UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON THURSDAY 30 SEPTEMBER 2021 AT 9AM VIA MICROSOFT TEAMS

Voting Members Present:

Mr A Johnson – FIC Non-Executive Director Chair Ms R Brown – Acting Chief Executive (up to and including Minute 94/21/4) Mr S Lazarus – Chief Financial Officer Ms D Mitchell – Acting Chief Operating Officer Mr B Patel – Non-Executive Director Mr M Williams – Non-Executive Director

In Attendance:

Mr R Cooper - Financial Improvement Director

Miss M Durbridge – Director of Quality Transformation and Efficiency Improvement (up to and including Minute 94/21/5)

Ms K Gillatt - Associate Non-Executive Director

Mr A Haynes – Adviser to the Trust Board

Mr D Kerr - Director of Estates and Facilities (for Minute 89/21, and Minutes 94/21/1 - 94/21/2 inclusive)

Mr I Orrell – Associate Non-Executive Director

Mr J Shuter – Director of Operational Finance

Ms H Stokes – Corporate and Committee Services Manager

		ACTION
	RECOMMENDED ITEMS	
89/21	REPORT FROM THE DIRECTOR OF ESTATES AND FACILITIES	
	Recommended – that this Minute be classed as confidential and taken in private accordingly.	
	RESOLVED ITEMS	
90/21	APOLOGIES FOR ABSENCE AND WELCOME	
	Apologies for absence were received from Mr A Furlong, Medical Director.	
91/21	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.	
	Resolved – that the declarations of interests be noted.	
92/21	MINUTES	
	Resolved – that the Minutes of the 26 August 2021 Finance and Investment Committee be confirmed as a correct record.	
93/21	MATTERS ARISING LOG	
	Ms K Gillatt Associate Non-Executive Director noted the need for a '3' rating to be applied to actions where timescales had slipped.	
	Resolved – that the FIC matters arising log be noted, and any updates provided at this meeting be reflected in the next iteration.	
94/21	KEY ISSUES FOR DISCUSSION AND ASSURANCE	

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94/21/2	Report from the Director of Estates and Facilities	
	Resolved – that this item be classed as confidential and taken in private accordingly.	
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94/21/2	2021/22 Capital Plan Month 5 Update	
	As detailed in paper D, expenditure was slightly behind plan (£2.5m variance), with a current forecast year-end underspend of £0.5m. The Capital Monitoring and Investment Committee (CMIC) continued to closely monitor UHL's capital spend, to ensure that the system (STP) allocation was spent in full as it could not be carried forward. The FIC Non-Executive Director Chair expressed his concern over the reconfiguration capital element which currently accounted for half the variance, and he sought assurance on what corrective steps were being taken to address the capital programme underspend, and specifically what contingency actions were planned. Noting that NHS capital programmes inevitably accelerated towards year-end, the Chief Financial Officer also voiced his confidence in the oversight role of CMIC, and expressed his view that all of the 2021/22 allocation would be spent. The Director of Operational Finance provided additional assurance, informing FIC that the CMIC subgroups re: the estates, medical equipment, and IM&T capital programmes were continuously reviewing potential bring-forward schemes; that overall bring-forward plan was scheduled to be presented to FIC in October 2021.	
	Ms K Gillatt Associate Non-Executive Director sought assurance that the bring-forward schemes would be appropriately targeted at high-risk areas, and would include IM&T enabling schemes to facilitate cash-releasing efficiencies. She also suggested that it would be beneficial to over-commit the Trust's capital plan, to allow for slippage. The Director of Operational Finance and the Director of Estates and Facilities reiterated their confidence that appropriate measures were already in place, with contingency/bring-forward plans identified by the subject expert CMIC subgroups on IM&T, estates and medical equipment. The Director of Estates and Facilities provided further assurance by advising that a risk-assessed master list was in place, with the highest risk areas appropriate prioritised when looking at bring-forward proposals. At the request of the FIC Non-Executive Director Chair, it was confirmed that the month 6 capital update to the October 2021 FIC would also capture the Linac installation costs.	CFO
	Resolved – that information on the Linac installation costs be included in the next capital update to FIC.	CFO
94/21/3	2021/22 Month 5 Financial Position	
	As detailed in paper E, as at month 5 the Trust was ahead of both plan and the H1 forecast. The cash position remained strong. UHL's actual financial position (including Top Up funding) was a £7.1m surplus, which was £3.8m favourable to forecast and £5.4m favourable to plan, primarily due to operational drivers (the continued constraints on elective recovery activity due to very significant emergency pressures). The Acting Chief Operating Officer expanded on this issue, briefing FIC further on the activity position and specific pressures facing UHL, and advised of her view that winter would be extremely challenging despite the operational plans in place. She also commented on the need for a risk-related narrative. Staff were under continued extreme pressure, and although CMG forecasting ability had improved generally, the current lack of predictability re: activity was challenging. The FIC Non-Executive Director Chair considered that recruitment continued to be a concern in terms of UHL's ability to manage restoration and recovery and winter pressures. Although recent national changes to infection prevention requirements would improve throughput/utilisation, this concern was recognised by the Acting Chief Executive Director queried whether the planned significant increase in the month 6 pay runrate was supported by the current month 6 forecast, reiterated his previously-expressed comments on the need for UHL's figures and forecasting to be credible, and queried where this was being overseen within the Trust (including eg whether weekly recruitment figures were monitored). A recruitment pipeline was in existence, and the Acting Chief Executive Board and the People and Culture Committee. The FIC Non-Executive Director Chair conditioned on the need for use in easily the acting the people and culture of the need to non-Executive Director through the Executive People and Culture Board and the people and culture Committee. The FIC Non-Executive Director chair echoed Non-Executive Directors' wish for greater assurance	CPO
	staffing forecasts, given the current position against plan, and advised that he would refer this request for assurance that coherent action plans were in place to the Non-Executive Director	FIC NED CHAIR

Chair of the People and Culture Committee. The FIC Non-Executive Director Chair also queried whether Executive Directors were content with current CMG financial forecasting ability. In further discussion on the month 5 financial report, Non-Executive Director members of FIC	
particularly queried the position re: debtors, requesting further detail on the quantum involved (including that not yet invoiced) and progress on the plan to address private patient/overseas debt. Mr M Williams Non-Executive Director queried there were any balance sheet and surplus position implications of the debts, and Ms K Gillatt Associate Non-Executive Director requested a deep dive on debtors at the next FIC, with a detailed improvement plan then to come to a future FIC informed by ongoing transformation work. The Chief Financial Officer commented that this was not an easy issue to resolve, but noted that work was underway on an action plan. The FIC Non-Executive Director Chair welcomed the useful waterfall charts within the report. In response to a further query on the best/medium/worst case scenarios, the Director of Operational Finance advised that the downside was being mitigated where possible.	CFO
<u>Resolved</u> – that (A) a monitoring report on the recruitment pipeline and overall staffing position be presented to the Executive People and Culture Board, including progress against planned headcount reductions, and	СРО
(B) contact be made with the People and Culture Committee Non-Executive Director Chair to discuss how best to seek assurance on recruitment issues and the actions being taken;	FIC NED CHAIR
(C) a deep dive into debtors (including private patients and overseas visitors) be presented to the next FIC, with an improvement plan then to come to a future FIC, and	CFO
(D) the deep dive update in action (C) above to include the quantum of backlog private patient/overseas visitor activity not yet invoiced.	CFO
94/21/4 2021/22 Becoming the Best Transformation and Cost Improvement Programme Update	
As agreed previously, the report also included an update on the work of the Improvement Collaborative as a key enabler for sustained financial improvements to efficiency and transformation. The new Head of the Improvement Collaborative joining UHL in early November 2021 had a commercial background, and the FIC Non-Executive Director Chair noted the differences between an NHS and a private sector culture. Two initial Improvement Collaborative pilots would focus on endoscopy and vascular services. FIC Non-Executive Directors queried how quickly those pilots would deliver demonstrable efficiencies, and whether there was national evidence of the benefits of such an approach (there was). With regard to the H1 CIP position, the Director of Quality Transformation Efficiency and Improvement advised that the amount of cash-releasing schemes on the tracker now stood at £8.1m, which was welcomed by FIC, with further improvements anticipated. However, the forecast efficiency and productivity H1 savings had not been able to be delivered in full due to the operational pressures facing the Trust (emergency pressures leading to reduced elective activity, and continued Covid-19 pressures). If operational pressures eased, the Director of Quality Transformation Efficiency and Improvement considered that the H1 productivity savings could be recovered in H2. FIC welcomed that H1 delivery overall had exceeded initial expectations even if the full revised target had not been met. The Director of Quality Transformation Efficiency and Improvement provided assurance to FIC that the Trust's H2 focus would be on workforce CIP savings, but she emphasised the significant challenges and noted that the pace of the workforce savings had had to be tempered due to quality and safety considerations arising from emergency pressures. Good progress had been made, however, in setting up a very large number of additional staff bank contracts, which would reduce agency usage. A list of non-recurrent commitments in 2021/22 was detailed at appendix 1 of	

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	Director of Quality Transformation Efficiency and Improvement advised that work was underway to fully understand the workforce impact. The Financial Improvement Director strongly emphasised the need for an appropriate level of focus and energy to be devoted to the workforce CIP workstreams, given the significant amount to be delivered through such savings and the scope for 'quick wins'. The Acting Chief Operating Officer reiterated, however, the need to be mindful of the pressures facing staff in these unprecedented times, and the imperative to prevent increased clinical risk, noting her view that some of the measures which might apply in 'normal' times were not necessarily deliverable in the current circumstances. Although recognising these points, FIC Non-Executive Directors reiterated the need for a greater grip on pay and productivity. Executive Directors commented on the need for a pragmatic approach taking account of current pressures, and Mr B Patel Non-Executive Director considered that the report needed to provide more information on the various risk factors. The FIC Non-Executive Director Chair recognised the challenge facing the Trust to balance the risks, and he emphasised the need for appropriate communication of the position. The FIC Non-Executive Director Chair also voiced his view that the Director of Quality Transformation Efficiency and Improvement appeared to have a good grip on the CIP plan.	DQTEI
	(further additional detail then to follow by Christmas 2021).	
94/21/5	Report from the Chief Financial Officer	
	<u>Resolved</u> – that this item be classed as confidential and taken in private accordingly.	
94/21/6	Report from the Chief Financial Officer	
	<u>Resolved</u> – that this item be classed as confidential and taken in private accordingly.	
94/21/7	Report from the Chief Financial Officer	
	<u>Resolved</u> – that this item be classed as confidential and taken in private accordingly.	
94/21/8	Roadmap to Sustainable Financial Improvement	
	The Acting Chief Executive and the Financial Improvement Director presented the September 2021 iteration of the assurance roadmap, which would be further updated for the November 2021 Trust Board. FIC members agreed that the issues within the assurance roadmap had been covered in the discussions at today's meeting.	
	Resolved – that the position be noted.	
94/21/9	Financial Recovery Board (FRB)	
	<u>Resolved</u> – that the 18 August 2021 and 1 September 2021 FRB action notes, the 15 September 2021 FRB actions, and the 29 September 2021 FRB agenda be noted (papers K1 – K4 respectively).	
95/21	ITEMS FOR NOTING	
	<u>Resolved</u> – that the following items be received and noted at papers L1 and L2 respectively: (1) the 24 August 2021 Executive Finance and Performance Board action notes, and (2) the 28 September 2021 Executive Finance and Performance Board agenda.	
96/21	ANY OTHER BUSINESS	
	There were no items of any other business.	
97/21	IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD	
	<u>Resolved</u> – that (A) the item in confidential Minute 89/21 be recommended to the next private Trust Board for approval, and	FIC NED CHAIR

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	(B) the discussions in Minute 94/21/3 and confidential Minute 94/21/6 be highlighted to the 4 November 2021 Trust Board for information.	FIC NED CHAIR	
98/21	DATE OF NEXT MEETING		
	<u>Resolved</u> – that the next meeting of the Finance and Investment Committee be held virtually on Thursday 28 October 2021, from 9am to 11.15am via Microsoft teams.		

The meeting closed at 11.30am

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)	6	5	83	S Lazarus	6	5	83
R Brown	3	3	100	D Mitchell	6	5	83
I Crowe	3	3	100	B Patel	6	6	100
A Furlong	3	1	33	M Williams	6	6	100

Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Durbridge	6	5	83	I Orrell	6	6	100
K Gillatt	6	6	100	J Shuter	6	5	80
A Haynes	3	3	100				