

Trust Board paper K3

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 7 November 2019

COMMITTEE: Finance and Investment Committee (FIC)

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

DATE OF COMMITTEE MEETING: 26 September 2019

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: 31 October 2019

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 26 SEPTEMBER 2019 AT 8:30AM 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
Mr A Johnson – Non-Executive Director
Mr K Singh – Trust Chairman (non-voting ex-officio)
Mr P Traynor – Chief Financial Officer

In Attendance:

Mr C Benham – Director of Operational Finance
Mr A Caruthers – Acting Chief Information Officer (for Minutes 89/19 and 95/19/1)
Mr S Lee – Head of Finance – Costing (for Minute 94/19/6)
Mr D Kerr – Director of Estates and Facilities
Mrs K Rayns – Corporate and Committee Services Officer
Mr N Sone – Financial Controller
Mr M Wightman – Director of Strategy and Communications (up to and including Minute 95/19/1)

RECOMMENDED ITEMS

ACTION

89/19 CONFIDENTIAL REPORT BY THE ACTING CHIEF INFORMATION OFFICER

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

RESOLVED ITEMS

90/19 APOLOGIES FOR ABSENCE

An apology for absence was received from Mr B Shaw, Director of Productivity.

91/19 DECLARATIONS OF INTEREST

The Chief Financial Officer, the Director of Operational Finance and Mr A Johnson, Non-Executive Director declared their respective roles as a Non-Executive Director, Finance Director and Company Secretary and Non-Executive Chair 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 interest be noted.

92/19 MINUTES

Resolved – that the Minutes of the 29 August 2019 Finance and Investment Committee meeting (papers A1 and A2) be confirmed as correct records.

93/19 MATTERS ARISING

Paper B provided a summary of the matters arising from previous FIC meetings. During discussion on the matters arising report, the following verbal updates were noted:-

- | | |
|---|----------------------|
| (a) Item 8 (Minute 72/19/5 of 25 July 2019) – the Chief Executive advised FIC that a report was due to be submitted to the next Leicester City Health Overview and Scrutiny Committee in respect of the Hospital Close accommodation on the LGH site. Members discussed the potential availability of additional affordable homes and social housing within the City and the associated benefits of this development for UHL’s workforce; | DSC |
| (b) Item 17 (Minute 40/19/5 of 25 April 2019) – the Committee Chair noted the importance of finalising the Intellectual Property Policy in a timely manner, noting the implications for the Memorandum of Understanding with the University of Leicester, and | CFO/
DCLA |
| (c) Item 21 (Minute 116/18/1 of 20 December 2018) – the Director of Estates and Facilities confirmed that a comprehensive briefing on the joint multi-storey car park proposal with Leicester Tigers would be presented to the October 2019 FIC meeting. | DEF |

Resolved – that the discussion on the matters arising log and any associated actions be noted. **LEADS**

94/19 KEY ISSUES FOR DISCUSSION/DECISION

94/19/1 2019/20 Month 5 Financial Performance

The Chief Financial Officer introduced paper C advising that the Trust had achieved a year-to-date financial deficit of £26.7m, excluding Provider Sustainability Funding (PSF), Financial Recovery Funding (FRF) and Marginal Rate Emergency Tariff (MRET). Including PSF/FRF/MRET, the Trust had achieved a year-to-date deficit of £15.0m which was in line with plan. Deep dive reviews had been undertaken of the financial performance by each of the CMGs and the Facilities Directorate and their year-end forecasts had improved by approximately £2m. Further improvements in the region of £3m were still required and work was ongoing to achieve this. The Financial Recovery Board would be meeting on 1 October 2019 to determine whether any of the CMGs would need to be put into ‘special measures’ as defined in the Trust’s Accountability Framework. The Chief Operating Officer clarified that this was a supportive process by which CMGs were assisted with the arrangements to improve their forecasts.

Resolved – that the 2019/20 month 5 financial position be noted.

94/19/2 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

94/19/3 Confidential Report by the Financial Controller

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

94/19/4 Update on the 2019/20 Capital Programme

The Director of Operational Finance introduced paper F updating the Committee on UHL’s draft Capital Programme for 2019/20 which had been constructed on the basis that no external funding would be made available. The total for the 2019/20 remained at £40.5m. Reporting verbally, the Director of Operational Finance advised that since the report had been prepared, confirmation had been received that the Trust’s application for £10m of emergency capital had been successful. However, UHL’s £8.6m application to fund the proposed Centralised Decontamination Scheme had not been approved for 2019/20.

In discussion on the report, the Director of Estates and Facilities provided assurance that the additional £10m capital would be spent in the current financial year with a specific focus on the high risk clinical issues, including a £1m allocation for medical equipment.

The Committee Chair queried whether the Centralised Decontamination Scheme would be funded from the 2020/21 Capital Programme, noting in response that the planning guidance for 2020/21 was not yet available, but the Chief Operating Officer advised that the Decontamination Scheme would need to be made an absolute priority. It was agreed that an updated 2019/20 Capital Programme would be presented to the October 2019 FIC meeting.

Resolved – (A) that the update on the 2019/20 capital programme be received and noted as paper F, and

DOF

(B) the revised 2019/20 capital programme be submitted to FIC in October 2019, to include the expenditure plans for the additional £10m emergency capital funding.

94/19/5 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

94/19/6 Service Level Financial Analysis – CHUGGS CMG

The Director of Strategy and Communications and Mr S Lee, Head of Finance – Costing, introduced paper G, providing some sample service line reporting data from the Cancer Haematology, Urology, Gastroenterology and General Surgery (CHUGGS) Clinical Management Group (CMG). FIC members welcomed this new style of reporting, noting that it allowed the organisation to compare the full cost of running a service with the associated income that it generated and supporting the intention to roll this out more widely at Performance Review Meetings and future FIC meetings.

During the discussion on the report, FIC members requested that clarity be provided in future reports whether the amount of any variances/movements were being measured between the current and forecast position or the current and prior year position. Discussion also took place regarding opportunities to report wider trends (across more than 2 data points) and the links with Model Hospital. Assurance was provided that CMG teams were engaged in the reporting process and regularly attended meetings of the Clinical Coding Group. Work was continuing to raise the profile of this financial management tool at UHL, to increase the level of understanding and familiarise staff with the style of reporting. One of the key outcomes was that service line reporting would be used as an integral part of the business planning process for 2020/21 and it would also be used to inform the new NHS contracts going forwards. The Head of Finance – Costing also advised that a high level report on Patient Level Costing and Information System (PLICS) data would be presented to the October 2019 FIC meeting.

Resolved – (A) that the sample Service Level Financial Analysis data be received and noted as paper G and the proposals for implementing this new style of reporting be supported;

CFO

(B) clarity be provided in future reports whether the reported variances/movements related to prior year data or forecast positions, and

HF-C

(C) a high level report on PLICS data be presented to the October 2019 FIC meeting.

HF-C

95/19 **ITEMS FOR ASSURANCE**

95/19/1 IBM Quarterly Contract Update

Mr A Caruthers, Acting Chief Information Officer attended the meeting to introduce paper I providing the quarterly update on contractual performance within the 7 year contract with IBM, advising that business as usual service remained consistent with the service level agreement. A significant increase in single sign-on enrolment had also been achieved and over 300 new junior doctors had received IT support at their recent induction session. #

The ability and engagement of IBM as the lead managed business partner in supporting UHL's e-Hospital Programme was currently being reviewed with the senior IBM management team and options to address any concerns and move forward were being developed. Following a number of IT security function health checks and audits, it was confirmed that a consolidated action plan was being prepared for consideration at the November 2019 Audit Committee

Resolved – that the IBM quarterly contract update be received and noted as paper I.

95/19/2 Use of Resources Self-Assessment Update

The Chief Financial Officer introduced paper J briefing the Committee on the preparations for the Trust's Use of Resources Assessment which was scheduled for 15 October 2019. The key lines of enquiry (KLoE) commentary template was required to be signed-off by the Executive Team and submitted to NHSE/I by 1 October 2019. At the request of the Chief Operating Officer, the Chief Financial Officer was requested to arrange for the appropriate lead officers to receive a briefing on 14 October 2019 ahead of their assessment interviews.

CFO

Resolved – that (A) the briefing on the preparations for the Trust's Use of Resources Assessment be received and noted as paper J, and

(B) the Chief Financial Officer be requested to arrange a briefing session for the appropriate lead officers to be held on 14 October 2019.

CFO

95/19/3 UHL Productivity Improvement Programme (PIP)

In the absence of the Director of Productivity, the Chief Financial Officer presented paper K, providing an overview of UHL's Productivity Improvement Programme, advising that savings of £27.0m had now been identified against the 2019/20 target of £26.6m. The report was taken as read, but the Chief Financial Officer commented upon the report to confirm that the clinical coding, theatres and outpatient improvement workstreams still had merit for the Trust, but he advised the Committee that the approach to these schemes might change in the near future.

Resolved – that the monthly update on UHL's Productivity Improvement Programme be received and noted as paper K.

95/19/4 Update on UHL's Commercial Strategy and Intellectual Property Policy

Reporting verbally, the Chief Financial Officer advised that there was no further progress to report at this meeting on the development of UHL's Commercial Strategy and IP Policy. A further update report would be scheduled on the agenda for the October 2019 FIC meeting.

Resolved – that the position be noted and an update on UHL's Commercial Strategy and Intellectual Property Policy be scheduled on the agenda for the October 2019 FIC meeting.

96/19 **ITEMS FOR NOTING**

Resolved – that the following items be received for noting, at papers L – N2 respectively:-

- (1) timetable for UHL business case approvals;
- (2) FIC calendar of business 2019/20, and
- (3) Executive Quality and Performance Board action notes – 13.8.19 and 27.8.19.

97/19 ANY OTHER BUSINESS

There were no items of any other business.

98/19 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 3 October 2019, and

**FIC
CHAIR**

(B) the following item be particularly highlighted for the Trust Board’s attention:-

- the recommended item at Minute 89/19 above.

99/19 DATE OF NEXT MEETING

Resolved – that the next meeting of the Finance and Investment Committee be held on Thursday 31 October 2019 from 8.30am to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 11.07am

Kate Rayns
Corporate and Committee Services Officer

FIC Attendance Record 2019/20

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	6	6	100	A Johnson	6	5	83
J Adler	6	5	83	K Singh (Ex-officio)	6	5	83
R Brown	6	5	83	P Traynor	6	5	83
K Jenkins	6	3	50				

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
K Allan (Patient Partner) until 30.5.19	1	0	0	D Kerr	6	6	100
C Benham	6	5	83	M Wightman	6	5	83