

Trust Board paper P3

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

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

**DATE OF TRUST BOARD MEETING: 7 March 2019**

**COMMITTEE: Finance and Investment Committee**

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

**DATE OF COMMITTEE MEETING: 31 January 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 7/19/1 – financial performance for Month 9, and
- Minute 7/19/4 – progress of the Productivity Improvement Programme.

**DATE OF NEXT COMMITTEE MEETING: 28 February 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 31 JANUARY 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  
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 M Archer – Head of Operations, CSI (for Minute 1/19)  
Mr C Benham – Director of Operational Finance  
Ms C Jones-Manning – Decontamination Lead (for Minute 2/19)  
Mr D Kerr – Director of Estates and Facilities (excluding Minutes 3/19 to 6/19)  
Ms C Langford – Deputy Head of Operations, CHUGGS (for Minute 2/19)  
Mr T Maton – Head of Finance, CSI (for Minute 1/19)  
Dr P Patel – Consultant Metabolic Physician/Chemical Pathologist (for Minute 1/19)  
Mr T Pearce – Major Projects Finance Lead (for Minute 2/19)  
Mrs K Rayns – Corporate and Committee Services Officer  
Mr B Shaw – Director of Efficiency and CIP  
Mr N Sone – Financial Controller (for Minutes 1/19 to 7/19/3 inclusive)  
Mr M Wightman – Director of Strategy and Communications

**RECOMMENDED ITEMS**

**ACTION**

**1/19 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.

**2/19 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.

**RESOLVED ITEMS**

**3/19 APOLOGIES**

An apology for absence was received from Mr K Allen, Patient Partner.

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

**4/19 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 recent appointment to the Cabinet Office as Small Business Crown Representative in relation to agenda item 7/19/3 below

and the impact of delayed NHS payments to small businesses. 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.

## 5/19 MINUTES

**Resolved** – that the Minutes of the Finance and Investment Committee (FIC) meeting held on 20 December 2018 (papers A1 and A2) be confirmed as correct records.

## 6/19 MATTERS ARISING

Paper B detailed the status of all matters arising from the 20 December 2018 FIC meeting and any outstanding matters arising from previous FIC meetings. The Chief Financial Officer highlighted an opportunity to liaise with the Director of Strategy and Communications and the Corporate and Committee Services Officer to consolidate some of the separate actions relating to business and financial planning for 2019/20 which would all be completed over the next 2 months as part of the annual planning process.

CFO

**Resolved** – that the matters arising report and any associated actions above, be noted.

## 7/19 FINANCE AND PLANNING

### 7/19/1 2018/19 Month 9 Financial Performance

Paper E advised that the month 9 (December 2018) deficit of £53.2m excluding Provider Sustainability Funding (PSF) was £29.9m 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 Provider Sustainability Funding (PSF), the year to date deficit was £50.9m which was adverse to plan by £41.9m due to non-recognition of PSF within the Quarter 2 reporting period. Agency staffing expenditure remained below the required threshold, which effectively mandated a 30% reduction on 2015/16 expenditure levels. The forecast outturn against the £51.5m Cost Improvement Programme (CIP) target stood at £49.7m, reflecting a gap of £1.8m.

The Trust continued to forecast a year-end outturn of £51.8m, although there remained a further degree of risk (between £2m and £6m) which was intended to be addressed through increased pay controls and proactive management of risks and opportunities to achieve the best possible outturn with a primary focus on CMG financial performance. The key risks and their mitigations were set out on page 23 of paper E. These included (a) delivery of revised control totals by CMGs and Corporate Directorates, (b) delivery of planned activity and mitigation of winter pressures, (c) delivery of pay controls and associated financial benefits, (d) commissioner affordability and contractual challenges, and (e) sale of the surplus paddock land at Glenfield and receipt of the capital income before the end of March 2019.

**Resolved** – that the Month 9 Financial Performance report be received and noted as paper E.

### 7/19/2 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.

### 7/19/3 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.

7/19/4 UHL Productivity Improvement Programme – Month 9

The Director of Efficiency and CIP introduced paper H providing an overview of the performance status of the programme, progress of the enabling workstreams, key performance indicators, risks and mitigations, cross-cutting workstream highlights, and CMG and Corporate Directorate productivity measures. This month's comprehensive briefing report included updates on the following themes:-

- (a) progress of 2018/19 CIP schemes – the forecast outturn against the £51.5m CIP target for 2018/19 currently stood at £49.4m, but there was a strong level of confidence that the full CIP target would be delivered by 31 March 2019. The proportion of CIP schemes that had been approved via the quality impact assessment process had increased from 67% to 69%;
- (b) development of the 2019/20 Productivity Programme – a revised variable CIP target process had been drafted, but this would require further review to take account of the proposed 2019/20 control total and the associated financial planning bridge. To date, savings of £13.5m had been identified but these schemes were at an early stage of their development;
- (c) an update on potential Section 106 agreements – FIC noted that some helpful discussions had been held with Leicestershire County Council and that further meetings were planned with the legal advisors for progressing this workstream further;
- (d) clinical coding update – FIC recognised the patient quality and financial benefits of improving the amount of clinical coding undertaken from patient case notes and that accurate coding sheets, lists of co-morbidity conditions and outpatient procedure outcomes had been developed for each specialty which had been validated by clinicians and coders. The Clinical Coding Group (chaired by the Chief Operating Officer) was overseeing this workstream. The role of ward clerks was key to ensuring that the clinical notes were available for coding and further investment was being sought within the Clinical Coding Team, and
- (e) the draft UHL Productivity Strategy for 2019-2023 – FIC received and noted this draft iteration of the Strategy, noting that the final version would be re-presented to the February 2019 FIC meeting alongside detailed workstream plans.

DECIP

**Resolved** – that (A) the month 9 update on UHL's Productivity Improvement Programme (PIP) be received and noted as paper H, and

**(B) the Director of Efficiency and CIP be requested to present the final version of the UHL Productivity Strategy for 2019-2023 to the 28 February 2019 FIC meeting.**

DECIP

7/19/5 Update on Patient Level Information Costing System (PLICS), Service Line Reporting (SLR) and Service Line Management (SLM)

The Director of Operational Finance introduced paper I, briefing FIC on the status of the Patient Level Information Costing System (PLICS) at UHL in terms of clinical engagement, national updates and previous and future data submissions. Members noted that the previous reference cost collection for Inpatients, Outpatients and A&E had been replaced with a Patient Level Cost Collection. Due to problems with producing the files and passing them through the NHS Improvement data validation tool, UHL had missed the deadline for voluntary submission of the 2017/18 Costing Transformation Programme (CTP) data. The report highlighted risks surrounding the mandatory 2018/19 CTP PLICS data submission and highlighted an option to re-evaluate the existing costing software.

Discussion took place regarding the arrangements to make PLICS a more integral part of the quality improvement toolkit alongside the Vital Few and Model Hospital workstreams.

The Chief Operating Officer advised that a dedicated discussion on PLICS was scheduled for the March 2019 Operational Management Group meeting.

**Resolved** – that the update of PLICS be received and noted as paper I.

7/19/6 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.

## 8/19 STRATEGIC ISSUES

8/19/1 Confidential Report by the 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.

8/19/2 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.

8/19/3 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.

## 9/19 SCRUTINY AND INFORMATION

9/19/1 Strategic Reconfiguration Programme – Project Plan and Timetable for Business Cases

**Resolved** – that the update on the Strategic Reconfiguration Programme be received and noted as paper N.

9/19/2 Finance and Investment Committee Calendar of Business 2018/19

**Resolved** – that the FIC calendar of business for 2018/19 be received and noted as paper O.

9/19/3 Executive Performance Board

**Resolved** – that the notes of the 27 November 2018 Executive Performance Board meeting be received and noted as paper P.

9/19/4 Capital Monitoring and Investment Committee (CMIC)

**Resolved** – that (A) the notes of the CMIC meeting held on 20 November 2018 be received and noted as paper Q, and

(B) the notes of the CMIC meeting held on 29 October 2018 be presented to the January 2019 FIC meeting.

9/19/5 Revenue Investment Committee (RIC)

**Resolved** – that the notes of the RIC meeting held on 20 November 2018 be

presented to the January 2019 FIC meeting.

**10/19 ANY OTHER BUSINESS**

**Resolved** – that no items of any other business were noted.

**11/19 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 7 February 2019, and

**CCSO/  
Chair**

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

- Minute 7/19/1 – financial performance for Month 9, and
- Minute 7/19/4 – progress of the Productivity Improvement Programme.

**12/19 DATE OF NEXT MEETING**

**Resolved** – that the next meeting of the Finance and Investment Committee be held on Thursday 28 February 2019 from 8.30am to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 11:18am

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)	10	10	100	A Johnson	10	9	90
J Adler	10	8	80	R Moore (to 29.11.18)	8	5	63
R Brown (from 28.6.18)	8	7	88	K Singh (Ex-officio)	10	8	80
E Doyle (to 21.6.18)	2	2	100	P Traynor	10	9	90
K Jenkins (from 1.12.18)	2	2	100				

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
K Allan (Patient Partner)	10	4	40	D Kerr	10	8	80
C Benham	10	10	100	M Wightman	10	10	100