

FINANCE & INVESTMENT COMMITTEE MINUTES

Venue: Room 13, Education Centre, Sandwell General Hospital

Date: 27 July 2018, 0930h – 1045h

Members present:

Mr Mike Hoare	Chair
Mr Richard Samuda	Chairman
Mr Harjinder Kang	Non-Executive Director
Mrs Raffaella Goodby	Director of People & OD
Ms Rachel Barlow	Chief Operating Officer

In attendance:

Mr Toby Lewis	Chief Executive
Mr Paul Stanaway	Associate Director of Finance
Mr Chris Archer	Assistant Director, Strategic Development
Ms Clare Dooley	Head of Corporate Governance

Minutes	Paper Reference
1. Welcome, apologies and declarations of interest	Verbal
Apologies were received Mrs Perry, Mr Waite and Ms McLannahan.	
2. Minutes of the previous meeting held on 29 June April 2018	FIC (07/18) 001
Mr Lewis to re-draft the final paragraph on page 1 on LTFM as he felt this did not clearly articulate the points he had made.	
2.1. Matters arising and update on actions from the previous meetings	FIC (07/18) 002
LTFM actions should be included on the action log.	
3. Strategic Board Assurance Framework	Verbal
Mr Lewis confirmed that all executive leads attended a challenge/scrutiny meeting with Mrs Perry, Chair of the Audit and Risk Management Committee and Miss Dhami, Director of Governance on 13 th July 2018.	
All SBAF entries, which will now be updated from the actions agreed at the challenge meeting, that aligned to FIC (finance risks) will be provided to the committee in advance of the next meeting for scrutiny.	
Ms Barlow asked if ICS is included on the SBAF and Mr Lewis confirmed this is one of the areas that requires further consideration/updating, and whether or not this is aligned to FIC or Trust Board (to be confirmed).	
Mr Kang queried the “projects” risks on the SBAF and Mr Lewis confirmed this needs consideration in terms of defining the remit/role of MPA going forward.	
ACTION: Provision of FIC aligned SBAF risks prior to the August 2018 FIC meeting	

Mr Stanaway provided an overview of financial performance at end of Q1.

- £868K off plan at end of Q1 which required use of some reserves.
- Non-pay measures – CIP performance to be scrutinised, improved procurement reporting work to be undertaken (from Dudley model), minor works requires review, maternity pathway proposal to be signed off by other organisations and energy saving schemes (usage).
- CIP – the 6 schemes have been reviewed by the finance team and Group/Exec leads and the reporting set out in the paper was confirmed as accurate.
- Q2 high level forecast has been undertaken and reports £2.7M off plan, driven by 3 main factors (production plan, IT costs and CIP slippage).
- Cash plan reports loan required in October 2018 and a focus on improving creditors in the short-term but to then stretch creditors back following the loan (but not beyond 60 days and still prioritising pay of local suppliers).
- NHS Improvement deep dive exercise has been undertaken and informal feedback is that there is a coherent plan in place which is visible across the organisation and actions to address issues have been identified and are clearly reported.

Mr Hoare asked if STF payment had been received and Mr Lewis agreed to provide an update on this in terms of taper relief outside of the meeting.

Mr Kang asked about CCG payment issues and Mr Stanaway replied that he was confident a data agreement is in place with Sandwell CCG, but the resolution to some known challenges is still required.

Mr Kang queried Unity delay costs. Mr Lewis asked that this is set out as full IT pressures and he is working through cost pressures to IT infrastructure/the steps to confirm the quantum and then work out the delay of Unity which can be reported to September 2018 Trust Board. Mr Lewis noted that £2/3M impact costs can be resolved from within the current/existing 2018/19 financial plan. However if costs exceed £3M the impact may require further CIP stretch and, further still, the capital programme will be reviewed. Mr Lewis expects to be clearer on the position at month 6. Mr Lewis noted the month 3 position already included some of the IT impact costs. Mr Kang queried the latest position on Unity go-live and Mr Lewis confirmed papers on this will be provided to the Private Trust Board on 2nd August 2018. Discussions with Cerner are ongoing to consider go-live in 2018, or not, and this will be reported to the Trust Board on 2nd August, at which point the Board may be asked to delegate decision making to MPA/FIC.

Ms Goodby asked about payment terms, if catch up is required, and whether or not these have been accrued for. Mr Stanaway confirmed agency and waiting list initiatives have been accrued.

Mr Kang asked for actions taking place on non-essential ordering and Mr Stanaway confirmed the IPROC approvals are required to go to Group Directors of Operations for approval and therefore they know the impact /have control on their own budgets. Corporate hierarchies are high (limits) and work is ongoing to identify if controls to reduce these can be put in place. Mr Lewis noted the non-compliance report on budgetary performance will be provided to the Trust Board.

Mr Kang asked for an update on the appointment of the Black Country Procurement Lead, and Mrs Goodby confirmed he takes up post in September 2018.

Mr Hoare queried the cause of supplier payment issues and Mr Stanaway reiterated the opportunity to implement the procurement system in place in Dudley which has been successful, which is being led/progressed by Ms McLannahan. Further work on tightening controls in the GHX catalogue system is taking place and re-training good practice as part of the accredited manager programme should improve performance.

Mr Lewis referred to CNST and noted this (10 point compliance plan) is being worked through with NHS Improvement (Mark Mansfield, Director of Finance), as one of the points is not achievable (nationally).

Mr Hoare referred to the CIP budgets / contract margin improvement and asked for assurance there is no potential double-counting.

Ms Barlow and Mr Stanaway noted these issues (for all contracts/CIPs) have been worked through and any potential double-counts have been factored/mapped in the production plan. Ms Barlow agreed to provide assurance of this work by providing a summary to FIC members following the meeting.

Discussion took place on re-phasing of forecasts for the remainder of 2018/19 and Mr Lewis noted the detail on the revised profile (discussed at CIP board weekly), to assure mitigation on the gap is not back-loaded, will be provided to September FIC, with a view to setting 2019/20 budgets in November 2018.

Ms Barlow provided a brief update on the Production Plan and over-performance already reported at Q1. Delays to recruitment and other workforce impacts (sickness) may potentially impact on the Production Plan performance in Q2/Q3. The recovery approach forecasting is being worked up (e.g. productivity and run-rates) and it proposed this may take place in one area/specialty, which may potentially be orthopaedics. The phasing of this work is currently being defined with a more detailed discussion on this at the August FIC meeting.

ACTION: RB to provide double counting mapping outside of the meeting, and production plan re-phasing recovery approach to August FIC meeting.

ACTION: DMc to provide forecast re-phasing report for remainder of 2018/19 at September FIC meeting.

5. Car Parking VFM Update

FIC (07/18) 004

Mr Lewis introduced the item by confirming additional car parking on sites has already been agreed by the Trust Board and the due process has now been delegated to the Chair and CEO to progress. Mr Archer then highlighted the following areas from the paper:

- The Trust is progressing Q-Park as the supplier.
- The Assistant Directors in Strategic Development are working through the contract cash bullet payment advice (£11M), which has been modelled into the work, and the accounting treatment which may be required
- Actions required to confirm/enable financial close on the £11M cash bullet payment will be undertaken (through delegated authority) to the Trust Chairman and Chief Executive.

Mr Samuda confirmed he was content on the detail VFM provided. Mr Lewis noted CIP will be larger in future years to offset capital expenditure and confirmed SWBH has control of pricing and concessions to risk–offset recovery of income.

6. Matters to highlight to the Trust Board and Audit & Risk Management Committee

Verbal

- Delivery of financial plan for Q1 2018/19.
- Agreement of car parking procurement approach.

7. Meeting Effectiveness Feedback

Verbal

The Committee felt the matters on the agenda were the key matters that it needed to focus its attention on.

8. Any Other Business

Verbal

There were no other items of business.

Details of the next meeting

Verbal

The next Finance and Investment Committee meeting will be held on 28 August 2018 at 0900h – 1030h Room 13, Education Centre, Sandwell General Hospital.

Signed

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Date