

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**  
**REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD**

**DATE OF TRUST BOARD MEETING: 3 October 2019**

**COMMITTEE: FINANCE AND INVESTMENT COMMITTEE**

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

**DATE OF COMMITTEE MEETING: 29 August 2019**

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

- **Minute 78/19 – Children’s Hospital Project Phase 1 Full Business Case (as approved by Trust Board on 5 September 2019)**

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

- **None**

**DATE OF NEXT COMMITTEE MEETING: 26 September 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 29 AUGUST 2019 AT 8:30AM IN THE BOARD ROOM, VICTORIA BUILDING,  
LEICESTER ROYAL INFIRMARY**

**Voting Members Present:**

Mr M Traynor – Non-Executive Director (Committee Chair)  
Mr J Adler – Chief Executive  
Mr A Johnson – Non-Executive Director  
Mr K Singh – Trust Chairman (non-voting ex-officio)  
Mr P Traynor – Chief Financial Officer

**In Attendance:**

Mr D Barley – Head of Finance, Women’s & Children’s CMG (for Minute 78/19)  
Mr C Benham – Director of Operational Finance  
Mr N Bond – Deputy Director of Estates and Facilities  
Dr F Bu’Lock – Consultant Paediatric Cardiologist (for Minute 78/19)  
Ms L Gale – Head of Financial Planning and Analysis (for Minute 84/19/2)  
Mr D Kerr – Director of Estates and Facilities  
Ms H Majeed – Corporate and Committee Services Officer  
Ms H Mather – Alliance Director (for Minute 84/19/1)  
Ms S McLeod – Head of Operations, Women’s & Children’s CMG (for Minute 78/19)  
Ms A Morrell – Senior Reconfiguration Project Manager (for Minute 78/19)  
Mr I Scudamore - Clinical Director, Women’s & Children’s CMG (for Minute 78/19)  
Mr N Sone – Financial Controller  
Ms N Topham – Reconfiguration Programme Director (for Minute 78/19)  
Mr M Wightman – Director of Strategy and Communications

**RECOMMENDED ITEMS**

**ACTION**

78/19

**CHILDREN’S HOSPITAL PROJECT PHASE I (EMCHC CO-LOCATION) FULL BUSINESS CASE**

A number of colleagues from the Women’s and Children’s CMG and the Strategy team attended for this item. Paper C detailed the combined outline and full business case describing the drivers for change that underpinned the move of the EMCHC service from the Glenfield Hospital (GH) to the LRI. It identified the capital and revenue required in order to support the relocation of the paediatric element of the EMCHC from the GH to the LRI, whilst developing the model of care for the Adult Congenital Heart Disease (ACHD) service, which would remain at the GH. Members noted that the total capital cost of this scheme was £14.174m, of which £7.874m would be funded from capital identified within UHL’s Capital Resources Limit, and up to £6.3m would be sourced from charitable funding. In response to some queries, it was noted that a ‘critical friend’ review of the scheme had been undertaken in June 2019 and the team had provided positive feedback to confirm that the project was being well-managed with respected and capable leadership. The recommendations arising from the ‘critical friend’ review were being built into a formal action plan. The Chief Executive re-iterated that the scheme would need to be kept within budget, as no cost escalations could be accommodated within the constraints of the capital programme. It was suggested that consideration be given to changing some terminology used in the business case.

**RPD**

FIC commended the quality of the business case, supported it, and recommended it for Trust Board approval on 5 September 2019.

**Recommended – that (A) the Children’s Hospital Project Phase be recommended for Trust Board approval on 5 September 2019, and**

**FIC  
Chair  
FIC  
Chair**

**(B) the Reconfiguration Programme Director be requested to give consideration to changing the terminology to 'contribution' where reference was made to 'profit'.**

RPD

## **RESOLVED ITEMS**

### **79/19 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Ms R Brown, Chief Operating Officer; Ms K Jenkins, Non-Executive Director and Mr B Shaw, Director of Productivity.

### **80/19 DECLARATIONS OF INTEREST**

The Chief Financial Officer, the Director of Operational Finance and Mr A Johnson, Non-Executive Director declared their respective roles as a Non-Executive Director, Finance Director and Company Secretary and Non-Executive Chair of Trust Group Holdings Ltd. 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.**

### **81/19 MINUTES**

**Resolved – that the Minutes of the 25 July 2019 Finance and Investment Committee meeting (papers A1 and A2) be confirmed as correct records.**

### **82/19 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.**

### **83/19 KEY ISSUES FOR DISCUSSION/DECISION**

#### **83/19/1 2019/20 Month 4 Financial Performance**

The Chief Financial Officer introduced paper D, advising that the Trust had achieved a year-to-date financial deficit of £22.5m, excluding Provider Sustainability Funding (PSF), Financial Recovery Funding (FRF) and Marginal Rate Emergency Tariff (MRET). Including PSF/FRF/MRET, the Trust had achieved a year-to-date deficit of £13.4m which was in line with plan. Urgent and emergency care activity was over-performing against plan by £7.0m, although this was offset by the blended tariff adjustment of £2.4m and the cost of delivering this additional activity. Under-performance in elective activity was becoming apparent which was partly due to changes in the pension tax annual allowance. Six of the CMGs and the Estates and Facilities Directorate were now reporting a variance against plan in month 4. The Chief Financial Officer would lead a deep dive process into all CMGs to fully understand the drivers for their variances and to validate their respective positions.

**Resolved – that the 2019/20 month 4 financial position be noted.**

#### **83/19/2 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.**

#### **83/19/3 Confidential Report by the Financial Controller**

**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.**

83/19/4 Update on the 2019/20 Capital Programme

Paper G updated the Committee on UHL's draft Capital Programme for 2019/20 which had been constructed on the basis that no external funding would be made available. The total remained at £40.5m. Members were informed of the confirmation of centrally available funding for investment within IM&T at a value of £1.3m. NHSI/E had confirmed that the applications for emergency capital made as part of the original capital plan were now being reviewed but had not yet been approved. The value of these applications was £10m for emergency capital schemes and £8.6m as emergency capital funding for the centralised decontamination business case. The Committee were informed that up to the point of approval, the Trust was only allowed to spend against its reduced capital programme that was set at £40.5m and adjusted for the IM&T central funding of £1.3m as described above. The Finance team continued to liaise with NHSI/E colleagues to progress the decision on the two emergency capital funding applications. In addition, members were advised that a revised draft of the 5 year capital programme would be discussed at the next meeting of the Capital Monitoring and Investment Committee (CMIC) with an updated paper being submitted to the September FIC.

DOF

**Resolved – (A) that the update on the 2019-20 capital programme be received and noted as paper G, and**

**(B) a revised draft of the 5 year capital programme be discussed at the next meeting of the Capital Monitoring and Investment Committee (CMIC) with an updated paper being submitted to FIC in September 2019.**

DOF

83/19/5 UHL Productivity Improvement Programme (PIP)

In the absence of the Director of Productivity, the Chief Financial Officer presented paper H, providing an overview of UHL's Productivity Improvement Programme, advising that savings of £26.8m had been identified against the 2019/20 target of £26.6m. The report was taken as read. The Chief Financial Officer highlighted that securing additional efficiency schemes would be one of the aspects that would be covered within the deep dive process into CMGs. There was a brief discussion on outpatient activity to be undertaken in 2019-20.

**Resolved – that the monthly update on UHL's Productivity Improvement Programme be received and noted as paper H.**

**84/19 ITEMS FOR ASSURANCE**

84/19/1 Future of the LLR Alliance – Post Workshop Update

Ms H Mather, Alliance Director attended the meeting to present paper I2. The LLR Alliance Contract which had commenced in 2014 was on a 3+2+2 basis. The current contract was in the first year of the last 2 year element. At the Commissioning Collaborative Board in February 2019, a discussion took place regarding the future of the Alliance both in 2021 and post 2021. At that meeting, it was suggested that a workshop with all stakeholders be held to review the context of the Alliance in light of the NHS 10-Year Long Term Plan and the development of an LLR Integrated Care System (ICS) workstream. This workshop took place on 18 June 2019 and paper I detailed the outputs of this event.

The workshop concluded that the current Alliance model had been successful in many ways, however, there had been areas where it did not achieve its true potential. There was support that the current model would need to change as part of the Integrated Community Services work, however, it was too early in the ICS system development to say what these

changes would be. There was over-arching support for the Alliance and agreement that lessons learnt should be incorporated into the relevant ICS model and provider Alliance plans. Members were advised that a number of suggestions were under discussion for development and implementation over the coming months.

The Director of Strategy and Communications provided a brief description of UHL's role in an ICS, interface with other providers in an ICS and how might an Alliance/ICS help address the prevailing challenges (paper I1 refers).

**Resolved** – that the contents of papers I1 and I2 be received and noted.

84/19/2 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.

84/19/3 Update on UHL's Commercial Strategy and Intellectual Property Policy

**Resolved** – that an update on this matter had taken place under matters arising (Minute 82/19 above).

85/19 **ITEMS FOR NOTING**

**Resolved** – that the following items be received for noting, at papers K-M2 respectively:-

- (1) timetable for UHL business case approvals;
- (2) FIC calendar of business 2019/20, and
- (3) Executive Quality and Performance Board action notes – 9.7.19 and 13.7.19.

86/19 **ANY OTHER BUSINESS**

There were no items of any other business.

87/19 **ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD**

**Resolved** – that a summary of the business considered at this meeting be presented to the Trust Board meeting on 5 September 2019, and

- (B) the following item be particularly highlighted for the Trust Board's attention:-
- the item at Minute 83/19/2 above.

FIC  
CHAIR

88/19 **DATE OF NEXT MEETING**

**Resolved** – that the next meeting of the Finance and Investment Committee be held on Thursday 26 September 2019 from 8.30am to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 11am

Hina Majeed, **Corporate and Committee Services Officer**

**FIC Attendance Record 2019/20**

Voting Members:

| Name              | Possible | Actual | % attendance | Name                 | Possible | Actual | % attendance |
|-------------------|----------|--------|--------------|----------------------|----------|--------|--------------|
| M Traynor (Chair) | 5        | 5      | 100          | A Johnson            | 5        | 4      | 80           |
| J Adler           | 5        | 4      | 80           | K Singh (Ex-officio) | 5        | 4      | 80           |
| R Brown           | 5        | 4      | 80           | P Traynor            | 5        | 4      | 80           |
| K Jenkins         | 5        | 2      | 40           |                      |          |        |              |

Non-Voting Members:

| Name                                    | Possible | Actual | % attendance | Name       | Possible | Actual | % attendance |
|---|----------|--------|--------------|------------|----------|--------|--------------|
| K Allan (Patient Partner) until 30.5.19 | 1        | 0      | 0            | D Kerr     | 5        | 5      | 100          |
| C Benham                                | 5        | 4      | 80           | M Wightman | 5        | 4      | 80           |