

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON THURSDAY 26 AUGUST 2021 AT 9AM VIA MICROSOFT TEAMS

Voting Members Present:

Mr M Williams – Non-Executive Director and Deputy FIC Chair (Acting FIC Chair for this meeting)
 Ms R Brown – Acting Chief Executive
 Mr A Furlong – Medical Director
 Mr S Lazarus – Chief Financial Officer
 Ms D Mitchell – Acting Chief Operating Officer
 Mr B Patel – Non-Executive Director

In Attendance:

Miss M Durbridge – Director of Quality Transformation and Efficiency Improvement
 Ms K Gillatt – Associate Non-Executive Director
 Mr A Haynes – Adviser to the Trust Board
 Mr D Kerr – Director of Estates and Facilities (for Minutes 79/21 – 84/21/1 inclusive, and for Minute 84/21/4)
 Mr T Moore – Deputy Financial Improvement Director (for Minute 84/21/6)
 Mr I Orrell – Associate Non-Executive Director
 Ms H Stokes – Corporate and Committee Services Manager

		<u>ACTION</u>
	<u>RECOMMENDED ITEMS</u>	
79/21	REPORT FROM THE DIRECTOR OF ESTATES AND FACILITIES	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
	<u>RESOLVED ITEMS</u>	
80/21	APOLOGIES FOR ABSENCE AND WELCOME	
	Apologies for absence were received from Mr A Johnson FIC Non-Executive Director Chair, and Mr R Cooper Financial Improvement Director. The meeting would be chaired by Mr M Williams, Non-Executive Director and FIC Deputy Chair.	
81/21	DECLARATIONS OF INTERESTS	
	Ms K Gillatt, Associate Non-Executive Director and Mr S Lazarus Chief Financial Officer, and Mr J Shuter Director of Operational Finance declared their roles as (respectively) Non-Executive Directors, and Finance Director and Company Secretary of Trust Group Holdings Ltd. As these were judged by the Committee to be non-prejudicial interests, they remained present at the meeting.	
	<u>Resolved</u> – that the declarations of interests be noted.	
82/21	MINUTES	
	<u>Resolved</u> – that the Minutes of the 29 July 2021 Finance and Investment Committee be confirmed as a correct record.	
83/21	MATTERS ARISING LOG	
	<u>Resolved</u> – that this item be classed as confidential and taken in private accordingly.	
84/21	KEY ISSUES FOR DISCUSSION AND ASSURANCE	
84/21/2	<u>Report from the Director of Estates and Facilities</u>	
	<u>Resolved</u> – that this item be classed as confidential and taken in private accordingly.	

84/21/2	<u>2021/22 Month 4 Financial Position</u>	
	<p>In presenting paper D, the Chief Financial Officer briefed FIC on the Trust's year to date financial performance as at month 4, noting that the Trust was ahead of both plan and the H1 forecast. The actual position (including Top Up funding) was a £4.6m surplus, which was £1.1m favourable to forecast and £1.7m favourable to plan. The Trust's cash position remained very strong. UHL continued to work closely with system colleagues regarding the overall break-even financial position for H1, which remained on track. UHL's H1 forecast assumed £3m of Elective Recovery Fund (ERF) monies, and the timing of that expenditure was being reviewed further in month 5. The Trust continued to face very significant operational pressures particularly in ED, and was working closely with system colleagues regarding the integrated, collaborative use of as much non-recurrent system headroom funding as possible to address these pressures (re: both restoration and recovery and emergency care pressures, on a non-recurrent basis). In response to a query from the FIC Non-Executive Director Acting Chair, the Chief Financial Officer noted the likely level of headroom funding available.</p> <p>In discussion on the month 4 financial report, Non-Executive Director members of FIC particularly queried the pay trend upswing forecast in months 5 and 6, given the current position of a significant pay underspend against plan. Ms K Gillatt Associate Non-Executive Director particularly sought assurance that the pay/WTE forecasts were accurate, and queried whether the current underspend position would continue. The FIC Non-Executive Director Acting Chair advised that system-wide staff recruitment and retention risks were being discussed by the ICS. The Chief Financial Officer and the Acting Chief Operating Officer acknowledged that staffing levels across the Trust were challenging, with an impact on risk, capacity, and urgent care delivery, and they noted the need to invest non-recurrently in medical and nursing staff in order to manage emergency pressures and ensure that the elective targets for ERF monies could be delivered. Current Covid-19 pressures were impacting significantly on elective capacity, and on (eg overseas) staff recruitment. The Acting Chief Operating Officer and the Acting Chief Executive advised that the pay position was being reforecast, and they noted the need to explore all appropriate options for meeting staffing level requirements. Enhanced support had also been put in place within the Trust's recruitment team and the locum/bank booking team, to expedite processes. The Trust's priority continued to be to address clinical risk, and the Acting Chief Executive advised FIC that some of the planned workforce efficiency cost improvement programme schemes were likely to be temporarily paused. In response to an Associate Non-Executive Director query on the position of the risk register and the frequency that document should be seen at Trust Board, the Acting Chief Executive provided assurance that workforce risks were well-documented and monitored at Executive and organisational level, and the FIC Non-Executive Director Acting Chair advised that a Trust Board workshop on the Board Assurance Framework/risk register was scheduled for September 2021.</p>	
	<p>FIC Non-Executive Directors considered that the alignment between HR and Finance could be improved in terms of the pay runrate, and queried whether a deeper understanding of forecasting was required through the Trust. Ms K Gillatt Associate Non-Executive Director considered that a more forensic tracking of the position would be beneficial. The Chief Financial Officer emphasised the need for Clinical Management Groups (CMGs) to be accountable for their own forecasting, with appropriate central assurance then obtained through rigorous Executive confirm and challenge sessions with those CMGs. Although agreeing the need for CMGs to appropriately triangulate their activity and workforce plans, the Acting Chief Operating Officer reiterated earlier comments over the continuing significant pressures on staff as a result of Covid-19, and she noted that CMGs had initially needed to develop ambitious activity (and therefore workforce) forecasts to meet restoration and recovery targets. Although significant progress had been made on CMG forecasting, that process of improvement continued. The FIC Non-Executive Director Acting Chair strongly emphasised the need for UHL to sharpen its forecasting ability, noting the need to maintain credibility at system level in terms of the forecast break-even position. The FIC Non-Executive Director Acting Chair noted that the discussions above on forecasting, staff pressures, and the impact on service delivery would be highlighted to Trust Board members for information.</p>	FIC NED CHAIR
	<p><u>Resolved</u> – that the 2021/22 month 4 finance report be noted, and the following issues be highlighted to the 2 September 2021 Trust Board via the summary of this meeting: financial forecasting ability, staffing pressures and impact on service delivery.</p>	FIC NED CHAIR

84/21/3	<u>2021/22 Becoming the Best Transformation and Cost Improvement Programme Update</u>	
	<p>The Director of Quality Transformation Efficiency and Improvement presented the report at paper E, noting that the September 2021 FIC would also receive a detailed update on the enabling work of the Improvement Collaborative (linked to transformation programmes such as endoscopy, fractured neck of femur, and surgery). A detailed report on Quality Impact Assessments was being discussed by the August 2021 Quality Committee. With regard to the H1 position, the amount of cash-releasing schemes on the tracker now stood at £8.075m (the Estates and Facilities rebate having now been received), with the transacted amount having increased to £5.5m since the previous update. The recurrent/non-recurrent split of savings also continued to improve. The Director of Quality Transformation Efficiency and Improvement also highlighted the 3 transformation projects approved by the Financial Recovery Board, as detailed in section 6 of paper E. Strengthened governance and oversight of the workforce CIP workstreams was in place, eg through the role of the Premium Spend and Workforce Efficiency Group. Noting that H1 now looked to deliver approximately twice what had been planned, the FIC Non-Executive Director Acting Chair queried how this impacted on H2 and on the break-even position being forecast for H1.</p> <p>Following on from the month 4 finance report discussion in Minute 84/21/2 above, the Director of Quality Transformation Efficiency and Improvement advised FIC that some of the theatres productivity schemes had been temporarily halted, in light of the current constraints on elective work. Although £2.9m of workforce-related scheme savings would be delivered in H1, the Trust was now reviewing whether it was appropriate to continue with all of the planned H2 actions, given the clinical risk position. In response to a query from the FIC Non-Executive Director Deputy Chair, the Director of Quality Transformation Efficiency and Improvement provided examples of how/where premium pay savings had been delivered in H1; the examples provided included converting locum posts in dermatology and rheumatology into substantive posts, and reviewing skillmix requirements when posts became vacant. Locum payment levels were a recognised issue within hard to recruit to specialties. The FIC Non-Executive Director Acting Chair queried the extent to which such examples addressed premium pay spend. The Acting Chief Executive provided assurance that significant work was also underway to address underlying process issues, such as bringing the Trust into line on Agenda for Change overtime provisions re: part-time staff, and reducing the number of different Waiting List Initiative rates. FIC Non-Executive/Associate Non-Executive Directors sought assurance that changes would be appropriately embedded and therefore sustained; the Acting Chief Operating Officer advised that this would be the case, but both she and the Acting Chief Executive emphasised the need to consider what measures were appropriate at the current time of significant Covid-19 challenges and resulting activity pressures.</p>	DQTEI
	Resolved – that an update on the Improvement Collaborative work be included in the next FIC transformation and CIP report.	DQTEI
84/21/4	<u>Report from the Chief Financial Officer</u>	
	Resolved – that this item be classed as confidential and taken in private accordingly.	
84/21/5	<u>Report from the Chief Financial Officer</u>	
	Resolved – that this item be classed as confidential and taken in private accordingly.	
84/21/6	<u>Roadmap to Sustainable Financial Improvement</u>	
	<p>The Acting Chief Executive and the Deputy Financial Improvement Director presented the August 2021 iteration of the assurance roadmap at paper H, which would be further updated for the September 2021 Trust Board. They took FIC through the current RAG ratings for each of the 5 key risks, and FIC noted its agreement with each. The Deputy Financial Improvement Director also particularly outlined his ongoing work with the Director of Operational Finance on the grip and control checklist (a detailed progress report on which was scheduled for the end of September 2021 Financial Recovery Board), emphasising that the checklist was not a 'checkbox' exercise.</p>	
	Resolved – that the position be noted.	

74/21/7	Report from the Chief Financial Officer	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
74/21/8	Financial Recovery Board (FRB)	
	Resolved – that the 21 July 2021 and 4 August 2021 FRB action notes, the 18 August 2021 FRB actions, and the 18 August 2021 FRB agenda be noted (papers J1 – J4 respectively).	
75/21	ITEMS FOR NOTING	
	Resolved – that the following items be received and noted at papers K2 and K2 respectively: (1) the 27 July 2021 Executive Finance and Performance Board action notes, and (2) the 24 August 2021 Executive Finance and Performance Board agenda.	
76/21	ANY OTHER BUSINESS	
	There were no items of any other business.	
77/21	IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD	
	Resolved – that (A) the item in confidential Minute 79/21 be recommended to the 2 September 2021 Trust Board for approval (specific element of the discussion also highlighted to the Trust Board for information), and (B) the discussions in Minute 84/21/2 and confidential Minute 84/21/4 be highlighted to the 2 September 2021 Trust Board for information.	FIC NED CHAIR FIC NED CHAIR
78/21	DATE OF NEXT MEETING	
	Resolved – that the next meeting of the Finance and Investment Committee be held virtually on Thursday 30 September 2021, from 9am to 11.15am via Microsoft teams.	

The meeting closed at 11.16am

Helen Stokes **Corporate and Committee Services Manager**

FIC Attendance Record 2021/22

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
A Johnson (Chair)	5	4	80	S Lazarus	5	4	80
R Brown	2	2	100	D Mitchell	5	4	80
I Crowe	3	3	100	B Patel	5	5	100
A Furlong	2	1	50	M Williams	5	5	100

Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Durbridge	5	4	80	I Orrell	5	5	100
K Gillatt	5	5	100	J Shuter	5	4	80
A Haynes	2	2	100				