

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

		<u>ACTION</u>
	<u>RECOMMENDED ITEMS</u>	
89/21	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>	
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.	
	<u>Resolved</u> – that the declarations of interests be noted.	
92/21	MINUTES	
	<u>Resolved</u> – 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.	
	<u>Resolved</u> – 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	

	<p>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.</p> <p>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.</p> <p>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.</p>	CFO
	<p>Resolved – 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</p> <p>(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;</p> <p>(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</p> <p>(D) the deep dive update in action (C) above to include the quantum of backlog private patient/overseas visitor activity not yet invoiced.</p>	<p>CPO</p> <p>FIC NED CHAIR</p> <p>CFO</p> <p>CFO</p>
94/21/4	<u>2021/22 Becoming the Best Transformation and Cost Improvement Programme Update</u>	
	<p>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 the report, and the Director of Quality Transformation Efficiency and Improvement confirmed that an 'intolerable risks' tracker was also being maintained.</p>	
	The first cut of the 2022/23 CIP plan would be presented to the October 2021 FIC, and the	DQTEI

	<p>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.</p>	
	<u>Resolved</u> – the first cut 2022/23 CIP be presented to the October 2021 FRB and FIC (further additional detail then to follow by Christmas 2021).	DQTEI
94/21/5	<u>Report from the Chief Financial Officer</u>	
	<u>Resolved</u> – that this item be classed as confidential and taken in private accordingly.	
94/21/6	<u>Report from the Chief Financial Officer</u>	
	<u>Resolved</u> – that this item be classed as confidential and taken in private accordingly.	
94/21/7	<u>Report from the Chief Financial Officer</u>	
	<u>Resolved</u> – that this item be classed as confidential and taken in private accordingly.	
94/21/8	<u>Roadmap to Sustainable Financial Improvement</u>	
	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.	
	<u>Resolved</u> – that the position be noted.	
94/21/9	<u>Financial Recovery Board (FRB)</u>	
	<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

	(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				