

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON THURSDAY 27 OCTOBER 2022 AT 9AM VIA MICROSOFT TEAMS

Voting Members Present:

Mr S Harris – FIC Non-Executive Director Chair
 Mr S Barton – Deputy Chief Executive
 Ms L Hooper – Chief Financial Officer
 Mr J Melbourne – Chief Operating Officer
 Mr B Patel – Non-Executive Director
 Mr M Williams – Non-Executive Director

In Attendance:

Dr R Abeyratne – Director of Health Equality and Inclusion
 Mr N Bond – Deputy Director of Estates and Facilities (on behalf of the Director of Estates and Facilities)
 Mr A Carruthers – Chief Information Officer
 Ms B Cassidy – Director of Corporate and Legal Affairs
 Ms G Collins-Punter – Associate Non-Executive Director
 Miss M Durbridge – Director of Quality Transformation and Efficiency Improvement
 Mr R Manton – Head of Risk Assurance
 Mr J Shuter – Director of Operational Finance
 Ms H Stokes – Corporate and Committee Services Manager
 Mr J Worrall – Associate Non-Executive Director

		<u>ACTION</u>
	<u>RECOMMENDED ITEMS</u>	
134/22	ITEMS FOR APPROVAL	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
135/22	REPORT FROM THE DIRECTOR OF OPERATIONAL FINANCE	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
	<u>RESOLVED ITEMS</u>	
136/22	APOLOGIES FOR ABSENCE	
	Apologies for absence were received from Ms G Collins-Punter Associate Non-Executive Director, Mr A Furlong Medical Director, and Mr M Simpson Director of Estates and Facilities.	
137/22	DECLARATIONS OF INTERESTS	
	Mr S Harris FIC Non-Executive Director Chair and Mr J Shuter Director of Operational Finance declared their respective roles as Director, and Finance Director and Company Secretary of Trust Group Holdings Ltd. As these declarations were judged by the Committee to be non-prejudicial interests, they remained present at the meeting.	
	<u>Resolved</u> – that the declarations of interests be noted.	
138/22	MINUTES	
	<u>Resolved</u> – that the Minutes of the 30 September 2022 FIC meeting be confirmed as a correct record.	

139/22	MATTERS ARISING LOG	
	Paper B set out the position of actions from previous FIC meetings. The FIC Non-Executive Director Chair advised that – as the contract in question was being extended for 12 months – action 8 could be closed, as FIC’s concerns had related to re-procurement timescale issues.	
	Resolved – that any updates provided at this meeting be reflected in the next iteration of the action log and taken forward by the appropriate lead.	Named leads
140/22	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 September 2022. A further review of the BAF also took place at the end of the meeting, taking account of the discussions had on those risk issues during the course of FIC and considering whether assurance had been gained accordingly. As the lead Executive for the FIC BAF risks, the Chief Financial Officer advised FIC how the agenda’d reports aligned to – and provided assurance on – the FIC BAF risks, noting also the role of the Audit Committee in overseeing certain of those risks. The FIC Non-Executive Director Chair considered that the risk workshop scheduled for Trust Board members in November 2022 would be key to reviewing risk scores and appetite. In re-reviewing the BAF at the end of the meeting, FIC highlighted the key issue of inflationary cost rise risks and queried if the impact on 2022/23 expenditure could be quantified (noting the Chief Financial Officer’s view in response that this would be part of the Medium Term Financial Plan work), and commented also on the need for appropriate alignment of UHL’s BAF at a wider ICS level.	CFO DCLA
	Resolved – that (A) the October 2022 iteration of the BAF risks for FIC, and the resulting discussions on assurance levels, be noted; (B) the Chief Financial Officer be requested to advise if it could be quantified how inflationary cost rises had affected UHL expenditure for 2022/23, and (C) consideration be given to reviewing the issue of wider ICS-level alignment of the BAF at the November 2022 Trust Board workshop.	ALL CFO DCLA
141/22	REPORT FROM THE CHIEF FINANCIAL OFFICER	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
142/22	IN-YEAR REPORTING	
142/22/1	<u>2022/23 Month 6 Financial Position</u>	
	FIC noted the month 6 position for 2022/23, which was a deficit of £6.7m (£1.1m favourable to plan) due primarily to lower-than-planned elective recovery spend, continued over-achievement on the Trust’s Cost Improvement Programme, and the impact of pay inflation funding. Although the Trust’s cash position remained strong it was expected to reduce in reflection of the continuing intensive good work to reduce aged creditors, and the FIC Non-Executive Director Chair welcomed UHL’s implementation of a proactive plan to address that issue. Detailed work also continued with Clinical Management Groups to identify recovery actions, and FIC recognised the challenge of the year-end financial position. The current risk range had narrowed, however, which was welcomed by FIC. Mr M Williams Non-Executive Director reiterated previous queries about the workforce position and assumptions and their impact on the year-end forecast, and received assurance from the Director of Operational Finance that work continued with CMGs to validate their workforce forecasts. To provide greater assurance to FIC, the Chief Financial Officer advised that the	CFO

	forecast position would be appropriately reflected in the monthly finance report graphs from the November 2022 FIC onwards. FIC was also briefed on ICB-level discussions about the pay inflation funding, and noted the need for assurance on the consistency of calculations. The FIC Non-Executive Director Chair advised that he would highlight the 2022/23 month 6 financial position to the Trust Board for information.	
	Resolved – that the forecast position be included within the monthly finance report graphs, from the November 2022 FIC onwards.	CFO
142/22/2	<u>2022/23 Capital Plan Month 6 Update</u>	
	As highlighted to FIC, the pace of 2022/23 capital programme expenditure had increased, and year-to-date capital expenditure at month 6 was £20.2m (representing an underspend of £4.6m for the reasons detailed in the monthly position). All capital subgroup chairs had provided assurance to the Capital Monitoring and Investment Committee (CMIC) that their 2022/23 programmes would be delivered, and both CMIC and the Director of Operational Finance were undertaking very regular and active management of the position. Following the October 2022 Executive Finance and Performance Board, the finance team was now putting together a forecast for each workstream, a forecast risk range, and a clear list of priority actions; this work would be presented back through EFPB and CMIC <i>en route</i> to the November 2022 FIC. Mr B Patel Non-Executive Director reiterated comments at the September 2022 FIC on the need for CMGs to appropriately factor in funding any required estates enabling works associated with their capital schemes – this point was supported and emphasised by FIC, who reiterated the need for scheme leaders to have a clear, holistic understanding of all requirements for their schemes. The Deputy Chief Executive provided assurance to FIC that this issue of estates and facilities enabling capital costs would be fed into the review of the interim ICU reconfiguration project. The FIC Non-Executive Director Chair advised that he would highlight the 2022/23 month 6 capital position to the Trust Board for information.	DOF DCE
	Resolved – that (A) a forecast for each capital workstream, a forecast risk range, and a clear list of priority actions be presented to the November 2022 FIC (following discussion at CMIC and EFPB), and (B) it be ensured that the ‘lessons learned’ review of the ICU interim reconfiguration project appropriately reflected the issue of E&F capital cost requirements.	DOF DCE
142/22/3	<u>Transformation and Cost Improvement Programme (CIP) Update</u>	
	The Director of Quality Transformation Efficiency and Improvement confirmed that a detailed report on transformation activities in 2022/23 would be presented to the November 2022 FIC. In presenting the monthly update on UHL’s 2022/23 cost improvement programme (CIP), the Director of Quality Transformation Efficiency and Improvement highlighted the continued good progress as at month 6 re: cash-out CIP delivery (ahead of plan at £15.3m, thus reflecting a further £1.89m improvement). Good progress was also being made on productivity schemes. The position was not without risk, however, and the Transformation Team continued to work closely with any off-track Clinical Management Groups, noting an improvement in 2 of those CMGs since the September 2022 FIC. CIP planning for 2023/24 was also underway by the Transformation Team, and the Director of Quality Transformation Efficiency and Improvement outlined her views on the significant transformational opportunity re: administrative processes. The Chief Information Officer noted the scope for digital transformation of patient administrative/booking processes, and the Deputy Chief Executive commented on the need for an appropriate level of patient involvement in process redesign.	DQTEI
	In response to comments from Mr J Worrall Associate Non-Executive Director, discussion then took place on the Trust’s relative use of agency staff (including the need to use appropriate comparator organisations when reviewing UHL’s relative position to ensure that appropriate assurance was being gained). FIC recognised the key role played by	

	administrative staff in terms of clinical pathways and processes, noting discussion at the October 2022 Operations and Performance Committee on the impact of difficulties in recruiting. The Director of Quality Transformation Efficiency and Improvement outlined how the Transformation Team was working with CMGs on reducing agency usage, and it was agreed to explore agency staffing issues in detail at the next FIC, including a comparison to appropriate peer Trusts.	DQTEI
	Resolved – that (A) a separate report on transformation be presented to the next FIC, and	DQTEI
	(B) information on UHL's agency costs/usage/targets (including its comparative position re: other peer Trusts), be included in the CIP report to the November/ December 2022 FIC.	DQTEI
142/22/4	<u>Roadmap to Financial Sustainability/Exiting the Recovery Support Programme (RSP)</u>	
	FIC was advised of continued and significant good progress on the roadmap actions, with half of the remaining open actions judged by the Director of Quality Transformation Efficiency and Improvement as able to be closed. One action was red RAG rated. FIC was advised that the planned November 2022 meeting with NHSE/I on exiting the Recovery Support Programme had been re-scheduled, and FIC noted the reasons for that.	
	Resolved – that the position be noted.	
142/22/5	<u>EPR Update</u>	
	The Chief Information Officer presented an overview of the Trust's EPR programme, highlighting the significant scope of the work, the progress made, and any risks to the programme (highlighting capacity as a risk issue in terms of scope and pace). This was a complex, multi-year programme involving multiple different projects, and the Chief Information Officer set out how it featured within the Trust's capital requirements. He advised that he would also be discussing how best to communicate internally on the EPR programme and other IM&T developments, with the Trust's new Director of Communication and Engagement. The FIC Non-Executive Director Chair considered that the digital programme needed appropriate prioritisation within the Trust's medium term financial plan, and also noted the need for appropriate release of staff for digital training. FIC took assurance from the update, and going forward requested regular updates every 2-3 months on the EPR milestone delivery programme, together with detail of any action required and how FIC could input to resolving any challenges.	CIO
	Resolved – that progress against milestone delivery targets, including a list of any action required to unblock any challenges, be reported every 2-3 months to FIC.	CIO
142/22/6	<u>Finance Team KPIs – Quarterly Update</u>	
	FIC welcomed and took assurance from the continued progress clearly evidenced by the quarterly update on finance team performance and culture KPIs. Having already achieved level 1 accreditation, the Trust continued to work towards achieving Future Focused Finance level 2 accreditation by April 2023. In discussion, Mr M Williams Non-Executive Director commented that some of the KPIs required a collective UHL effort beyond the finance team, for example those relating to use of purchase orders.	
	Resolved – that the position be noted.	
143/22	PLANNING	
143/22/1	<u>Report from the Director of Operational Finance</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	

144/22	ITEMS FOR NOTING	
	Resolved – that the following items be noted at papers Q1 and Q2 respectively: (1) Executive Finance and Performance Board actions from 27 September 2022 and agenda from 25 October 2022.	
145/22	ANY OTHER BUSINESS	
145/22/1	<u>Report from the Director of Corporate and Legal Affairs</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
146/22	IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD	
	Resolved – that (A) the item in confidential Minutes 134/22 and 135/22 be recommended to the next private Trust Board for approval, and (B) the discussions in Minutes 140/22, 142/22/1 and 142/22/2 be highlighted to the Trust Board for information.	FIC NED CHAIR FIC NED CHAIR
147/22	DATE OF NEXT MEETING	
	Resolved – that the next meeting of the Finance and Investment Committee be held virtually on Thursday 24 November 2022 from 9am to 11.15am via Microsoft teams.	

The meeting closed at 11.08am

Helen Stokes **Corporate and Committee Services Manager**

FIC Attendance Record 2022/23

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris	9	8	89	J Melbourne	8	7	88
S Barton (from 1 July 2022)	4	4	100	R Mitchell (including until 30 June 2022)	4	3	75
A Furlong	8	4	50	B Patel	9	8	89
L Hooper	9	8	89	M Williams	9	9	100

Regular Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Barton (until 30 June 2022)	1	1	100	M Durbridge	8	8	100
A Carruthers	5	5	100	J Shuter	9	9	100
B Cassidy	9	8	89	M Simpson	5	3	60
G Collins-Punter	5	3	60	J Worrall	9	9	100