endorsed by FIC as presented, and recommended for Trust Board approval – a standalone report is included on the 1.12.22 private Trust Board agenda accordingly.

Discussion items:

- **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 October 2022. As the lead Executive for the FIC BAF risks, the Chief Financial Officer clarified how each of the agenda’d reports aligned to the FIC BAF risks, and reflected the issues accordingly. Following the November 2022 Trust Board risk workshop, it had been agreed to amend the score for BAF risk 7 (“*significant financial challenge over the next 3 years across the LLR system to meet both operational and inflationary pressures and recover from Covid-19*”), and FIC now confirmed its agreement to the proposal that this risk also be divided into in-year and longer term elements. FIC noted the context provided by the BAF for the agenda discussions.
- **2022/23 month 7 financial performance** – FIC noted the month 7 position for 2022/23, which was a deficit of £6.3m (£0.4m adverse to plan). The drivers for the position included lower than planned elective recovery spend, over-achievement on the Trust’s Cost Improvement Programme, inflationary pressures, and additional emergency capacity spend. The Trust’s cash position remained strong at £73.5m. FIC noted the 2022/23 risk range, which continued to narrow as a result of proactive discussions with Clinical Management Groups. In respect of workforce, Whole Time Equivalent numbers were noted to have increased. Mr M Williams Non-Executive Director Acting FIC Chair questioned the aged debtors position, and it was agreed that a detailed, bi-annual whole balance sheet review (including debtors) would be provided to FIC.

The 2022/23 month 7 financial position is highlighted to the Trust Board for information.

2022/23 month 7 capital plan update – as reported to FIC in October 2022, the pace of capital expenditure continued to increase, and year-to-date capital expenditure at month 7 was £23.6m (representing an underspend of £5.6m and for the reasons now detailed to FIC). A scheme by scheme analysis and monthly forecast was provided to FIC for assurance. UHL continued to meet regularly with the NHSE/I regional capital team, with a view to reaching a more certain understanding of the likely national capital allocation position for 2022/23, and also understanding critical path points for delivery of any further in-year capital allocations. The Trust’s Capital Monitoring and Investment Committee (CMIC) had reviewed and prioritised a list of appropriate

additional schemes deliverable by year-end, amounting to a total spend of £81,057m in 2022/23 as per the revised programme now reviewed and supported by FIC. Although noting the Trust's confidence of meeting its 2022/23 capital plan (delivery was assumed in the forecast outturn position), the Non-Executive Director Acting FIC Chair highlighted the very significant amount of capital to be spent in the remainder of 2022/23 and the challenges this posed, including supply chain issues as noted by the Director of Estates and Facilities. Given the pace and scale of the programme for the remainder of 2022/23, the Non-Executive Director Acting FIC Chair emphasised the need to keep FIC apprised of progress on the plan, noting that an appropriate governance route also existed for any decisions required between formal meetings.

The 2022/23 month 7 capital position and revised 2022/23 capital programme are highlighted to the Trust Board for information.

- **2022/23 cost improvement programme (CIP) update** – as at the October 2022 FIC, the Director of Quality Transformation Efficiency and Improvement highlighted the continued good progress as at month 7 re: cash-out CIP delivery (ahead of plan by £1.5m and currently also ahead of plan for month 8). Good progress was also being made on productivity schemes, which were £4.3m ahead of plan. The Director of Quality Transformation Efficiency and Improvement considered that all Clinical Management Groups would now meet their cash-out CIP target for 2022/23, and she provided assurance to FIC that she was now confident that UHL would deliver its 2022/23 cost improvement programme in both cash-out and productivity terms. Work on CIP planning for 2023/24 also continued. Following comments at the October 2022 FIC, further detail on agency staffing spend was also now discussed, including UHL's (generally good) comparative position and the actions in place to continue to reduce bank and agency spend. FIC also noted the new arrangements in place for a Doctors' bank system.
- **Transformation update** – an update on the work of the Transformation Team was presented for information, noting that it would be discussed in detail by the Reconfiguration and Transformation Committee. FIC noted the need to the Trust to assess whether the transformation focus was appropriately aligned to UHL's organisational priorities.
- **NHSE productivity analysis** – the Director of Productivity presented the most recent NHSE productivity analysis, and provided assurance to FIC that the Trust was also developing a more detailed monthly breakdown at speciality level to discuss with CMGs, using an internal productivity tool. Productivity work would be discussed further at a Trust Board workshop in the New Year. FIC welcomed the report, and took assurance from the fact that more detailed internal work was also underway to understand speciality-level drivers and metrics.
- **Exiting the Recovery Support Programme/roadmap to sustainable financial improvement, and future of the UHL RSP Steering Group** – FIC noted the continued progress on the roadmap actions, and agreed to the proposal that the UHL RSP Steering Group now be stood down and its functions be carried out through existing governance arrangements within the Trust. That proposal was supported by both the Intensive Support Team and the Chief Financial Officer.
- **Items for noting** – FIC received and noted the following items for noting:
 - Estates and Facilities Facet Survey;
 - Contracts containing indexation;
 - Funding commitments agreed in-year 2022/23, and
 - 25.10.22 Executive Finance and Performance action notes and the 22.11.22 Executive Finance and Performance Committee agenda.

Public matters requiring Trust Board consideration and/or approval:

Recommendations for approval

- Updated FIC terms of reference

Items highlighted to the Trust Board for information

- 2022/23 month 7 financial and capital performance, and revised capital plan 2022/23.

Public matters referred to other Committees:

- None

Date of next FIC meeting: 22 December 2022