

Finance and Investment Committee Report

Trust Board	Item: 17
Date: 26th January 2022	Enclosure: Ni
Purpose of the Report: To provide an update from the Finance and Investment Committee meeting held on 23 rd December 2021	
For: Information <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Discussion and input <input type="checkbox"/> Decision/approval <input type="checkbox"/>	
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Risk Implications – Link to Assurance Framework or Corporate Risk Register:	None
Legal / Regulatory / Reputation Implications:	
Link to Relevant CQC Domain:	
Safe <input type="checkbox"/> Effective <input checked="" type="checkbox"/> Caring <input type="checkbox"/> Responsive <input type="checkbox"/> Well Led <input type="checkbox"/>	
Link to Relevant Corporate Objective:	
Document Previously Considered By:	FIC
Recommendations: The Trust Board is asked to note the report.	

Finance and Investment Committee 23rd December 2021

Due to operational pressures, the meeting was reduced in duration with focus on items that required approval. The following key points were discussed at FIC in December.

1. The Committee was asked to approve an updated business case for Roehampton Modular build which set out the key changes to the project and the impact on the overall cost envelope. The fundamental change to the project was moving away from a single multi-storey build to two single storey modular builds located in different locations within the main acute site. The rationale for moving to single storey developments was due to the time constraints to deliver a multi-story project and because of stringent planning permission requirements in relation to energy efficiency for constructions of over 1,000sqm. To comply with this requirement, different construction methodology would have been required which would have increased the time frame and significantly increased the costs. The revised programme would increase the costs by a maximum of £4.9m.

The committee sought and were provided with assurance that the revised plans allow for clinical alignment and do not have a detrimental impact on the Trusts estate strategy going forward. Furthermore, the committee were advised that that this does not move away from the master plan and this development in relation to outpatient facilities are deliberately located on the periphery of the hospital which is the ideal location for such service provision. It also allows for acute type services to be centrally located and accessible allowing for improved clinical flows.

The committee were also provided with assurance that all possible options were considered and the proposal to move to two single storey modular builds was the preferred option to ensure operational resilience and advancement, delivery within the timeframe to deliver the capacity required prior to next winter and value for money.

The committee approved the revised business case.

2. The Committee was updated on the continuing work in relation to seeking to agree terms for potential PFI settlement pursuant to the standstill agreement, which expires on 19th January 2022. The committee was concerned that due to the length of time from agreeing the initial heads of terms and the number of extensions to the standstill during this period of negotiation, it felt unable to support any further extension of the standstill period. Nor was it able to agree settlement, without further clarification of the true value of the Trust's claim that would include those associated with all deductions and service failure points.

The Committee recommended that the Trust start an adjudication process with ProjectCo to provide greater assurance and quantify the true value of the Trust's claim. This in turn would provide support to agree the settlement value and provide the assurance needed for the DOH to support the settlement process.

The Committee was assured that there was no risk to operational services due to these developments.

3. The Committee was updated on the contractual obligations in relation to the financial package the Trust agreed in relation to the Land sale. [redacted] Advanced Living have requested to

defer this payment as a direct consequence of the difficulties they have faced with their planning application. Advanced Living submitted an application in late 2019 with the application being discussed by the council in December 2021. [redacted]. The committee was provided with the assurance that contract clauses allow for sufficient protection in the event Advanced Living are unable to meet the revised payment plan. [redacted]

Without prejudice to the Trust's existing rights and remedies against AL under the Sale Contract and strictly subject to contract the Committee agreed to defer the payment.