

Trust Board paper I3

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 4 February 2021

COMMITTEE: Finance and Investment Committee (FIC)

CHAIR: Mr A Johnson, Non-Executive Director and FIC Chair

DATE OF COMMITTEE MEETING: 17 December 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:

- 2021/22 Planning Process update (Minute 84/20/1)

DATE OF NEXT COMMITTEE MEETING: 28 January 2021

Mr A Johnson, Non-Executive Director and FIC Chair

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON THURSDAY 17 DECEMBER 2020 AT 9AM VIA MICROSOFT TEAMS

Voting Members Present:

Mr A Johnson – Non-Executive Director (Committee Chair)
Mr S Lazarus – Chief Financial Officer
Mr M Traynor – Non-Executive Director

In Attendance:

Miss M Durbridge – Director of Quality Transformation and Efficiency Improvement
Mr D Kerr – Director of Estates and Facilities (for Minutes 77/20 and 80/20 to 83/20 inclusive)
Mr S Pizzey – Head of Strategy and Planning (for Minutes 77/20, 78/20 and 80/20 to 83/20 inclusive)
Ms K Rayns – Corporate and Committee Services Officer
Mr J Shuter – Director of Operational Finance
Mr M Williams – Non-Executive Director

ACTION

RECOMMENDED ITEMS

- 77/20 REPORT FROM THE DIRECTOR OF ESTATES AND FACILITIES**
- Recommended** – that this item be classed as confidential and taken in private accordingly.
- 78/20 REPORT FROM THE DIRECTOR OF QUALITY TRANSFORMATION AND EFFICIENCY IMPROVEMENT**
- Recommended** – that this item be classed as confidential and taken in private accordingly.
- 79/20 REPORT FROM THE CHIEF FINANCIAL OFFICER**
- Recommended** – that this item be classed as confidential and taken in private accordingly.

RESOLVED ITEMS

- 80/20 APOLOGIES FOR ABSENCE**
- Apologies for absence were received from Ms D Mitchell, Acting Chief Operating Officer and Mr R Cooper, Financial Improvement Director.
- 81/20 DECLARATIONS OF INTERESTS**
- Mr A Johnson FIC Non-Executive Director Chair, Mr S Lazarus Chief Financial Officer, and Mr J Shuter Director of Operational Finance declared their roles as (respectively) Non-Executive Chair, and the Finance Director and Company Secretary of Trust Group Holdings Ltd. Mr M Traynor Non-Executive Director also declared his 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.
- 82/20 MINUTES OF NOVEMBER 2020 FIC**
- Resolved** – that the Minutes of the 26 November 2020 Finance and Investment Committee be confirmed as a correct record.
- 83/20 MATTERS ARISING LOG**
- The FIC Non-Executive Director Chair undertook a review of the matters arising log provided at paper B, commenting that the majority of entries on the action log were either complete or

LEADS

on track, noting also that the reasons for any delays with specific actions were clearly understood. The Director of Estates and Facilities highlighted some potential duplication between item 8 from the 26 November 2020 FIC and item 18 from the 30 July 2020 FIC and it was agreed to close the latter entry and remove it from future iterations of the progress log. The matters arising log would be amended to reflect this change.

Resolved – that the matters arising log be noted and updated to reflect any further verbal updates now provided, and any related actions be progressed by the identified lead.

LEADS

84/20 KEY ISSUES FOR DISCUSSION AND ASSURANCE

84/20/1 2021/22 Planning Process Update

The Head of Strategy and Planning shared some presentation slides briefing FIC on progress with the 2021/22 planning process to date and the next steps. He acknowledged the exceptional leadership and support demonstrated by the Chief Financial Officer, Director of Operational Finance and Mr S Wombwell, Financial Consultant which he felt had benefited the process greatly. The presentation slides (which had also been considered at the Executive Strategy Board meeting held on 1 December 2020) had been circulated in advance of the meeting as paper D. A detailed narrative was provided within paper D for each of the three planning scenarios (best, likely and worst case) which broadly centred around Covid-19 levels, the ability to restore elective activity and staff sickness.

The Phase 4 planning guidance (which was due to be issued imminently) was expected to require all Trusts to completely clear their 52-week backlogs during 2021/22 and accurate costings were being worked up to support that level of restoration and recovery. The planning process, principles and timetable had all been signed-off at an Executive level prior to the CMG Launch meetings which would ensure that the CMG teams were aware of and appropriately engaged in the business planning principles and processes. The second of the multi-agency 'lock-in' events was being held later that day to review the CMGs' activity plans, cost pressures and service development proposals. Feedback from these 'lock-in' events would be provided to the CMGs ahead of the activity/income check and challenge meetings on 8 January 2021. Executive check and challenge meetings were due to commence on 15 February 2021 and the first cut budgets would be prepared at the beginning of March 2021. Formal approval of the 2021/22 budgets would be sought at the 25 March 2021 FIC and 1 April 2021 Trust Board meetings.

In parallel, the Head of Strategy and Planning advised that a benefits realisation process was being undertaken in respect of previous years' service investments and consideration would be given to disinvesting in any services which were not fully delivering their forecast benefits. Mr M Traynor, Non-Executive Director commended this sensible approach. The FIC Non-Executive Director Chair thanked the Head of Strategy and Planning for his logical presentation and he confirmed his support of the post-investment reviews, noting that this was crucial to driving accountability. He also noted an opportunity to strengthen the ability of CMG teams in identifying any rate-limiting factors to improving service capacity, both within and outside of their established cost base. In order to achieve true cost reductions, it would be necessary to eliminate such rate-limiting factors or (at least) reduce them to a minimum. FIC received and noted the update on the 2021/22 planning process, and endorsed the approach being adopted.

Resolved – that (A) the presentation on the 2021/22 planning process be received and noted, and

(B) the Chief Financial Officer be requested to seek formal approval of the 2021/22 budgets at the 25 March 2021 FIC and 1 April 2021 Trust Board meetings.

84/20/2 Report from the Director of Operational Finance

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

84/20/3 Report from the Chief Financial Officer

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

84/20/4 Report from the Financial Improvement Director

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

84/20/5 Report from the Chief Financial Officer

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

84/20/6 Financial Recovery Board (FRB)

Resolved – that the actions from the 17 November 2020 and 1 December 2020 FRB meetings, and the agenda from the 15 December 2020 FRB meeting, be noted.

85/20 **ITEMS FOR NOTING**

Resolved – that the Executive Finance and Performance Board action notes from 24 November 2020 and the agenda from the Executive Finance and Performance Board meeting held on 15 December 2020 be noted for information.

86/20 **ANY OTHER BUSINESS**

There were no items of any other business.

87/20 **IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD**

Resolved – that the items in private Minutes 77/20, 78/20 and 79/20 be recommended for approval by the 7 January 2021 Trust Board, and the item in private Minutes 84/20/3 be highlighted to the 7 January 2021 Trust Board for information.

FIC NED
CHAIR

88/20 **DATE OF NEXT MEETING**

Resolved – that (A) the next meeting of the Finance and Investment Committee be held virtually on Thursday 28 January 2021, from 9am to 11.15am via Microsoft teams, and

(B) the FIC meeting dates in 2021/22 be confirmed as follows (with all meetings to run from 9am to 11.15am):-

Thursday 25 February 2021;
Thursday 25 March 2021;
Thursday 29 April 2021;
Thursday 27 May 2021;
Thursday 24 June 2021;
Thursday 29 July 2021;
Thursday 26 August 2021;
Thursday 30 September 2021;
Thursday 28 October 2021;
Thursday 25 November 2021;
Thursday 23 December 2021;
Thursday 27 January 2022;
Thursday 24 February 2022, and
Thursday 31 March 2022.

The meeting closed at 11.15am

Kate Rayns
Corporate and Committee Services Officer

FIC Attendance Record 2020/21

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
A Johnson (Chair)	9	9	100	S Lazarus	9	7	78
K Jenkins (until end June 2020)	3	3	100	D Mitchell (Sep+)	4	3	75
				M Traynor	9	9	100

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
J Shuter	9	8	89	M Williams (Sep+)	4	4	100