

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

**MINUTES OF THE FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD ON
FRIDAY 25 OCTOBER 2024 AT 2.30 PM VIA MICROSOFT TEAMS**

Voting Members Present:

Mr D Moon – FIC Non-Executive Director Chair
 Mr L Bond - Chief Financial Officer
 Mr N Bond – Interim Director of Estates and Facilities
 Mr A Furlong – Medical Director
 Mr S Harris – Associate Non-Executive Director
 Mr S Barton – Deputy Chief Executive
 Ms S Taylor– Deputy Chief Operating Officer (deputising for Mr J Melbourne, Chief Operating Officer)
 Mr M Vohra – Deputy Chief Information Officer (deputising for the Chief Information Officer)

In Attendance:

Prof I Browne – Non-Executive Director
 Ms B Cassidy - Director of Corporate and Legal Affairs
 Mr S Ceres – Deputy Director of Finance
 Prof M Davies – Professor of Diabetes Medicine (for Minute 155/24)
 Ms J Dixon – Head of Operations
 Ms T Hind – IMT PMO and Commercial Lead
 Ms J Hogg – Chief Nurse (for Minutes 155/24 and 156/24)
 Ms K McKinlay – Deputy Director of Finance
 Mr A Middleton – Property Manager (for Minute 155/24)
 Ms A Moss - Corporate and Committee Services Officer
 Mr Z Safdar – Deputy Director of Finance
 Mr B Shaw – Associate Director of Financial Sustainability (for Minute 164/24/4)
 Mr J Stewart – Price Waterhouse Cooper (PwC) (for Minute 155/24)
 Ms B Stribling – Assistant Director of International and External Business Development (for Minute 155/24)
 Ms C Teeney – Chief People Officer

ACTION

RECOMMENDED ITEMS

- 153/24 REPORT OF THE DEPUTY CHIEF FINANCIAL OFFICER**
Resolved - that this Minute be classed as confidential and taken in private accordingly.
- 154/24 REPORT OF THE DEPUTY CHIEF EXECUTIVE OFFICER**
Resolved - that this Minute be classed as confidential and taken in private accordingly.
- 155/24 REPORT OF THE CHIEF OPERATING OFFICER**
Resolved - that this Minute be classed as confidential and taken in private accordingly.
- 156/24 REPORT OF THE DIRECTOR OF ESTATES FACILITIES AND SUSTAINABILITY**
Resolved - that this Minute be classed as confidential and taken in private accordingly.

RESOLVED ITEMS

- 157/24 WELCOME AND APOLOGIES FOR ABSENCE**
 Apologies for absence were received from Mr A Carruthers, Chief Information Officer, Mr R Manton, Head of Risk Assurance, Mr J Melbourne, Chief Operating Officer, Mr W Monaghan, Chief Digital Information Officer and Mr D Shoker, Associate Director of Commercial Services.

158/24 QUORUM

The meeting was confirmed to be quorate.

159/24 DECLARATIONS OF INTERESTS

There were no declarations of interests made.

160/24 MINUTES

Resolved – that the Public FIC Minutes of 27 September 2024 (paper A1 refers) be confirmed as a correct record.

161/24 MATTERS ARISING LOG

The Committee received and noted the latest iteration of the Matters Arising Log.

Resolved – that (A) the contents of this report be received and noted, and

(B) any updates provided at this meeting be reflected in the next iteration of the action log and taken forward by the appropriate lead.

CCSO

162/24 BOARD ASSURANCE FRAMEWORK

FIC received the BAF strategic risks which aligned to its terms of reference and noted updates with respect to controls, gaps and key next steps.

Resolved – that (A) the contents of this report be received and noted

163/24 REPORT OF THE CHIEF OPERATING OFFICER

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

164/24 IN-YEAR REPORTING**164/24/1 2024/25 Month 6 Financial Position**

The Deputy Director of Finance, Mr S Ceres, presented paper h, which detailed the Month 6 financial position. The report was considered in mitigation of BAF risk 07A-FIC failure to deliver the 2024/25 financial plan.

The Committee noted that at Month 6 of 2024/25 the Trust had a deficit of £15.4m. It received funding for its deficit plan in Month 6, resulting in a revised breakeven plan. In addition, £1.8m funding of industrial action costs had been recognised at Month 6. The Month 6 year to date plan was therefore breakeven and the actual position a deficit of £15.4m. This was mainly driven by urgent and emergency pathway costs £7.4m greater than plan and £9.3m net pay pressures greater than plan.

Mr D Moon, Non-executive Director Chair, highlighted the variances for pay, specifically for Emergency and Specialist Medicine, Womens and Childrens and Estates and Facilities, and suggested that there was insufficient grip on pay costs. The Chief Financial Officer reported that the Trust was meeting fortnightly with NHSE which was challenging the Trust on its performance and mitigations. The Executive Team was meeting that week to consider how to strengthen control on pay costs. He suggested that a vacancy freeze could be considered.

Resolved – that the report be received and noted.

164/24/2 Report of the Chief People Officer

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

164/24/3 Investment Process 2024/25 - Outcome of Review on Workforce Impact and Potential Mitigations

The Deputy Chief Executive presented a report, requested by the Committee, with respect to pressures on the workforce arising from agreed investments in 2024/25 (paper J refers). The report was considered in mitigation of BAF risk 07A-FIC failure to deliver the 2024/25 financial plan.

It was reported that Financial Investment Committee had approved 15 investments to be mobilised in 2024/25 which would increase the headcount by 92 whole time equivalents. The Deputy Chief Executive reported that it was possible to mitigate 91% of the risk associated with approving new investments. This would be achieved by delaying recruitment until 2025/26, using bank and agency staff, or as a result of already being accounted for in the run-rate. There would be a greater impact in 2025/26 on the ability of the Trust to meet its workforce and financial commitments.

Resolved – that the report be received and noted.

164/24/4 2024/25 Month 6 Cost Improvement Programme (CIP) Delivery

The Chief Financial Officer presented paper K, which detailed CIP Delivery as at Month 6. The report was considered in mitigation of BAF risk 07A-FIC failure to deliver the 2024/25 financial plan.

Work had been undertaken to align the income CIP post month end, which resulted in a reduction of £6.2m in the reported value from £43.834m to £37.6m. It was noted that this amendment was reflected in the table on page 2 but had not been corrected on page 4.

The Associate Director of Financial Sustainability expressed confidence in the Trust delivering the CIP target and noted that the highest risks related to workforce and income. Work was progressing with the consultancy firm, Bain.

Mr D Moon, Non-Executive Director Chair, questioned the workforce numbers and whether the numbers were correct. It was noted that the medical workforce was offsetting the nursing workforce. The consultancy firm Kendall Bluck was supporting the trust in reviewing the medical workforce.

Resolved – that the contents of this report be received and noted.

164/24/5 Report of the Chief Financial Officer

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

164/24/6 Balance Sheet Review

The Chief Financial Officer presented paper M which provided an historical analysis of the Trust's Statement of Financial Position over the last 2 full financial years (2022/23 and 2023/24) and the first 6 months of 2024/25, as a part of the regular reporting cycle. The Committee noted the actions to strengthen the financial control environment and improve quality of financial reporting and efficiency of the Financial Transaction Services processes.

Mr S Harris, Non-Executive Director, asked whether the provision for the Health Care Workers' claim was too great. The Chief People Officer advised that it would be clearer in the next two months, as claims were processed, how much the Trust would need to pay. She added that the Trust had signed a Memorandum of Understanding with Unison with respect to the settlement.

Resolved – that the report was received and noted.

164/24/7 TGH Declarations of Interests 2024/25 and Management of those interests

The Director of Corporate and Legal Affairs presented paper N which set out the 2024/25 annual report of Trust Group Holdings Board declarations of interests and described how any conflicts

were managed. The Committee took assurance that the declarations of interest were reported annually and updated with any in-year changes, and that an appropriate process was in place for managing conflicts.

Resolved – that the report be received and noted.

165/24 **INTEGRATED CARE BOARD (ICB)**

165/24/1 ICB Finance Update including any risks – Month 6

The written report was unavailable. The Deputy Chief Executive noted that the Regional NHSE Team had written to the Chair of the Integrated Care System (ICS) to note that the ICS had been placed in level 4 which could lead to external intervention.

The Chief Financial Officer noted that the Integrated Care Board was £31.9m overspent at Month 6; of which £15.4m was an overspend by UHL; Leicestershire Partnership NHS Trust was reporting break-even and the ICS was £16.5m in deficit.

Resolved – that the report be received and noted.

166/24 **ESTATES ITEMS**

166/24/1 UHL Sustainability Report

The Interim Director of Estates, Facilities and Sustainability presented paper P which reported on work to progress the Trust's Sustainability and Green Plan. The report noted the launch of UHL's Sustainability Working Group which would give greater momentum on aspects of the plan that sat outside of the Estates and Facilities' remit.

It was noted that, on appointment, the Associate Director of Sustainability had focussed on waste services to ensure the Trust was compliant. She was now building her team to give focus to energy, travel and working with colleagues to address areas such as the use of anaesthetic gases, inhalers and medicines.

Resolved – that the report be received and noted.

167/24/2 Estates & Facilities Update

The Interim Director of Estates, Facilities and Sustainability presented paper R which updated the Committee on the challenges faced by Estates and Facilities in delivering the services in its portfolio and noting positive developments demonstrating improvement. The report was considered in mitigation of BAF Risk 09-Estate-2 (Aging and outdated estate).

The Director noted that it had taken some time to recover from outsourcing the services to Interserve. The Trust, as a result, had lost considerable experience, knowledge and skills. The original plan was to bring the services in-house after which the Trust would create a wholly owned subsidiary to deliver the services. However, this had not transpired.

The Director noted that, of the 1,350 whole time equivalent postholders, 16% were over sixty years of age, the majority were women and of the global majority. There was a low rate of turnover and work undertaken to improve sickness and appraisal rates. There were significant welfare issues, mainly around alcohol, debt and mental illness and support was being enhanced. The Directorate had traditionally carried a lot of vacancies and there was a control on recruitment as there were cost pressures. It was noted that many roles within Estates and Facilities directly impacted on patient care and safety.

The Interim Director noted that the service was often involved in activities beyond its remit. For example, the Directorate was providing a ward-based food service at an unfunded cost of £1.5m. This service was covered by bank staff who needed to be trained in food hygiene and often found alternative employment elsewhere as a result. There were pressures in staffing the service in the

run up to Christmas when other employment was available. Mr D Moon, Non-Executive Director Chair, asked whether these issues could be addressed by the Executive Team.

The Directorate was not able to control costs for activity that was outside its control, for example, opening new beds, laundry, uniforms, etc.. However, the Directorate was making good progress on its Cost Improvement Programme.

The Committee welcomed the report. Mr S Harris, Non-Executive Director, asked whether there was benchmarking with other trusts. The Director noted that whilst data was available there were a number of variables, particularly around the age and quality of the estate which made it difficult to quantify performance on maintenance.

The Chief People Officer noted that Estate and Facilities staff had been recognised in the recent UHL awards and that the Directorate had gone 'over and above' to support access routes into employment and particularly apprenticeship. The Committee extended its thanks to Estates and Facilities staff for their contribution.

Resolved – that (A) the report be received and noted, and

(B) that the Executive Team consider how best to provide the ward-based food service, and

(C) that a further report be made in three months' time.

168/24 ITEMS FOR NOTING

The following items were presented to FIC for noting:

- 2024/25 TLT Approved Investments (paper S), and
- TLT agenda and actions (paper T).

Resolved – that the reports be received and noted.

169/24 ANY OTHER BUSINESS

Resolved – that there were no further items of business.

170/24 IDENTIFICATION OF ANY KEY ISSUES FOR THE ATTENTION OF THE TRUST BOARD / REFERRAL TO OTHER TRUST COMMITTEES

Mr D Moon, FIC Non-Executive Director Chair, recommended the following items to the Trust Board for approval and / or information. These items would be highlighted to the Trust Board through the escalation report process and would represent a standalone item on the relevant Trust Board agenda, where appropriate:-

Recommended items

- Minute 153/24 – Report from the Deputy Director of Finance
- Minute 154/24 – Report from the Deputy Chief Executive, and
- Minute 155/24 – Report of the Chief Operating Officer
- Minute 156/24 – Report to the Director of Estates, Facilities and Sustainability

Items highlighted for information

- Minute 164/24/2 – Report of the Chief People Officer
-

171/24 ITEMS NOT RECEIVED IN LINE WITH THE FIC WORK PLAN FOR THIS MONTH

There were no items.

172/24 DATE OF NEXT MEETING

Resolved – that the next meeting be held on Friday 29 November 2024 from 2.30 pm on MS Teams.

The meeting closed at 5.12 pm

Alison Moss - Corporate and Committee Services Officer

FIC Attendance Record 2024/25

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
A Moore <i>(until July 2024)</i>	4	1	25	S Harris	7	6	86
S Barton	7	7	100	L Hooper <i>(until May 2024)</i>	2	1	50
N Bond	7	3	43	J Melbourne	7	5	71
M Brearley <i>(from June 2024 until August 2024)</i>	3	2	67	D Moon	7	6	86
A Carruthers / W Monaghan	7	5	71	B Patel <i>(until July 2024)</i>	3	0	0
A Furlong	7	5	71	J Worrall <i>(until August 2024)</i>	5	3	60

Regular Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
B Cassidy	7	5	71	K McKinley	7	5	71
S Ceres	7	5	71	R Manton	7	6	86
S Linthwaite	7	4	58				