

Trust Board paper J4

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

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

**DATE OF TRUST BOARD MEETING: 5 March 2020**

**COMMITTEE: Finance and Investment Committee (FIC)**

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

**DATE OF COMMITTEE MEETING: 30 January 2020**

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

- None

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

- None

**DATE OF NEXT COMMITTEE MEETING: 27 February 2020**

**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 30 JANUARY 2020 AT 8AM 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 and Audit Committee Non-Executive Director Chair (from Minute 4/20 [part])  
Mr A Johnson – Non-Executive Director and People, Process and Performance Committee [PPPC] Non-Executive Director Chair  
Mr S Lazarus – Interim Chief Financial Officer  
Mr K Singh – Trust Chairman (non-voting *ex-officio*)

**In Attendance:**

Mr D Kerr – Director of Estates and Facilities  
Ms A Poole – Senior Manager Special Projects (for Minute 5/20/3)  
Mr B Shaw – Director of Productivity  
Mr J Shuter – Deputy Chief Financial Officer  
Mr N Sone – Financial Controller  
Ms H Stokes – Corporate and Committee Services Manager  
Ms L Wall – Head of Contracts (for Minute 6/20/3)  
Mr M Wightman – Director of Strategy and Communications (up to and including Minute 5/20/3)

**RESOLVED ITEMS**

**ACTION**

**1/20 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**2/20 DECLARATIONS OF INTERESTS**

Mr A Johnson Non-Executive Director, the Interim Chief Financial Officer, and the Deputy Chief Financial Officer declared their roles as (respectively) Non-Executive Chair, Non-Executive Director, and the Finance Director and Company Secretary of Trust Group Holdings Ltd. FIC had also previously been advised of the FIC Non-Executive Director Chair's role with the Cabinet Office as Small Business Crown Representative. As these were judged by the Committee to be non-prejudicial interests, they remained present at the meeting.

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

**3/20 MINUTES**

**Resolved** – that the Minutes of the 19 December 2019 Finance and Investment Committee meeting be confirmed as a correct record.

**4/20 MATTERS ARISING**

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

**5/20 KEY ISSUES FOR DISCUSSION/DECISION**

5/20/1 Report by the Interim Chief Financial Officer

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

5/20/2 Report by the Financial Controller

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

As detailed in paper E, the Director of Productivity updated FIC on progress against UHL's Productivity Improvement Programme 2019/20, advising that savings of £27.2m had been identified against the target of £26.6m, and confirming that a newly-appointed transformation lead would be exploring GIRFT (Getting It Right First Time) issues in more detail. Programme delivery nonetheless remained challenging. In discussion, FIC was particularly advised of further developments re: Section 106 agreements, noting a proposed meeting between the Director of Productivity, the Director of Estates and Facilities, the FIC Non-Executive Director Chair and the Interim Chief Financial Officer to discuss the Trust's approach.

**DoP/  
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CHAIR/  
ICFO**

In response to queries from the Audit Committee Non-Executive Director Chair on the PIP key performance indicators (KPIs), the Director of Productivity clarified that:-

[i] the decreased number shown for the 'quality of coding – GP letter accuracy' KPI was a positive development, as it related to the number of returned letters; that KPI remained red, however, because UHL's aspiration was to move below 1000. In further discussion on that indicator the Audit Committee Non-Executive Director Chair requested that the number of GP letters returned for 2018/19 as a whole be confirmed, and

**DoP**

[ii] the reduced figures for the 'cost per HWAU' KPI also represented an improvement, which was expected to reflect well for UHL in the 2020/21 Model Hospital data.

The Senior Manager Special Projects then attended to present the scheduled deep-dive into the surgical care programme – this consolidated Quality Improvement programme covered projects within 5 key domains: productivity; preparation for surgery (P4S); theatre refurbishment; equipment, and theatre reconfiguration, with an estimated 'high' financial impact (in excess of £1.5m therefore). To date, £1.46m savings had been identified against a target of £1.6m, and challenges included how to move forward into 2020/21 and increase efficiency further without necessarily increasing activity; work had begun with Finance to identify true 'cost out' schemes for the coming year. The Senior Manager Special Projects advised that the aims of the reconfiguration elements of the surgical care programme had been achieved (including piloting a new day case model of care at the Leicester General Hospital in preparation for the Treatment Centre), and she emphasised the strong level of clinical support for the Leicester General Hospital day case model. FIC was advised of the potential productivity opportunities within the surgical care day case model journey as a whole (system overview, eg from referral to surgery) – eg different triaging models – and also noted the programme's alignment with the e-hospital priorities. The presentation also set out proposals for addressing the various challenges and barriers, and the Senior Manager Special Projects noted that the 'preparation for surgery' workstream was now moving into a clinician-led implementation phase.

In response to a query from the FIC Non-Executive Director Chair, the Chief Operating Officer advised that Deloitte had not been involved with this project. In response to the surgical care programme presentation, FIC particularly discussed:-

- (a) the need to ensure optimum use of Alliance and community capacity in a holistic approach, underpinned by consistent and integrated ways of working and mindsets;
- (b) the impact of the new aligned incentive contract arrangements for 2020/21, noting moves away from incentivising additional activity. The Senior Manager Special Projects commented on the need for an appropriately-adaptive approach to theatre scheduling. With regard to the new contract, the People Process and Performance Non-Executive Director Chair emphasised the need for top-down clarity (from Executive Directors cascading through to frontline staff) on the new business model – the Audit Committee Non-Executive Director Chair also requested that FIC be briefed on the new operating model and its impact on numbers. In response, the Chief Operating Officer provided assurance that the Executive Team was very clear on the new approach, and she outlined the significant work done by the Strategy team to share this through the Trust. She also reiterated that the surgical care programme was looking at real transformational change to drive productivity gains;
- (c) the need to retain an appropriate mix of complex and high volume work within UHL, and
- (d) (recognising the difficulty of delivering significant true 'cost out' savings in theatres, due partly to their fixed cost base) comments from the Chief Operating Officer on the need for a focus on operating as efficiently as possible to drive productivity savings elsewhere in the process. In further discussion, the Director of Estates and Facilities highlighted the fragile position of some of UHL and the Alliance's theatres infrastructure and equipment. While some of this would be addressed through the reconfiguration programme, an appropriately-scheduled internal CRL

**ICFO**

programme was also required, and the Director of Estates and Facilities was meeting with the Chief Operating Officer to discuss this further.

**Resolved** – that (A) the monthly update on UHL’s Productivity Improvement Programme and the deep dive into the surgical care programme [including theatres work] be noted;

(B) a meeting be held to discuss the Trust’s approach to section 106 issues;

(C) confirmation be provided to the Audit Committee Non-Executive Director Chair outside the meeting, of the 2018/19 number of GP letters returned, and

(D) consideration be given to the best way of ensuring that FIC was appropriately briefed on the new contract/business operating model and any financial impacts (potentially through a Trust Board thinking day).

DoP/DEF  
/FIC NED  
CHAIR

DoP

ICFO

5/20/4 Update on the 2019/20 Capital Programme

The Interim Chief Financial Officer updated FIC on the 2019/20 £51.6m capital plan, with capital expenditure of £22.5m reported as at month 9 (December 2019). Noting comments from the Deputy Chief Financial Officer on likely natural slippage in the 2019/20 capital programme, the Trust Chairman queried how confident the Trust was of spending the remainder of the programme before year-end; this had also been appropriately challenged through a recent Capital Monitoring and Investment Committee meeting, and the Director of Estates and Facilities noted his assurance that the 2019/20 estates capital allocation would be spent. FIC noted the standard NHS requirements for invoicing as now set out by the Interim Chief Financial Officer (ie based on delivery of the asset), and was advised that there was still sufficient lead-in time for medical equipment ordered now to be on-site by year end. The PPPC Non-Executive Director Chair noted that 19/20 quarter 4 spend would result in a commensurate 20/21 quarter 1 creditor profile. The 2020/21 capital programme was challenging, and the Deputy Chief Financial Officer noted the aim of avoiding a back loaded quarter 4 increase in the spending profile for that year.

**Resolved** – that the update on the 2019/20 capital programme be received and noted as paper G1.

5/20/5 Report by the Interim Chief Financial Officer

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

5/20/6 Report by the Interim Chief Financial Officer

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

5/20/7 Cancer, Haematology, Urology, Gastroenterology and General Surgery (CHUGGS) Clinical Management Group – Financial Performance

**Resolved** – that the report (requested by the Audit Committee Non-Executive Director Chair) be received and noted, without discussion.

6/20 ITEMS FOR ASSURANCE

6/20/1 Alliance Quarterly Update

**Resolved** – it be noted that with the agreement of the FIC Non-Executive Director Chair, this item had been deferred to the February 2020 FIC meeting, to enable the Alliance to attend.

CCSM

6/20/2 Verbal report by the Director of Estates and Facilities

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

6/20/3 Report by the Interim Chief Financial Officer

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

7/20 ITEMS FOR NOTING

**Resolved** – that (A) the following items be received and noted at papers K – M respectively:

- (1) Reconfiguration programme update and timetable for business case approvals;
- (2) FIC calendar of business 2019/20;
- (3) Executive Performance Board action notes from 17.12.19, and

(B) it be noted that action notes from the Revenue Investment Committee, and the Capital Monitoring and Investment Committee would be submitted to FIC once available.

8/20 ANY OTHER BUSINESS

There were no items of Any Other Business.

9/20 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 6 February 2020, and

FIC NED  
CHAIR

(B) the items from confidential Minutes 5/20/1, 5/20/2, and 5/20/5 be particularly highlighted for the Trust Board’s attention.

FIC NED  
CHAIR

10/20 DATE OF NEXT MEETING

**Resolved** – that the next meeting of the Finance and Investment Committee be held on Thursday 27 February 2020 from 8am to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 11.07am

Helen Stokes **Corporate and Committee Services Manager**

**FIC Attendance Record 2019/20**

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	10	10	100	S Lazarus (Interim CFO from 12.12.19)	2	2	100
J Adler	10	8	80	K Singh ( <i>ex officio</i> )	10	9	90
R Brown	10	8	80	P Traynor (CFO until 31.10.19)	7	6	86
K Jenkins	10	7	70	C Benham (Acting CFO from 1.11.19 to 31.12.19)	1	1	100
A Johnson	10	9	90				

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
K Allan (Patient Partner) until 30.5.19	1	0	0	J Shuter (DCFO from 13.1.20)	1	1	100
C Benham (DOF until 31.12.19)	8	7	88	M Wightman	10	8	80
D Kerr	10	9	90				