

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD ON FRIDAY 29  
FEBRUARY 2024 AT 12.30 PM VIA MICROSOFT TEAMS**

**Voting Members Present:**

Mr S Harris – FIC Non-Executive Director Chair  
Mr M Williams - Non-Executive Director  
Mr S Barton – Deputy Chief Executive  
Mr A Carruthers – Chief Information Officer  
Mr A Furlong – Medical Director  
Ms L Hooper – Chief Financial Officer  
Mr J Melbourne – Chief Operating Officer  
Mr B Patel - Non-Executive Director  
Mr M Simpson – Director of Estates, Facilities and Sustainability  
Mr J Worrall – Non-Executive Director

**In Attendance:**

Ms R Abeyratne – Director of Health Equality and Inclusion  
Ms B Agboola – Deputy Director of Financial Planning  
Mr S Ceres - Deputy Director of Finance (Financial Management)  
Ms L Gale – Reconfiguration Assistant Director of Finance (for minute 21/24/1)  
Mr P Kielthy – Trust General Holdings Managing Director and Superintendent Pharmacist  
Mr S Linthwaite – Deputy Director of Finance (Financial Services)  
Mr R Manton - Head of Risk Assurance  
Ms K McKinlay - Deputy Director of Finance (Strategic Finance and Planning)  
Mr R Milbourne – Deputy Head of Capital Projects (for minute 21/24/1)  
Ms A Morrell – Deputy Head of Health Planning (for minute 21/24/1)  
Mr M Reeves - Corporate and Committee Services Officer  
Mr B Shaw - Director of Productivity  
Mr J Stewart – PriceWaterhouseCoopers (for minute 21/24/1)  
Mr D Streets – Head of Procurement and Supplies  
Ms H Stokes – Head of Corporate Governance  
Mr B Teasdale – Associate Medical Director and ACCIO (for minute 21/24/1)  
Ms C Teeney – Chief People Officer

**ACTION**

**RESOLVED ITEMS**

**15/24 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Ms B Cassidy, Director of Corporate and Legal Affairs.

**16/24 QUORUM**

The meeting was confirmed to be quorate.

**17/24 DECLARATIONS OF INTERESTS**

There were no declarations of interests made.

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

**18/24 MINUTES**

**Resolved – that the FIC Minutes of the 26 January 2024 be confirmed as a correct record.**

**19/24 MATTERS ARISING LOG**

**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.

## 20/24 BOARD ASSURANCE FRAMEWORK (BAF)

The Head of Risk Assurance reported that the BAF risks relating to the Committee had been reviewed and changes indicated in red text.

There were some amendments to the risks overseen by the Committee, but no significant changes proposed to risk scores or content and the risks were noted as

- strategic risk 6 (Insufficient capital funding) current rating was 20, tolerable rating was 15 and target rating was 9;
- strategic risk 7b (*Significant financial challenge across the LLR system over the next 3 years, to meet both operational and inflationary pressures, may result in failure to deliver in line with the MTFP and achieve long term financial sustainability*) current rating was 20, tolerable rating was 12 and target rating was 8;
- strategic risk 8 (IT Infrastructure unfit for the future) current rating was 16, tolerable rating was 12 and target rating was 9;
- strategic risk 9 (Estate Infrastructure unfit for the future) current rating was 16, tolerable rating was 12 and target rating was 9.

It was noted that there was an issue with some of the papers for the BAF report displaying correctly, these would be circulated to FIC members.

The Chief Financial Officer reported that the wording to strategic risk 7b had been reviewed and amended to read as in italics above.

**Resolved** – that the amended wording of strategic risk 7b be noted.

## 21/24 ITEMS FOR APPROVAL AND UPDATE

21/24/1 Report from the Deputy Chief Executive

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

21/24/2 Report from the Chief Information Officer

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

21/24/3 Compliance Audit Progress Update

The Director of Estates, Facilities, and Sustainability presented a report which provided a progress update on the Compliance Audit. The update outlined actions which had closed, highlighted actions in progress and detailed where advancement had been delayed. It was further noted that progress continued to be made on issues highlighted by the audit whilst managing the challenges of an aging estate. There were improvements highlighted which included a new asset management process, a new helpdesk and consideration of revenue opportunities. The Director of Estates, Facilities and Sustainability further noted that the service would receive a visit from Non-Executive Directors in order to gain a deeper understanding of the role the service played in maintaining the day-to-day activities of the Trust.

FIC members welcomed the progress outlined in the report.

The Chief Financial Officer suggested that an internal audit be scoped in order to determine the current position with regard to compliance in Estates and Facilities. The Director Estates, Facilities and Sustainability welcomed this proposal in order to provide assurance of the work that was required to ensure the Trust could maintain its day to day activities. The timing of the audit was

considered, but it was noted that this would need to be discussed with 360 Assurance to determine if it could be undertaken during the 2024/25 financial year.

DoEFS

**Resolved – that (A) the progress made to date and areas where improvement and investment were still required be noted; and**

**(B) that the possibility of undertaking a further compliance audit be explored with 360 Assurance.**

DoEFS

21/24/4 In-depth 2022/23 Investment Review

The Associate Director of Strategy and Partnerships presented a report which presented detailed reviews of four historic investments, identified from a selection framework, which considered whether outcomes from the projects had delivered as anticipated and value for money had been achieved. It was noted that the investments had delivered service and financial benefits to the Trust. It was however recommended that further work was needed to identify additional costs which may have arisen from the investments, and also it was suggested that awareness should be raised regarding the benefits which had been achieved by the investment. Further, it was recommended that there be improvements to the investment review processes and monitoring.

FIC welcomed the report and supported the principle of undertaking reviews of investments.

Mr M Williams, Non-Executive Director referred to a gateway process for considering investments and suggested this be developed for future investment proposals, to bring rigour to the approval process, particularly where such approvals were undertaken under pressure and responding to immediate service need. The Associate Director of Strategy and Partnerships welcomed the suggestion and agreed to consider how this could be implemented.

FIC gave detailed consideration to whether projects which, if once underway, were not found to be delivering, could or should be ceased. Challenges with this were noted such as if a project was funded either nationally or System led. Further difficulties were identified where a project may not be delivering overall, but was providing care and support for patients. Further points were raised about the difficulties of accepting external funding and the difficult choices of whether to continue a project once funding had ceased, and whether a project would be undertaken if the only funding option was internal funding. Arising from the discussion, it was recommended that consideration be given to making it standard business practice that projects should be challenged to see if they were delivering at an optimal level and ceasing projects which were not delivering to the level that was required.

Noting that this had been a worthwhile and positive report, it was requested that FIC receive quarterly updates regarding reviews of investments.

**Resolved – that (A) consideration be given to the introduction of a gateway process for managing future investment projects; and**

**(B) to provide quarterly reports to FIC regarding reviews of investments.**

21/24/5 Report from the Chief Information Officer

**Resolved – that this Minute be classed as confidential and taken in private accordingly.**

21/24/6 Report from the Chief Information Officer

**Resolved – that this Minute be classed as confidential and taken in private accordingly.**

21/24/7 Report of Chief Financial Officer

**Resolved – that this Minute be classed as confidential and taken in private accordingly.**

22/24 ICB

22/24/1 ICB Finance Update

In a general update, the Chief Financial Officer advised that she, along with Executive colleagues had recently attended a discussion with senior NHSE, financial leadership where a range of matters had been discussed, but there had been a particular focus on workforce headcount and support for urgent care. There would be a continued focus as an Executive team on these issues, particularly in terms of planning for the new financial year.

**Resolved – that the position be noted.**

23/24 IN-YEAR REPORTING

23/24/1 2023/24 Month 10 Financial Position (including Forecast and Cash update)

The Deputy Director of Finance (Financial Management) provided an update on the Trust's financial position at month 10. He outlined the various risks to achieving the forecast position of £45m which included pay pressures particularly cover for winter pressures, and the above plan recruitment position. It was noted that despite significant achievements in reducing the risks reported to the previous month's FIC, unforeseen issues including some national level developments had meant less than anticipated income, creating further risk to achieving the end of year forecast position. He explained that meetings were planned with System and regional colleagues to make them aware of the risks arising from those national developments. It was not felt possible at this stage to give a final indication of the likely outturn position.

The Chief Financial Officer informed the Committee that the Trust Board, at its meeting in March 2024 would be receiving an initial report which sought to clarify the position with regard to the workforce and aligned pay bill. Other actions were being followed up in relation to spend on temporary staff and monitoring and active management of recruitment.

FIC discussed in considerable detail, the issues relating to workforce. The Chief Financial Officer confirmed that there was ongoing discussion at Executive level to ensure greater control over the levels of recruitment and actions such as a vacancy panel and restrictions on the use of temporary staff. FIC members noted the increase in headcount at Trust, but commented that there needed to be clear explanations as to why this position had been reached. It was noted that this would be further informed by current external review work which would be reported to the Trust Board. There were various views expressed in discussion, including on issues of how to manage recruitment, and in terms of recruiting at a level required for safe and high quality care provision, and on whether there should be centrally imposed rules or greater management discretion. It was noted that there would be a further piece of work to determine correct staffing levels for all areas, acknowledging that national rules for nursing were clear on this matter. In summary, FIC recognised the challenging position, and the need for better ongoing control of workforce and pay, and the need to explain how the current position had been reached.

CFO /  
CPO

**Resolved – that (A) clear controls in terms of managing workforce numbers and budgets be established; and**

CFO /  
CPO

**(B) that a narrative be developed which explained how the current staffing position arose in order to inform discussions with partners.**

CFO /  
CPO23/24/2 CIP 2023/24 Delivery

The Director of Productivity presented a paper which detailed the Cost Improvement Plan (CIP) at month 10. It was reported that the position of the programme for the current year continued to improve. The focus was now on financial sustainability and planning for the programme for the forthcoming year which would be a considerable challenge, but ultimately delivery was considered to be possible.

FIC members welcomed the progress of the programme but noted that the challenge was to deliver appropriate recurrency of schemes.

**Resolved – that (A) progress of the delivery of the CIP was noted.**

23/24/3 2023/24 Month 10 Capital Position

The Deputy Director of Finance (Financial Services) presented the update on the 2023/24 capital plan. He noted that a spend of £64m out of a capital plan of £113m had been achieved. He further noted that some there were some slippage risks on schemes in the current year, therefore further schemes would be brought forward for consideration by the Capital Monitoring and Investment Committee (CMIC) to ensure effective use was made of the current year's capital allocation and delegated approval was sought for CMIC to do this.

The Deputy Director of Finance (Financial Services) noted that there were a number of schemes proposed within the report to be brought forward in order to avoid pressures in the future year capital programme. FIC approved these schemes.

The Deputy Director of Finance (Financial Services) also referred to the request within the report for authorisation from FIC to provide delegated authority to CMIC to bring forward further schemes in March 2024 in order to avoid future pressures on the capital plan.

**Resolved – that (A) the month 10 capital position be noted;**

**(B) the scheme additions to the 23/24 capital plan as set out in section 9 of the report be approved; and**

DDoF  
(FS)

**(C) the Capital Monitoring and Investment Committee be authorised to bring forward further schemes in March 2024 to utilise the 2023/24 capital plan.**

DDoF  
(FS)

23/24/4 Report of the Chief Financial Officer

**Resolved – that this Minute be classed as confidential and taken in private accordingly.**

23/24/5 Report of the Managing Director and Superintendent Pharmacist – Trust Group Holdings

**Resolved – that this Minute be classed as confidential and taken in private accordingly.**

**24/24 PLANNING**

24/24/1 2024/25 System Capital Planning Prioritisation

The Deputy Director of Finance (Financial Services) presented an update on the Trust's process to prioritise System capital schemes within the funding available. It was reported that the gap between the funding available and the cost of schemes had been reduced, but the gap was still notable. Further funding to reduce the gap was being sought where possible, such as from the System allocation or the New Hospital Programme, but it was likely that a gap would remain and therefore there would be further rationalisation of schemes within the plan, which was recognised would be challenging.

It was noted that the Trust Board would have the opportunity to review the capital plan at its development session in March 2024.

FIC confirmed that it was assured by the 2024/25 capital plan development processes which had been undertaken to reach the current point.

**Resolved – that the position be noted.**

24/24/2 Report of the Deputy Chief Executive

**Resolved – that this Minute be classed as confidential and taken in private accordingly.**

24/24/3 Medium Term Financial Plan

The Deputy Director of Financial Planning presented a report which provided an update on the Medium-Term Financial Plan. It was reported that the forecast deficit would grow considerably over the next 3 years if no actions were taken. The key issues to address were funding for UEC, increasing demand and insufficient capacity, and these would require System and national discussions and agreement to resolve. There were also opportunities to deliver services more efficiently such as in planned care or using digital care.

**Resolved – that (A) the update be noted.**

24/24/4 Internal Audit Plan 2024/25

The Chief Financial Officer presented the report which outlined the list of proposed audits for the financial year 2024/25. It was noted that FIC had recommended the inclusion of a compliance audit for Estates and Facilities earlier in the meeting.

Mr S Harris, FIC Non-Executive Director Chair commented that with the Committee were supportive of the plan as it was set out, subject to the possible inclusion of the Estates and Facilities compliance audit.

**Resolved – that (A) the comments of FIC be passed on to inform the final Internal Audit Plan for 2024/25.**

11/24 **ITEMS FOR NOTING**

**Resolved – that the following reports (papers R1-R2) be received and noted for information:**

- 2023-24 TLT Approved investments
- TLT agenda and actions

12/24 **ANY OTHER BUSINESS**

It was noted that this would be Mr M Williams, Non-Executive Director’s last meeting. Mr S Harris, FIC Non-Executive Chair thanked him for his work on the committee and noted that his contribution would be missed.

13/24 **IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD/REFERRAL TO OTHER BOARD COMMITTEES**

No issues were identified.

14/24 **DATE OF NEXT MEETING**

**Resolved – that the next meeting be held on Friday 22 March 2024 from 12.30 pm on MS Teams.**

The meeting closed at 11.30 am

Matthew Reeves **Corporate and Committee Services Officer**

**FIC Attendance Record 2023/24**

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris	11	8	73	J Melbourne	11	9	82

S Barton	11	7	63	B Patel	11	11	100
A Carruthers	11	9	82	M Simpson	11	9	82
G Collins-Punter (until December 2023)	9	5	56	M Williams	11	9	82
A Furlong	11	7	63	J Worrall	11	7	63
L Hooper	11	10	91				

**Regular Non-Voting Members/Attendees:**

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
B Cassidy	11	7	63	J Shuter (until July 2023)	3	2	67
S Ceres	11	9	82				