

Trust Board paper S3

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD**

**DATE OF TRUST BOARD MEETING: 2 May 2019**

**COMMITTEE: Finance and Investment Committee**

**CHAIR: Mr M Traynor, Non-Executive Director and FIC Chair.**

**DATE OF COMMITTEE MEETING: 28 March 2019**

**RECOMMENDATIONS MADE BY THE COMMITTEE FOR PUBLIC CONSIDERATION BY THE TRUST BOARD:**

- None

**OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR NOTING BY THE TRUST BOARD:**

- Minute 30/19/3 – financial performance for Month 11,
- Minute 31/19/1 – progress of the Productivity Improvement Programme, and
- Minute 31/19/4 – 2019/20 Annual Operational Plan.

**DATE OF NEXT COMMITTEE MEETING: 25 April 2019**

**Mr M Traynor  
Non-Executive Director and FIC Chair**

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**MINUTES OF A MEETING OF THE FINANCE AND INVESTMENT COMMITTEE (FIC), HELD ON  
THURSDAY 28 MARCH 2019 AT 8:30AM IN THE BOARD ROOM, VICTORIA BUILDING,  
LEICESTER ROYAL INFIRMARY**

**Voting Members Present:**

Mr M Traynor – Non-Executive Director (Committee Chair)  
Ms R Brown – Chief Operating Officer  
Ms K Jenkins – Non-Executive Director  
Mr A Johnson – Non-Executive Director  
Mr K Singh – Trust Chairman (non-voting ex-officio)  
Mr P Traynor – Chief Financial Officer

**In Attendance:**

Mr R Baines – Head of Service, Renal and Transplant (for Minute 24/19)  
Mr A Carruthers – Acting Chief Information Officer (for Minutes 31/19/2 and 31/19/3)  
Ms L Gale – Head of Financial Planning and Analysis (excluding Minutes 26/19 to 29/19)  
Mr M Hotson – Head of Business, Commercial and Contracts (on behalf of the Director of Estates and Facilities)  
Mr A Middleton – Property Manager (for Minutes 25/19 and 31/19/5)  
Mr J Modhwadia – Head of Finance, RRCV (for Minute 24/19)  
Mrs K Rayns – Corporate and Committee Services Officer  
Mr B Shaw – Director of Productivity  
Mr N Sone – Financial Controller (up to and including Minute 30/19/4)  
Mr D Streets – Head of Procurement and Supplies (for Minute 24/19)  
Ms S Taylor – Head of Operations, RRCV (for Minute 24/19)  
Ms G Ward – General Manager, RRCV (for Minute 24/19)

**RECOMMENDED ITEMS**

**ACTION**

**24/19 CONFIDENTIAL REPORT BY THE CHIEF FINANCIAL OFFICER**

**Recommended** – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

**25/19 CONFIDENTIAL REPORT BY THE DIRECTOR OF ESTATES AND FACILITIES**

**Recommended** – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

**RESOLVED ITEMS**

**26/19 APOLOGIES**

Apologies for absence were received from Mr J Adler, Chief Executive, Mr K Allen, Patient Partner, Mr C Benham, Director of Operational Finance, Mr D Kerr, Director of Estates and Facilities and Mr M Wightman, Director of Strategy and Communications.

**Resolved** – that the apologies for absence be noted.

**27/19 DECLARATIONS OF INTEREST**

The Chief Financial Officer and Mr A Johnson, Non-Executive Director declared their respective roles as Non-Executive Director and Non-Executive Chair of Trust Group

Holdings Ltd. The Committee Chair also declared his role with the Cabinet Office as Small Business Crown Representative. As these were judged by the Committee to be non-prejudicial interests, they remained present at the meeting.

**Resolved** – that the declarations of interest be noted.

## 28/19 MINUTES

**Resolved** – that the Minutes of the Finance and Investment Committee (FIC) meeting held on 28 February 2019 (papers A1 and A2) be confirmed as correct records.

## 29/19 MATTERS ARISING

**Resolved** – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

## 30/19 KEY ISSUES FOR DISCUSSION/DECISION

### 30/19/1 Confidential Report by the Chief Financial Officer

**Resolved** – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

### 30/19/2 Confidential Report by the Chief Financial Officer

**Resolved** – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

### 30/19/3 2018/19 Month 11 Financial Performance

Paper E advised that the month 11 (February 2019) deficit of £61.2m excluding Provider Sustainability Funding (PSF) was £33.4m adverse to plan, driven by the cessation of the Facilities Management LLP (FM LLP) and the crystallisation of unmitigated risk within the Financial Recovery Board actions. Including PSF, the year to date deficit was £58.8m which was adverse to plan by £50.5m due to non-recognition of PSF within the Quarter 2 reporting period. The Trust continued to forecast a year-end outturn of £51.8m, and there was a strong belief that this would now be achieved.

Strong operational performance was being delivered during Quarter 4 of the financial year. Despite significant increases in urgent and emergency care, elective throughput was being maintained. Productivity and efficiency improvements were also being achieved, in line with the Trust's financial recovery plan. An increasing number of contractual challenges were being received from Commissioners, but these were being managed appropriately. The documentation relating to the sale of surplus paddock land at Glenfield Hospital had been signed and completion was expected before the end of March 2019.

Discussion took place regarding the outlook for the 2019/20 financial year and opportunities to improve UHL's financial credibility with its Regulators by delivering the agreed financial control total for 2019/20. Individual CMG and Corporate Directorate control totals had been issued on the basis of robust activity plans, tariff changes, appropriate financial bridging arrangements and opportunities for productivity and efficiency savings, supported by the implementation of the Quality Strategy. Careful monitoring of workforce expenditure, recruitment controls and discretionary expenditure would continue to take place. During a detailed discussion on the report, members requested sight of the phasing of CMG and Directorate control totals by month and

CFO

additional transparency surrounding proposed financial contingencies in future iterations of this report.

**Resolved** – that (A) the Month 11 Financial Performance report be received and noted as paper E, and

**(B) the Chief Financial Officer be requested to include the phasing of CMG and Directorate control totals by month and additional transparency surrounding financial contingencies within future iterations of the monthly financial performance report.**

CFO

30/19/4 Confidential Report by the Chief Financial Officer

**Resolved** – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

### 31/19 ITEMS FOR ASSURANCE

31/19/1 UHL Productivity Improvement Programme – Month 11

The Director of Productivity introduced paper G, providing an overview of the performance status of the programme for 2018/19, the development of schemes for 2019/20, progress of the enabling workstreams, key performance indicators, risks and mitigations, cross-cutting workstream highlights, CMG and Corporate Directorate productivity measures, and an update on section 106 agreements. The forecast outturn against the £51.5m CIP target for 2018/19 stood at £39m and assurance was provided that a proportion of non-recurrent savings would be included to ensure full delivery of the forecast 2018/19 outturn.

Particular discussion took place regarding clinical coding, productivity workstream resources, the role and skill-sets of ward clerks within UHL's workforce, the Lean Apprenticeship Programme, and section 106 agreements. The Director of Productivity undertook to share UHL's proposed templates and spreadsheets relating to Section 106 payments with Local Authority Planning Officers.

DP

**Resolved** – that (A) the month 11 update on UHL's Productivity Improvement Programme (PIP) be received and noted as paper G, and

**(B) the Director of Productivity be requested to share UHL's proposed templates and spreadsheets relating to Section 106 payments with Local Authority Planning Officers.**

DP

31/19/2 IBM Quarterly Contract Update

The Acting Chief Information Officer attended to present paper H, briefing the Committee on service delivery within the IBM contract, which was now in its seventh year. Over the next quarter, a particular focus was planned in respect of reviewing the agreed service level indicators, roll-out of single sign-on, cyber security, and the development of quality metrics. The equipment replacement and wi-fi refreshment programmes were progressing according to plan and scoping work for additional cyber security enhancements was being undertaken.

The Audit Committee Chair sought and received additional information regarding the governance process surrounding IM&T developments, noting in response that these were overseen by a Service Delivery Board and a combined Strategic and Commercial Board (which was Chaired by the Chief Financial Officer). Regular reports on cyber security were provided to the Executive IM&T Board and the Audit Committee. The Chief Financial Officer agreed to liaise with the Acting Chief Information Officer and the Audit Committee

CFO

Chair to arrange for an overview of the wider IM&T governance arrangements to be presented to a future meeting of the Audit Committee.

**Resolved** – that (A) the IBM Quarterly Contract Update be received and noted as paper H, and

**(B) the Chief Financial Officer be requested to liaise with the Acting Chief Information Officer and the Audit Committee Chair to arrange for an overview of IM&T governance arrangements to be presented to a future meeting of the Audit Committee.**

CFO

31/19/3 Confidential Report by the Acting Chief Information Officer

**Resolved** – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

31/19/4 2019/20 Planning Update

The Chief Financial Officer introduced paper J, providing the draft UHL Annual Operational Plan (AOP) for 2019/20 which was also due to be considered during the joint meeting between members of the People, Process and Performance Committee and the Quality and Outcomes Committee later that day. The Chief Financial Officer invited any questions on the financial elements of the AOP, noting that some of the issues had already been discussed earlier in the meeting.

In response, the Trust Chairman re-iterated his view that the Trust should strive to deliver its control total for 2019/20 without any deviation to improve the organisation's credibility and support improved access to capital funding. The Chief Financial Officer supported this view, commenting upon the realistic nature of the control total that had been issued and the internal process improvements that would support its delivery. In response to a request from Mr A Johnson, Non-Executive Director, it was agreed that the 12 month phasing of the income and expenditure profile would be presented to the FIC meeting in April 2019.

CFO

**Resolved** – that (A) the 2019/20 Planning Update be received and noted as paper J, and

**(B) the Chief Financial Officer be requested to present the proposed 12 month phasing of the 2019/20 income and expenditure profile to the FIC meeting in April 2019.**

CFO

31/19/5 Confidential Report by the Director of Estates and Facilities

**Resolved** – that this Minute be classed as confidential and taken in private accordingly on the grounds of commercial interests.

31/19/6 Confidential Report by the Chief Financial Officer

**Resolved** – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

32/19 ITEMS FOR NOTING

32/19/1 Timetable for UHL Business Cases

**Resolved** – that the Timetable for UHL Business Cases be received and noted as

paper M.

32/19/2 FIC Calendar of Business 2019/20

**Resolved** – that the draft FIC calendar of business for 2019/20 be received and noted as paper N.

32/19/3 Executive Performance Board

**Resolved** – that the notes of the 26 February 2019 Executive Performance Board meeting be received and noted as paper O.

32/19/4 Capital Monitoring and Investment Committee (CMIC)

**Resolved** – that the action notes of the CMIC meeting held on 15 February 2019 be presented to FIC in April 2019. CFO

32/19/5 Revenue Investment Committee (RIC)

**Resolved** – that the action notes of the RIC meeting held on 25 February 2019 be presented to FIC in April 2019. CFO

33/19 **ANY OTHER BUSINESS**

**Resolved** – that the appointment of Mr A Johnson, Non-Executive Director as Deputy Chair of the Finance and Investment Committee be noted (as approved by the Trust Board on 7 March 2019).

34/19 **ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD**

**Resolved** – that (A) a summary of the business considered at this meeting be presented to the Trust Board meeting on 4 April 2019, and CCSO/  
Chair

(B) the following items be particularly highlighted for the Trust Board's attention:-

- Minute 30/19/3 – financial performance for Month 11,
- Minute 31/19/1 – progress of the Productivity Improvement Programme, and
- Minute 31/19/4 – 2019/20 Annual Operational Plan.

35/19 **DATE OF NEXT MEETING**

**Resolved** – that the next meeting of the Finance and Investment Committee be held on Thursday 25 April 2019 from 8.30am to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 11.12am

Kate Rayns  
Corporate and Committee Services Officer

**FIC Attendance Record 2018-19**

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	12	12	100	A Johnson	12	11	92

J Adler	12	9	75	R Moore (to 29.11.18)	8	5	63
R Brown (from 28.6.18)	10	9	90	K Singh (Ex-officio)	12	10	83
E Doyle (to 21.6.18)	2	2	100	P Traynor	12	11	92
K Jenkins (from 1.12.18)	4	4	100				

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
K Allan (Patient Partner)	12	4	33	D Kerr	12	9	75
C Benham	12	11	92	M Wightman	12	11	92