

Trust Board paper N1

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST
REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 1 July 2021

COMMITTEE: Audit Committee

CHAIR: Mr M Williams, Non-Executive Director and Audit Committee Chair

DATE OF COMMITTEE MEETING: 21 June 2021

RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE PUBLIC TRUST BOARD:

- None

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR NOTING BY THE PUBLIC TRUST BOARD:

- Draft Internal Audit Annual Report 2020/21 (Minute 53/21/1 refers), and
- Internal Audit Review of Sustainability – Green Plan (Minute 53/21/2 and the report appended to these Minutes refers).

DATE OF NEXT COMMITTEE MEETING: 23 July 2021

Mr M Williams
Non-Executive Director and Audit Committee Chair

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A VIRTUAL AUDIT COMMITTEE MEETING HELD ON MONDAY 21 JUNE 2021 AT 9.00AM

(held virtually via Microsoft Teams)

- Present:** Mr M Williams – Non-Executive Director (Chair)
Ms V Bailey – Non-Executive Director, and Chair of the Quality and Outcomes Committee
Col (Ret'd) I Crowe – Non-Executive Director, and Chair of the People, Process and Performance Committee
Mr A Johnson – Non-Executive Director, and Chair of the Finance and Investment Committee
- In Attendance:** Ms A Breadon – PwC (the Trust's Internal Auditor) (excluding Minute 58/21)
Mr M Brice – Deputy Financial Improvement Director (excluding Minute 58/21)
Mr R Cooper – Financial Improvement Director (excluding Minute 58/21)
Ms D Briggs – Interim Associate Director of Finance (for Minute 52/21/5 only)
Mr D Kerr – Director of Estates and Facilities (for Minute 47/21 only)
Mr S Linthwaite – Deputy Director of Finance (Financial Services) (excluding Minute 58/21)
Ms E Mayne – Grant Thornton (the Trust's External Auditor) (excluding Minute 58/21)
Mr A Middleton – Property Manager (for Minute 47/21 only)
Mr I Orrell – Associate Non-Executive Director (observing)
Ms K Rayns – Corporate and Committee Services Officer
Mr J Shuter – Director of Operational Finance (on behalf of the Chief Financial Officer)
Mr M Stocks – Grant Thornton (the Trust's External Auditor) (excluding Minute 58/21)
Mr D Streets – Head of Procurement and Supplies (for Minute 53/21/4 only)
Mr S Ward – Director of Corporate and Legal Affairs
Ms C Wood – PwC (the Trust's Internal Auditor) (excluding Minute 58/21)

RECOMMENDED ITEMS

ACTION

47/21 CONFIDENTIAL REPORT BY THE DIRECTOR OF ESTATES AND FACILITIES

Recommended – that this Minute be classed as confidential and taken in private accordingly.

RESOLVED ITEMS

48/21 WELCOME AND APOLOGIES FOR ABSENCE

The Audit Committee Non-Executive Chair welcomed everyone to the meeting. Apologies for absence were received from Mr S Lazarus, Chief Financial Officer and it was noted that Mr J Shuter, Director of Operational Finance was attending on his behalf.

49/21 DECLARATIONS OF INTERESTS

Mr A Johnson, Non-Executive Director declared his role as Non-Executive Director Chair of Trust Group Holdings Ltd (TGH) and the Director of Operational Finance declared his role as Finance Director and Company Secretary of TGH. With the agreement of the Audit Committee, these individuals remained present.

Resolved – that the position be noted.

50/21 MINUTES

Resolved – that the Minutes of the 17 May 2021 Audit Committee (papers A and A1) be confirmed as correct records.

51/21 MATTERS ARISING REPORT

Paper B provided a summary of the matters arising from the 17 May 2021 Audit Committee and outstanding matters arising from previous Audit Committee meetings. In respect of item 11 (Minute 30/21/4 of 19 April 2021 refers), it was noted that a summary of the alternative sources of assurance available for those themes which had been due for Internal Audit review

in 2021/22 but had not been included in the final Internal Audit Plan for 2021/22 would be provided to the Audit Committee meeting on 23 July 2021.

Resolved – that the matters arising report (paper B) and the additional information provided above be noted.

52/21 KEY ISSUES FOR DISCUSSION/DECISION

52/21/1 Confidential Report by the Deputy Financial Improvement Director

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

52/21/2 Confidential Report by External Audit

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

52/21/3 Update on the Management Response to the draft Audit Findings Report 2019/20

Further to Minute 41/21/3 of 17 May 2021, the Deputy Financial Improvement Director introduced paper D, updating the Audit Committee on progress of the corrective actions to address the control weaknesses highlighted in the External Auditor's draft Audit Findings Report (AFR) 2019/20. Appendix A set out the completed management actions and appendix B described the current status of the non-completed items. A summary of progress against External Audit's prior-year recommendations (2018/19) was also provided at appendix C. Ten of the actions in appendix B were currently overdue and the reasons for the delay and proposed next steps were provided within the report. Particular discussion took place regarding the arrangements for improving grip and control, implementation of a Procurement to Pay system, purchase order compliance, goods received notification processes, and the recently established UHL Cash Committee. The Cash Committee would be meeting on a fortnightly basis initially, moving to monthly meetings once the terms of reference and the appropriate business rhythm had been established.

In respect of improving purchase order compliance, the Director of Operational Finance observed that the Trust had previously operated a policy of 'no purchase order, no payment' and that the Trust's Standing Orders now required updating to reflect a return to this policy (with some notable exceptions such as utility invoices and rates). The Deputy Director of Finance (Financial Services) advised that a draft 'no purchase order, no payment' policy was currently awaiting approval, noting that this would require a cultural shift within the organisation prior to implementation. Mr A Johnson, Non-Executive Director requested that additional assurance be provided to a future Audit Committee meeting in the form of the centralised checklists which were used to ensure that all expenditure without an associated purchase order was being captured and reported appropriately. The Deputy Financial Improvement Director also commented upon the need to align the 'no purchase order, no payment' policy and the revised Standing Orders with the Board Development Programme and the training packages being provided to operational budget holders.

DDFFS

A discussion took place regarding the arrangements for managing overseas visitor and private patient debts, during which it was noted that an additional interim senior management resource was now in place to oversee the process improvements required and the arrangements for retrospective recovery of aged debts. Mr A Johnson, Non-Executive Director commented that this issue used to be discussed regularly at the Finance and Investment Committee (FIC) and that FIC had previously received assurance that a new process had been developed to determine the eligibility/ability to pay for overseas visitors and private patients prior to treatment and he queried whether this process had been fully implemented at UHL. Ms V Bailey, Non-Executive Director noted the need to ensure that all staff adhered to a clear single system, reducing the opportunities to develop complex work-around solutions within the organisation.

Resolved – that (A) the update on the Management Response to the draft Audit Findings Report 2019/20 be received and noted as paper D, and

(B) the Deputy Director of Finance (Financial Services) be requested to provide additional assurance to a future Audit Committee in respect of the centralised checklists

DDFFS

used to ensure that expenditure without a purchase order was captured and reported appropriately.

52/21/4 Progress against the Statutory Recommendations – Verbal Update

Further to Trust Board Minute 123/21/2.3 of 1 April 2021, the Director of Operational Finance and the Deputy Financial Improvement Director reported verbally on UHL's progress against the nine Statutory Recommendations arising from the 'Audit of Accounts 2019/20 – Financial Reporting, Governance and Financial Sustainability' report which was presented to the Audit Committee in January 2021. They highlighted a number of related reports on today's Audit Committee agenda which provided assurance that the issues raised in the Statutory Recommendations were being addressed through improvements in processes and the Financial Governance Improvement Plan. The Audit Committee Non-Executive Director welcomed this information but he highlighted the need for a written progress report to be considered at Trust Board level in future. The Deputy Financial Improvement Director voiced a proposal to cross-reference future Audit Committee reports to link each theme back to the relevant Statutory Recommendation(s) and this idea was welcomed by the Audit Committee.

**CFO/
DFID/
DDFFS**

The Audit Committee Non-Executive Director Chair, Mr A Johnson, Non-Executive Director and Mr I Orrell, Associate Non-Executive Director expressed their views regarding the need for submission of substantive evidence to the Audit Committee in future to provide assurance that the issues contained in the Statutory Recommendations had been addressed (such as budget holder training records for completed financial training modules, a single set of standard accounting policies, and appropriate engagement with LLR System partners to address long-term financial sustainability).

Resolved – that (A) the verbal update on progress of the Statutory Recommendations be received and noted, and

(B) future reports to the Audit Committee to include a cross-reference to clarify which of the Statutory Recommendations the themes covered in the report would be addressing.

CFO

52/21/5 Confidential Report by the Interim Associate Director of Finance

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

52/21/6 External Audit Report on Informing the Risk Assessment

Ms E Mayne, External Audit presented paper G, setting out the management arrangements and controls for specific areas of risk within the financial statement preparation process. This document was completed by UHL management and then sense-checked by the External Auditors. Whilst it was not intended to go through the information in detail, she sought and received confirmation that the Audit Committee understood the process and was broadly comfortable with the information it provided. A short discussion took place regarding the process for informing the audit risk assessment and how it aligned with other regulatory and governance processes. The Audit Committee Non-Executive Director Chair noted that this document provided organisations with an opportunity to share any significant risks or concerns in advance of the audit. The Deputy Director of Finance (Financial Services) confirmed that this was a standard approach in preparing for year-end audit work, noting that he had completed the initial draft using a 'fresh eyes' approach which had been helpful.

Resolved – that the External Audit Report on Informing the Audit Risk Assessment be received and endorsed as paper G.

52/21/7 External Audit Plan 2019/20

Further to Minute 41/21/2 of 17 May 2021, paper I provided the final version of the External Audit Plan for 2019/20. Ms E Mayne, External Auditor advised that the recent amendments were relatively minor and they had been highlighted in yellow for members' ease of reference. A short discussion took place regarding the proposal to undertake site visits for audit testing of sample floor areas provided to the Valuer in respect of Property, Plant and Equipment (PPE).

Resolved – that the final version of the External Audit Plan for 2019/20 be received and noted as paper I.

53/21 ITEMS FOR ASSURANCE

53/21/1 Draft Internal Audit Annual Report 2020/21

Ms A Breadon, Internal Audit introduced paper J, providing the draft version of the Internal Audit Annual Report for the year ended 31 March 2021. The draft reports for three of the Internal Audit reviews were currently awaiting a management response and the updated Internal Audit Annual Report would be issued once these had been finalised. Members noted that the overall Head of Internal Audit Opinion (stating that major improvement was required) was unlikely to change in the final version, based on the in-year audit findings and the status of follow-up actions arising from previous audit findings. Discussion took place regarding the following issues:-

- (a) the 2019/20 Head of Internal Audit Opinion (generally satisfactory with some improvement required) and the potential impact upon the Annual Governance Statements (AGS) for both 2019/20 and 2020/21;
- (b) opportunities to clarify the narrative wording contained in the Head of Internal Audit Opinion for 2020/21 (without changing the overall opinion);
- (c) the actions underway to improve the management response to Internal Audit findings and the reasons why the responsible officers did not challenge the findings and agreed actions if they did not agree with them.

Resolved – that (A) the Draft Internal Audit Annual Report for 2020/21 be received and noted as paper J, and

(B) Internal Audit be requested to:-

- (1) clarify the narrative wording contained within the Head of Internal Audit Opinion 2020/21 (without changing the classification of the overall opinion), and**
- (2) present the updated Internal Audit Annual Report 2020/21 to the Audit Committee on 23 July 2021.**

IA

53/21/2 Internal Audit Review of Sustainability (Green Plan)

Ms C Wood, Internal Audit introduced paper K, detailing the findings of the Internal Audit review of Sustainability (Green Plan) which had now superseded the previous Sustainable Development Management Plans. It was noted that UHL had appointed Rider Levett Bucknall (RLB) to develop the Green Plan and that Internal Audit was providing a complementary advisory review to support the development and implementation of that plan. The first draft of UHL's Green Plan was expected to be received from RLB in late May 2021, but confirmation was not provided whether it had been received. Whilst the Internal Audit review did not have an associated overall risk rating, the findings had been divided into three guiding themes – (i) governance, resources and expertise, (ii) current sustainability initiatives, and (iii) reporting and data availability.

Responding to a number of queries from the Audit Committee Non-Executive Director Chair, the Director of Corporate and Legal Affairs advised that the issue of Sustainability came under the Estates and Facilities Directorate for day-to-day oversight, and that it was expected to come under the Reconfiguration and Transformation Committee within UHL's revised Committee structure which was due to take effect in July 2021. It was proposed to seek confirmation of the governance arrangements going forwards but in the meantime, it was agreed to append the Internal Audit report to the Minutes of this meeting when they were presented to the Trust Board on 1 July 2021, in order to increase Board-level visibility of this issue.

Resolved – that (A) the Internal Audit review of Sustainability be received and noted as paper K, and

(B) a copy of the Internal Audit report, Sustainability – Green Plan be appended to the Minutes of this meeting when they were presented to the Trust Board on 1 July 2021.

**AC
CHAIR**

53/21/3 Internal Audit Review of the Data Security and Protection Toolkit – Verbal report

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

53/21/4 Discretionary Procurement Actions

Mr D Streets, Head of Procurement and Supplies attended the meeting to introduce paper M, providing a summary of the discretionary procurement actions for the period of May 2021 to June 2021. Appendix A detailed the eleven occasions when waivers had been approved. A further thirty one waivers were currently entered in the register and were awaiting approval. As requested at the 17 May 2021 Audit Committee, the report also provided a historical analysis of procurement waivers in the last three years, including a breakdown by Corporate Directorate/ Clinical Management Group (CMG) by number, value and year. The report detailed the full discretionary procurement actions process, including the scheme of delegation for authorisation and the proactive arrangements for reducing the volume of waivers by working with the Corporate Directorates and CMGs on their forward work plans and national and regional frameworks. This work was being overseen by the newly established Procurement Contracts Committee.

The Audit Committee Non-Executive Director Chair thanked the Head of Procurement and Supplies for this comprehensive report and invited him to raise any areas of concern from his perspective and report on the number of procurement waivers which were refused. In response, the Head of Procurement and Supplies commented upon the improvements required in respect of legacy Pathology contracts and the Managed Equipment Service. He also advised that procurement waivers were not usually refused at the final application stage, due to the arrangements for challenging them at an earlier stage in the process. However, he noted an opportunity to capture data on the number of 'early challenges' that were enacted. Audit Committee members agreed that procurement waivers should be ad-hoc exceptions rather than normalised behaviours and the number of repeated requests should be minimal.

Finally, the Audit Committee Non-Executive Director invited the Head of Procurement to provide his views on the implementation of a Purchase to Pay system and purchase order compliance (Minute 52/21/3 above also refers), noting in response that the Trust's 'no purchase order, no payment' policy was currently being finalised and would be presented to a future Audit Committee meeting for approval. In parallel, the Trust was exploring opportunities to implement robotic process automation within the goods received notification (GRN) arrangements.

Resolved – that (A) the report on Discretionary Procurement Actions be received and noted as paper M, and

(B) the Head of Procurement and Supplies be requested to:

- (1) include information on the number of early challenges that had taken place to prevent inappropriate applications for a procurement waiver in his next update report, and**
(2) present the draft 'no purchase order, no payment' policy to a future Audit Committee meeting for approval.

HoPS

54/21 **ITEMS FOR NOTING**

Resolved – that the Minutes of the following meetings be received and noted at papers N1 to N3 respectively:

- **Quality and Outcomes Committee meeting held on 29 April 2021;**
- **People, Process and Performance Committee meeting held on 29 April 2021, and**
- **Finance and Investment Committee meeting held on 29 April 2021.**

55/21 **ANY OTHER BUSINESS**

There were no items of any other business.

56/21 IDENTIFICATION OF ANY KEY ISSUES FOR THE ATTENTION OF THE TRUST BOARD

Resolved – that the Audit Committee’s discussion on the following items be brought to the attention of the Trust Board on 1 July 2021:-

AC
CHAIR

- Confidential Report by the Director of Estates and Facilities (recommended item at Minute 47/21 refers);
- Confidential Report by the Deputy Financial Improvement Director (Minute 52/21/1 refers);
- Draft Internal Audit Annual Report 2020/21 (Minute 53/21/1 refers), and
- Internal Audit Review of Sustainability (Minute 53/21/2 and the report appended to these Minutes refers).

57/21 DATE OF NEXT MEETING

Resolved – that the next Audit Committee meeting be held on **Friday 23 July 2021 from 9am – 12noon** (virtually via MS Teams).

58/21 DISCUSSIONS IN THE ABSENCE OF EXTERNAL AUDIT AND INTERNAL AUDIT REPRESENTATIVES

58/21/1 Confidential Verbal Report by the Non-Executive Director Audit Committee Chair and the Director of Corporate and Legal Affairs

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

58/21/2 Audit Committee Private and Confidential Minutes

Resolved – that the private and confidential Minutes of the Audit Committee meeting held on 17 May 2021 (paper O) be confirmed as a correct record.

58/21/3 Audit Committee Confidential Matters Arising

Resolved – that the private and confidential matters arising report be received and noted as paper P.

The meeting closed at 11.49am

Kate Rayns, **Corporate and Committee Services Officer**

Audit Committee Cumulative Record of Members’ Attendance (2021/22 to date):

Members:

Name	Possible	Actual	%
M Williams	3	3	100
V Bailey	3	3	100
I Crowe	3	3	100
A Johnson	3	3	100

In attendance:

Name	Possible	Actual	%
M Brice	3	3	100
S Lazarus	3	1	33
J Shuter	3	2	66
S Ward	3	3	100

Internal audit report 2020/21

Sustainability (Green Plan) Review



University Hospitals of Leicester NHS Trust
Final
June 2021

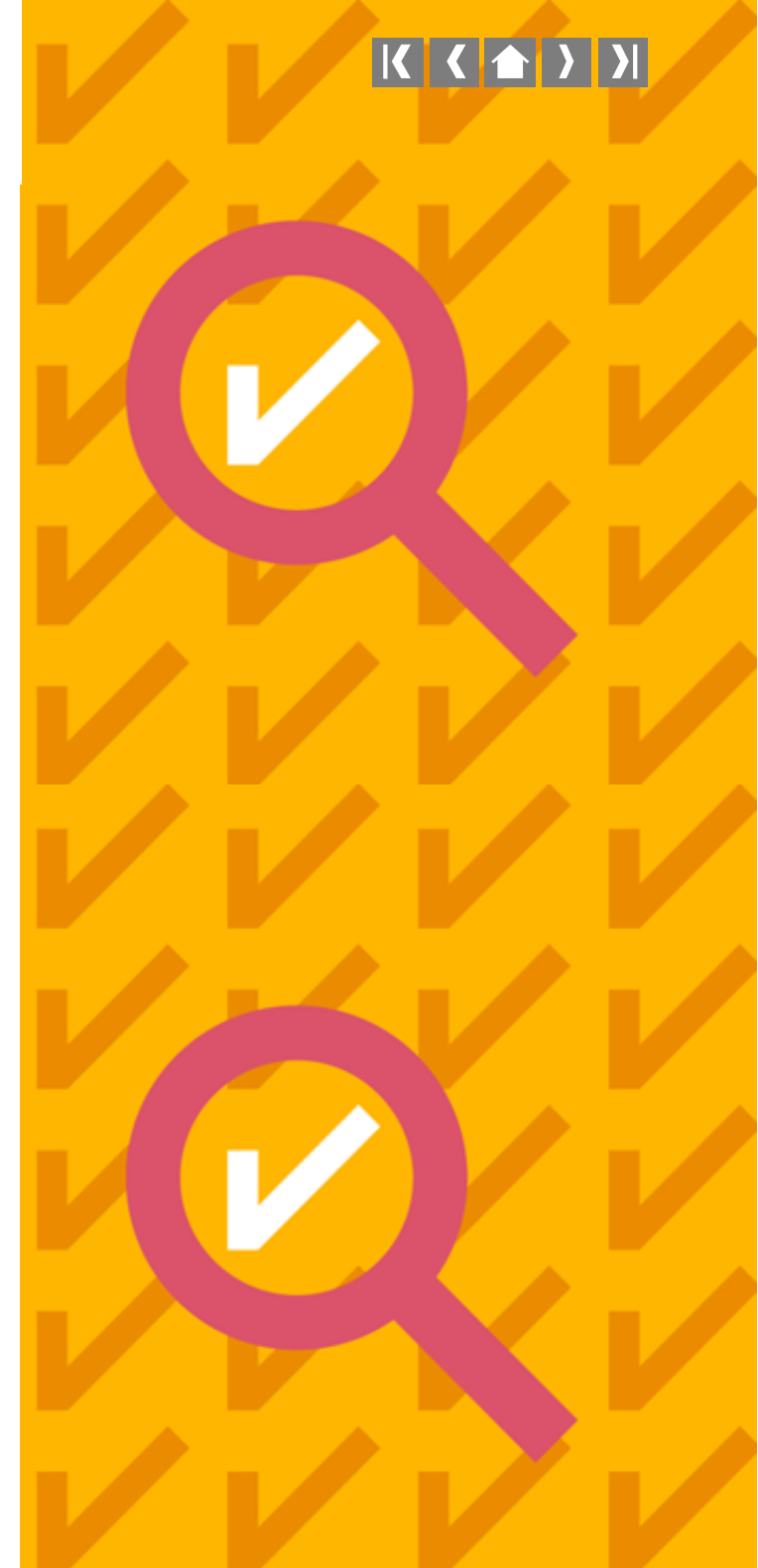
Contents

<u>1. Executive Summary</u>	3
<u>2. Findings</u>	6
<u>Appendices</u>	16
Appendix A: Terms of reference	17
Appendix B: Limitations and responsibilities	19
Appendix C: Internal audit team and key contacts	20
Appendix D: Documents reviewed	21

Distribution list

For action: Darryn Kerr (Director of Estates and Facilities) and Martin Mannix (Deputy Director of Estates and Facilities)

For information: Audit Committee Members



Executive summary

Report classification

This review is being undertaken as part of the 2020/21 internal audit plan approved by the Audit Committee. Our review of the Trust's Green Plan is advisory only; it does not constitute assurance and is not risk rated.

Background

A Green Plan is a mechanism for organisations to take a coordinated, strategic and action-orientated approach to sustainability. Green plans succeed Sustainable Development Management Plans (SDMP) and form a key part of sustainable healthcare delivery to ensure services remain fit for purpose today and for the future. The NHS Standard Contract is mandated by NHS England for use by commissioners and requires all healthcare services other than primary care to have a Green Plan in place. Public Health England also views these Green Plans as evidence of an organisation's commitment to local public health outcomes. For UHL, developing a Green Plan is also a requirement as part of planning approval for the reconfiguration programme, following the Trust's acceptance onto the NHS health infrastructure plan (HIP) programme.

The Trust has appointed Rider Levett Bucknall (RLB) to develop a Green Plan and is expecting a first draft in late May 2021. As part of the internal audit plan, PwC has been engaged to provide a complementary review to support the development and implementation of RLB's Green Plan.

Review objectives

This review is intended to be used as a supporting document for the Trust to inform RLB's Green Plan, highlighting 1) the existing resources, processes and initiatives at the Trust which RLB's Green Plan can build upon and 2) any potential risks that the Trust should be cognisant of as it adopts and begins to implement the Green Plan. At the time of writing, the draft Green Plan is still in development by RLB and PwC has not seen or reviewed the draft.

Approach and structure

Our review has been conducted through interviews with a cross section of stakeholders at the Trust, with a list of those undertaken provided in Appendix C. Due to the ongoing Covid-19 pandemic all meetings have been conducted over video conference. Our observations are also informed by a review of key documents (Appendix D). We have split the review into three guiding themes:

- 1. Governance, resource and expertise.** Reviewing the governance structure, monitoring and reporting arrangements in place around the Green Plan. Understanding the resource availability, knowledge and expertise within the Trust to create and / or deliver on the Green Plan. Reviewing the stakeholder engagement conducted and planned for the Green Plan.
- 2. Current sustainability initiatives.** Engaging with key stakeholders at the Trust to identify the current initiatives in place which could contribute to the Green Plan.
- 3. Reporting and data availability.** Mapping out the data available across the Trust which could contribute to the Green Plan.

We have set out a brief introduction to each area in scope and observations noted from our interviews. We have made recommendations outlining enhancement opportunities for the Trust to consider as it looks to the measures and strategies required to implement the actions in the Green Plan.

Executive summary

Summary of findings

Our review was based on interviews with key stakeholders and a review of key documents. We did not verify any of the evidence provided by UHL so we have not set out an assurance opinion or risk rated our findings. As outlined in the Terms of Reference at Appendix A, the scope of our work was limited to a high level review of resources, initiatives and data at the Trust with regards to sustainability at the date of our fieldwork. Our interviews were held with key staff nominated by management for the scope areas.

Like many other trusts, UHL has had to rapidly adapt its operations to deal with the impact of COVID-19 and the associated government interventions, with many resources being diverted to help support staff and patients in the new environment. This has meant that some sustainability focus areas - many of which are required to be disclosed upon in the NHS Green Plan guidance - have had to be de-prioritised. Despite this, there is a clear awareness of the importance of the sustainability agenda within the Trust, providing an opportunity for the Green Plan recommendations to be successfully implemented as the Trust transitions to the 'new normal'. Importantly, this awareness goes beyond a need to comply with NHS England requirements, encompassing long-term sustainability implications of Environmental, Social and Governance (ESG) factors - a critical foundation for lasting behaviour change.

Based on the feedback gathered during our fieldwork, we conclude that the Trust's sub-processes and related control objectives with regards to sustainability offer an elementary foundation for the RLB's Green Plan to be implemented across the Trust. Staff interviewed demonstrated an awareness of key issues, and a desire to implement actions for change throughout the Trust. The areas we have identified in our findings for improvement will enable Leadership to enact meaningful, sustainable change across the Trust.

A number of positive themes emerged from our interviews, including:

- An awareness of the shortcomings of the SDMP and a collective desire to make the Green Plan as practical as possible for relevant stakeholders;
- A clear focus on behavioural change, driven by the communications strategy;
- Representation of specialist areas in response groups and workstreams; and
- Liaison with local and regional councils and external stakeholders.

Leaning on our interpretation of good practice and how others in the sector have approached writing equivalent Green Plans, we have outlined a number of enhancement opportunities and recommendations the Trust might consider as it looks to implement the actions in RLB's Green Plan.

We have included a summary of the recommendations below, with further details set out in the Findings section of this report.

Executive summary

Summary of findings (continued)

Our observations identified **four risks** across the areas examined:

- **Governance structure.** A clear governance structure has yet to be defined for the Trust Board to approve the Green Plan, monitor progress in delivering on the plan objectives and escalate issues. Lack of appropriate governance and accountability arrangements will stifle progress against key targets and limit engagement with the Green Plan over time.
- **Resource requirement.** There is not yet a robust view on the resource requirement needed to support the delivery of the Green Plan nor the resources available to meet these requirements. Failure to accurately forecast either of these variables makes deciding on the degree of prioritisation required and the extent of the plan's implementation challenging. This could lead to undeliverable commitments, affecting the ultimate success of the Green Plan and the Trust's reputation.
- **Sustainability initiatives.** Initiatives have yet to be formalised in certain focus areas that the Trust is mandated by the NHS Standard Contract to set objectives and disclose against. For example, plans to limit the use and disposal of single-use plastics have received little attention in the Trust to date. Focus areas such as these will require a greater resource allocation to define and implement necessary mitigation approaches.
- **Data quality and collection.** A number of the existing data collection and reporting processes relating to the focus areas outlined in the Standard Contract are not robust enough to use. Data collection efforts at the Trust are fairly siloed with data streams not being centrally consolidated. Lack of visibility of key metrics at the Board level can lead to misalignment across the Trust and a failure to meet the Green Plans objectives.

A summary of the **key recommendations** informed by the observations (risks and opportunities) can be found in the table below :

1. Governance, resource and expertise

- Prioritise the confirmation of the governance structure and creation of key roles required to administer the Green Plan to support implementation.
- Use the governance arrangements to harmonise the various sustainability initiatives taking place at the Trust, defining how each will support the Green Plan objectives.
- Define the budget available as part of the reconfiguration programme for each of the initiatives under the Green Plan and identify the additional resource requirement to implement the actions not captured in the reconfiguration budget.
- Identify the key stakeholder groups the Trust will share the Green Plan with, defining the desired response and tailoring the message and channel accordingly.
- Drive stakeholder engagement with the Green Plan through endorsement from senior leadership.

2. Current sustainability initiatives

- Consider setting Science Based Targets and employing carbon offsets to meet the broader Net Zero NHS commitment.
- Review progress against the SDMP emissions target the BDP's Energy and Infrastructure Strategy to inform the delivery of a Trust-wide Net Zero commitment.
- Rank and prioritise sources of emissions and assign accountability for the monitoring and mitigation of each source.
- Integrate the reporting and accountability arrangements in the Green Travel Plan into the broader Green Plan reporting.
- Complete a Trust-wide waste audit to understand the waste management practices across the Trust, leveraging existing recommendations from previous waste audits.

3. Reporting and data availability

- Map out the data collection requirements for each of the focus areas, at what interval the data should be reported on, and who is responsible for this process.
- Establish a baseline for each of the focus areas and targets, using the outcomes of the materiality assessment to define which focus areas to prioritise formalisation of reporting processes for.
- Create a centralised system where key stakeholders can report on relevant metrics to consolidate data collection efforts across the focus areas.

1. Governance, resource and expertise

We have set out a brief introduction to each of the findings sections in scope, highlighting relevant guidance from the NHS documents reviewed. Thereafter, we outline the key observations noted from our interviews and have made recommendations outlining enhancement opportunities for the Trust to consider as it looks to implement the actions in the Green Plan.

Governance, resource and expertise

Introduction:

As set out in the NHS Standard Contract, a Green Plan is comprised of 3 key elements: 1) Organisational Vision and Objectives; 2) An Action Plan; and 3) Measurement & Reporting. These elements should be underpinned by an effective governance and accountability arrangement, which outlines the Trust's governance structure and identifies clear lines of reporting and accountability. This should include identification of the relevant area leads (detailed in the recommendations below) and how progress from each focus area will be tracked and reported upon. Terms of reference for the key governance groups should be attached in the Appendices of the Green Plan.

Ultimate responsibility for the Green Plan will rest with the Trust Board. Green Plans are expected to be approved by the Board or Governing Body. An annual progress review should be provided to the Board to ensure that implementation is on track. This may include a dashboard of key targets, compliance levels and anticipated or realised benefits/health outcomes e.g. pollution reduction. It is recommended that Green Plans are reviewed half way through their life cycle (Green Plans typically should have a term of 3 to 5 years). This review should consider whether the ambitions, content and context continue to be relevant. At the end of its term, the Green Plan together with the process followed and progress against targets should be carefully examined and evaluated before a new Green Plan is developed.

Identifying the resources and expertise required and available to create the Green Plan with consideration of both human resources and financial budgets is a critical part of the governance and accountability arrangement. As part of its Action Plan, the Green Plan should identify the financial implications for each focus area where data is available. For example the energy, water and waste costs, the cost of staff travel and procurement activities and any investment requirements for the Green Plan's term.

1. Governance, resource and expertise

Observations (Risks / Opportunities):

1) A Green Plan must set out the governance and accountability arrangements for ensuring that the plan is delivered and benefits realised. There is not a clear governance structure defined for the Trust Board to approve the Green Plan, monitor progress in delivering on the plan objectives and escalate issues. We have not been informed of how RLB's recommendations will address the creation of such a structure. The Trust is nominating a Senior Responsible Officer and Board Sponsor to whom the Board can delegate ownership of Green Plan-related actions. At the time of writing, these positions have not yet been confirmed. A Head of Sustainability role is also being created within the Trust. As a first step, the Trust has considered the seniority of Heads of Sustainability at other trusts and concluded that an 8B quality candidate will be required to own and deliver the Green Plan. With the job evaluation complete by the end of May, UHL intends to fill this role by October 2021. In accordance with Green Plan guidance, the Senior Responsible Officer must provide an annual summary of progress on delivery of that plan to the Co-ordinating Commissioner. Although subject to change, the Head of Sustainability is anticipated to become the identified Senior Responsible Officer and will report into the Deputy Director of Estates and Facilities who reports into the Director of Estates and Facilities, the Board Sponsor for the Green Plan.

In addition to these roles, the Trust must also nominate a Net Zero Lead and ensure that the Co-ordinating Commissioner is kept informed at all times of the person holding this position. From our fieldwork, we are aware that RLB is considering Net Zero for the Trust in relation to the reconfiguration project, however, a Net Zero Lead has yet to be identified (see p.11 for more detail on Net Zero).

2) For the Green Plan to be successfully implemented, the Trust must have a clear view on the resources and expertise requirements of implementing the Green Plan. At the time of writing, a view of the resources and expertise available and required to implement the Green Plan has not been set out. It is our understanding that £37m of the Reconfiguration Programme budget has been allocated to the Green Plan. This is a capital allocation which we have been informed is specifically linked to funding the Net Zero initiatives of the two new builds planned at the Leicester Royal Infirmary. The allocation of this budget is somewhat out of the Trust's control as it will be dependant on the outcomes of government decisions. We understand that RLB has not costed the implementation of the Green Plan across the Trust's estate more broadly, so there is currently no visibility over how much additional budget will be required and over what timeframe in order to undertake the actions in the plan. We have not received any indication from our fieldwork of how the Green Plan objectives will be integrated into the procurement processes.

Recommendations:

The timely confirmation of the governance structure and creation of key roles required to administer the Green Plan should be prioritised as this will provide visibility of the implementation approach once the plan is finalised. The governance and accountability arrangements should also be closely aligned with the actions related to reporting and data collection (see page p. 15 for more detail), with accountability assigned for specific reporting responsibilities.

Depending on resource requirements, an existing member of the Trust with specialist knowledge may be best suited to fill the position of Net Zero lead. It is critical that the time requirement for each of these roles is clearly identified if the responsibility for Net Zero is given to an existing member of the Trust.

Not having a comprehensive view of the resource requirement needed to implement the Green Plan is a key risk. It will be important to define the budget available as part of the reconfiguration programme for each of the initiatives under the Green Plan. The Trust should identify the additional resource requirement to implement the actions not captured in the reconfiguration budget.

The Green Plan should identify the extent to which external support will be required for the plan's implementation and define a procurement process for appointing relevant partners.

1. Governance, resource and expertise

Observations (Risks / Opportunities):

3) Having a clearly defined vision for sustainability and a set of prioritised environmental and socio-economic objectives that the Trust wishes to achieve is key to the successful implementation of the Green Plan. From our conversations with RLB, we have been informed that the vision is being developed by iterating previous vision statements, including the one from UHL’s SDMP. RLB have also communicated to us that, at the time of writing, this has not been defined and a decision has not been made on who will sign off on the vision. In line with the NHS guidelines, this will likely sit with the Board Sponsor for the Green Plan as the Board must approve the plan.

From our conversations with RLB, we understand that the environmental and socio-economic objectives will be based on the NHS Long Term Plan objectives, however, we have not had the opportunity to review these. RLB is also undertaking a high level materiality exercise in line with the NHS guidelines which will support in prioritising the key objectives and associated actions.

4) A stakeholder engagement strategy is critical for the Green Plan to be successfully adopted across the Trust. Whilst stakeholder engagement is still ongoing, RLB have communicated that they have engaged a wide range of stakeholders across the Trust as well as external stakeholders (energy, refrigerant, and inhaler suppliers) and local and regional councils to develop the Green Plan. RLB are also looking for the engagement of local communities as well as local and regional councils for the plan’s implementation. There is a clear awareness of the importance of the communications strategy surrounding the plan, with both UHL and RLB stakeholders highlighting mismanagement of this as a key risk. The NHS guidance requires that a plan be defined for how the Green Plan will be submitted to relevant partners and communicated to staff and the public via the intranet, newsletters and the Trust website. RLB have indicated that they are considering the communication strategy with a specific focus on behavioural change.

Recommendations:

The Trust’s SDMP was supported by a statement from the Chief Executive Officer. Having a senior leader endorse and spearhead the Green plan in a similar vein may increase engagement across the Trust. Consideration should be given to how this can complement the Green Plan communications strategy to maximise buy in.

Given the resource constraints surrounding the development and delivery of the Green Plan, it is critical that the trust undertakes a prioritisation exercise when defining the key environmental and socio-economic objectives. It should consider the impact of the objective area on the Trust’s operations and the Trust’s ability to influence and monitor the variables associated with the objective.

A Green Plan should be engaging in both content and communication because delivery will require the active involvement of different stakeholder groups. When defining its communications strategy, the Trust should identify the key stakeholder groups which it seeks to engage and clearly define what action it requires from each of these groups. The communication channels should be chosen in relation to these classifications. Consideration should also be given to the level of detail and the tone of the messages communicated to different stakeholder groups to optimise engagement. Targeting these actions could form a separate workstream off the back of the Green Plan.

1. Governance, resource and expertise

Observations (Risks / Opportunities):

5) The NHS guidelines mandate that a Green Plan includes an Action Plan that explains how the Trust will meet its NHS Long Term Plan (LTP) and broader objectives. From our fieldwork, it is clear that there is an understanding by internal stakeholders of the importance and significance of the various components that constitute a Green Plan. Consideration is already given to a number of sustainability areas across the different functions we engaged, albeit in a decentralised manner. For example, a Green Travel Plan is being formalised which intends to revise the existing transport-related arrangements at the Trust in support of the NHS's objectives (see p. 12 for more detail). Many of these initiatives are complementary to the Green Plan and will provide strong foundations for its implementation. There is currently, however, a lower awareness of the purpose of the Green Plan, how it will consolidate the various initiatives and how this will impact the Trust's operations as a whole. The stakeholders we engaged with have little awareness of the overall sustainability strategy of the Trust and few were familiar with the ambition and objectives in UHL's previous SDMP.

RLB has provided us with its Green Plan template, which follows the recommended structure for the SDMP as encouraged by the latest Green Plan guidelines. In line with this structure, RLB's template includes an 'Areas of Focus' section, outlining ten sustainability areas of focus which will form the basis for UHL's Action Plan and are aligned with the elements of the NHS's Sustainable Development Assessment Tool (SDAT).

Recommendations:

The Green Plan has the opportunity to identify and harmonise the various sustainability initiatives taking place at the Trust. The governance arrangements should clearly outline how each of these feeds into the overall sustainability strategy of the Trust so that it is clear to all stakeholders why they are undertaking each initiative and the amount of time / effort that should be dedicated to each area.

There is a high volume of actions needed to be taken across the entire Trust, requiring a sustained and concerted effort and clear identification of roles and responsibilities. The Action Plan should identify responsible owners and detail 'SMART' targets and objectives for each of the areas.

2. Current sustainability initiatives

We have set out a brief introduction to each of the findings sections in scope, highlighting relevant guidance from the NHS documents reviewed. Thereafter, we outline the key observations noted from our interviews and have made recommendations outlining enhancement opportunities for the Trust to consider as it looks to implement the actions in the Green Plan.

Current initiatives

Introduction:

In the Green Plan guidance and RLB's template, there are ten areas of focus which will form the basis of the Action Plan which outlines how the Trust will meet its LTP and broader objectives, identifying responsible owners against 'SMART' targets and objectives. The Trust will need to set out its key aims and objectives across each of these areas. It is important to note here that our fieldwork did not cover these ten areas exhaustively. Rather, we took a high level view of the key sustainability initiatives that are ongoing at the Trust, to provide a view of how these may feed into the Green Plan and be leveraged during its implementation.

Broadly, our exploration of the current initiatives at the Trust can be categorised in accordance with the key initiative areas for disclosure outlined in the NHS Standard Contract. These mandate the Trust to formalise plans, detailing how it will contribute towards a 'Green NHS' with regard to delivering on the Net Zero NHS commitments. As part of this, the Trust must be able to detail how it will, by no later than 31 March 2022, take action on specific requirements in relation to 1) air pollution, 2) climate change, and 3) single-use plastic products and waste. We detail these specific requirements and the Trust's existing and planned activities against these in the observations section below.

At a minimum the Green Plan should set out the Trust's plan to: 1) Phase out coal and oil fuel as primary heating, 2) switch to lower carbon asthma inhalers, 3) reduce the carbon footprint from anaesthetic gases, 4) cut business mileage and fleet air pollutant emissions by 20%, and 5) reduce the use of avoidable single-use plastics.

2. Current sustainability initiatives

Observations (Risks / Opportunities):

1) The NHS Standard Contract mandates that the Trust formalises a strategy and associated commitments to 1) address its contribution to climate change, supporting the NHS in delivering on its ‘Net Zero NHS’ targets, and 2) mitigate risks associated with climate change and severe weather. Delivering a Net Zero health service will require work to ensure new hospitals and buildings are Net Zero compatible, as well as improvements to the existing estate. The NHS published two updated Net Zero targets in its 2020 report titled, ‘Delivering a Net Zero National Health Service’: 1) Net Zero NHS Carbon Footprint by 2040, with an ambition for an 80% reduction by 2028-32; and 2) Net Zero NHS Carbon Footprint Plus by 2045, with an ambition for an 80% reduction by 2036-39 (compared with a 1990 baseline).

At the time of writing, the Trust has begun considering its position on Net Zero and how it can support the NHS’s Net Zero targets in a “high level review of what UHL think Net Zero.” Although RLB have not seen this document, they confirmed that they are setting out Net Zero considerations in UHL’s Green Plan. RLB’s approach has focused on understanding carbon management across the estate and identifying how much carbon reduction will be needed year on year to meet the relevant targets. In terms of a Net Zero Action Plan, BDP began undertaking a Trust-wide energy and infrastructure review and strategy piece in March 2021, which will inform much of the Trust’s approach to Net Zero. In the interim, RLB’s recommendation is to go “fabric first” and improve energy efficiency of the new builds (two capital projects at the LRI site) as this is relatively less complex and resource intensive than making changes to the existing estate. However, the scope of these considerations is limited to the activities captured by the reconfiguration project.

There is currently uncertainty around the cost of and resource availability for a Trust-wide Net Zero commitment. RLB has divided the Net Zero resource requirement into various areas of cost, however, these estimates are based on benchmarks and other projects going to Net Zero. A decarbonisation fund of £10.7m targeting the energy efficiency of the estate (windows, lighting, heating, and building management system) is in place. It is not clear whether this is part of or in addition to the £37m dedicated for the Green Plan as part of the reconfiguration programme.

Our stakeholder engagements did not cover how the Trust should adapt its premises and the manner in which it delivers its services to mitigate the risks associated with climate change and severe weather. RLB were able to confirm that their analysis found UHL to be exposed to climate risks.

Recommendations:

Target setting. UHL’s SDMP set a 28% emissions reduction target by 2020 (2013 baseline). The Trust should review progress against this to understand whether this provided the appropriate level of ambition and understand successful initiatives taken to meet this target. This insight should guide decision making around the new emissions target. If possible, the trust should employ Science Based Targets to meet the broader Net Zero NHS commitment. Carbon offsets are also a credible way to counteract non-avoidable emissions and should be considered. However, it is critical that the offset programmes used are accredited and robust.

Action plan. The roll out of Net Zero commitments is contingent on BDP’s delivery of the Trust-wide Energy and Infrastructure Review and Strategy. It is not yet confirmed when this will be delivered but it is anticipated to be after development of the Green Plan is concluded. Given this dependency, it is critical that those assigned with the responsibility of overseeing the implementation of Net Zero-related initiatives are kept closely informed of progress made by BDP. Whilst targeting new builds may be appropriate in the short term, large scale maintenance and refurbishment (heating, ventilation, air conditioning, etc.) will be required across the existing estate. This provides a significant opportunity for improvements to the energy efficiency of the existing estate and will need to be considered as part of the Trust’s Net Zero commitment. This may be an appropriate consideration for review half way through Green Plan’s lifecycle.

With regard to climate risk mitigation, given the longer term nature of these impacts, the resource constraints and the volume of actions anticipated in the Green Plan, this may be a suitable consideration to de-prioritise in the short to medium term.

2. Current sustainability initiatives

Observations (Risks / Opportunities):

2) The NHS Standard Contract mandates that the Trust formalises a strategy and associated commitments to limit air pollution, supporting the NHS in cutting business mileage and fleet air pollutant emissions by 20% by 2023/24 (from 2019 baseline), as outlined in the Long Term Plan.

Transport is a key focus area for air emissions. The NHS Standard Contract requires the Green Plan to include how it will: 1) reduce pollution from fleet vehicles, transitioning as quickly as reasonably practicable to the exclusive use of low and ultra-low emission vehicles; 2) develop and operate expenses policies for Staff which promote sustainable travel choices; and 3) ensure that any car leasing schemes restrict high-emission vehicles and promote ultra-low emission vehicles. The Trust has developed a Green Travel Plan in partnership with Go Travel Solutions which sets out plans for electrifying the hopper bus service, changes to the car park to dis-incentivise (where suitable) personal vehicle travel, increased bicycle lanes and sheds, and the installation of e-bike docs. It is our understanding that the Green Travel Plan is currently being implemented across the Trust. Whilst it is not clear how the Green Travel Plan objectives align with the broader Green Plan objectives, RLB have confirmed that they have taken the necessary steps to review and integrate the Green Travel Plan within the Green Plan, providing a summary of the key actions in the plan.

As part of the air pollution-related commitments, the Standard Contract also requires the Trust to transition its electricity procurement to be solely from renewable sources (NHS Improvement requires this to be form non-nuclear renewable sources) and phase out coal and oil fuel as primary heating. We do not have data on the Trust wide energy use and mix. However, we are aware that a portion of the heating currently comes from a Combined Heat and Power Unit. Our fieldwork also revealed that 9 million kW is now being purchased via the Ofgem Renewable Energy Guarantees Origin (REGO) scheme. This contract commenced on the 1st of April 2021.

Managing other sources of air emission such as inhalers and anaesthetics is also highlighted in the Standard Contract as a means by which to reduce air pollution at the Trust level. The contract mandates that the Trust puts in place plans to 1) switch to lower carbon asthma inhalers and 2) reduce the carbon footprint from anaesthetic gases. Gathering reliable data on other sources of emissions to develop a baseline is challenging. Additionally, our engagement with stakeholders did not provide any data on initiatives related to these sources of emissions. RLB confirmed that they are considering these sources and undertaking conversations with suppliers of energy, refrigerants and inhalers.

Recommendations:

Transport. The Green Travel Plan provides a strong foundation for the Green Plan to build on when disclosing transport-related initiatives that can support in limiting air pollution. The Trust should ensure that the reporting and accountability arrangements in the Green Travel Plan are integrated into the broader Green Plan reporting activities so that these actions are appropriately captured.

As the Trust considers future investment into its transport infrastructure it should balance pursuing the broader objectives of the Trust with patient outcomes. This includes understanding the current and projected transport requirements of staff and patients and the current transport options. The COVID-19 pandemic has accelerated the digitisation plans of the Trust as staff and patients have piloted new ways of connecting with one another, virtually. Along with the digital hospital initiative, this is likely to lead to a reduction in footfall to the Trust sites. This will have clear implications for the Trust's transport infrastructure.

Heating and electricity. Our review did not cover the energy use and mix of the Trust in detail. A long term consideration here is whether the Trust can fully decarbonise its energy mix. For example, whether backup power can be provided from an alternative source to the CHP. Decarbonising the Trust's energy mix will also have financial implications that should be evaluated (gas is 2/15 the price of electricity per kW).

Other source of air emissions. The Standard Contract outlines specific sources of air emissions that the Trust should consider. Taking a resource efficient approach, these should be prioritised in terms of their related emissions and accountability for each source be assigned.

2. Current sustainability initiatives

Observations (Risks / Opportunities):

3) The NHS Standard Contract mandates that the Trust formalises a strategy and associated commitments to limit the use and disposal of single-use plastic products and appropriately manage the Trust waste streams.

The latest waste-focused Health Technical Memoranda (HTMs) review, designed to give guidance on the operation of healthcare facilities, found that the Trust was 12% compliant against the guidelines. The review found that waste is not being segregated as it should be (infectious / incineration / non-infectious), causing misconsigned waste to end up in landfill. At the time of writing, waste targets have yet to be formalised and waste-related metrics are not currently monitored and reported to the Board. It is our understanding that RLB are aware of this and have flagged this and the corresponding lack of data around waste as a key risk in the implementation of the Green Plan. We also understand that RLB have concluded that a comprehensive waste audit, capturing data on various waste metrics across the Trust, is not feasible as the entire waste stream is not visible, i.e. RLB do not have visibility of the amount of waste going to landfill and therefore cannot model the associated carbon footprint.

Our stakeholder engagement uncovered the existence of a (now outdated) proposal to improve waste management across the Trust's three sites, completed by Skanska. This includes a set of recommendations relating to the Trust's waste management programme, including training, an offensive waste programme, waste compliance guidance, and a behavioural change programme. As the Trust is in the tendering process to get a waste management contract for March 2022, it has decided to halt the implementation of this proposal until this process is completed. It is not clear from our discussions with RLB whether these recommendations have been implemented into the Green Plan.

The Standard Contract mandates that the Trust outlines its approach to reducing avoidable use of single-use plastic products, including by 1) signing up to and observing the Plastics Pledge, and 2) ceasing the use of single-use plastic, expanded polystyrene or oxo-degradable plastics (cutlery and food packaging are highlighted as prime use cases) so far as clinically appropriate. This is particularly important in light of the masses of single-use plastics that have been consumed by the Trust in the form of PPE during the COVID-19 pandemic. Ostensibly, there is limited resource allocation to reduce the use of single-use plastics across the Trust. Given the limited extent of existing initiatives, it is our understanding that the related recommendations in RLB's Green Plan will be based on best practice observed in other Trusts and the wider business environment.

Recommendations:

Waste management. In light of the lack of waste targets and reporting arrangements, the Trust will need to complete an audit to understand the waste management practices (segregation, disposal, etc.) across the Trust. As waste is currently handled by a number of subcontractors, this will require a wider engagement programme to develop a waste audit trail. The findings from this work should inform an onboarding strategy for the contract waste manager when they are brought on in March 2022. Given the resource constraints relating to the implementation of the Green Plan, undertaking a comprehensive waste assessment may be overly ambitious. RLB and the Trust should consider how they can use the existing recommendations prepared by Skanska to streamline the waste management process.

Single-use plastics. The Standard Contract outlines a number of consumables to consider targeting to reduce single-use plastics across the Trust including cutlery, food packaging and walking aids. As resources dedicated to the reduction of single-use plastics have been limited, the Trust should start by exploring where the majority of single-use plastics are being consumed and identifying which of these areas can be influenced, either by implementing takeback and re-use or by switching from single-use plastics to recyclable plastics in the consumables. This audit will require the Trust to engage with its key suppliers of consumables. Importantly, this can be an area for significant cost reductions if managed correctly.

3. Reporting and data availability

We have set out a brief introduction to each of the findings sections in scope, highlighting relevant guidance from the NHS documents reviewed. Thereafter, we outline the key observations noted from our interviews and have made recommendations outlining enhancement opportunities for the Trust to consider as it looks to implement the actions in the Green Plan.

Reporting and data availability

Introduction:

Measurement and reporting are a mandatory element of the NHS Green Plan guidelines. This covers the metrics that will be used to track progress against the plan's commitments, including reporting to the Board. Among other key metrics (detailed in the observations section below), the NHS Standard Contract mandates that the Trust must, as a minimum, quantify its environmental impacts and publish in its annual report quantitative progress data, covering: 1) Greenhouse Gas emission in tonnes; 2) emissions reduction projections; and 3) an overview of the Provider's strategy to deliver those reductions.

The Green Plan should also detail all forms of reporting for the Trust's Green Plan activities. An annual progress review should be provided to the Board to ensure that implementation is on track. This may include a dashboard of key targets, compliance levels and anticipated or realised benefits/health outcomes e.g. pollution reduction.

3. Reporting and data availability

Observations (Risks / Opportunities):

1) The Trust does not currently have the data collection processes in place to provide comprehensive reporting on the focus areas identified in the Green Plan. In order to effectively report to the Trust Board on progress in specific focus areas the Trust needs to be able to establish a baseline which it can track performance against. Due to the complexity of some of the focus areas and the lack of existing reporting structures, critical baselines have not been established for all the focus areas. For example, RLB do not currently have a comprehensive view of the Trust’s carbon footprint. Eventually, it will need to consider scope 1, 2, and 3 emissions, however, it does not yet have the data to support such an extensive approach.

RLB has indicated that many of the recommendations in the Green Plan are around improving the data collection process and establishing the necessary structures to integrate these as much as possible. RLB has apparently flagged areas where UHL’s existing datasets are not robust enough to use. Additionally, RLB has informed us that they are trying to avoid providing too prescriptive targets as they are wary of setting overly ambitious targets without the necessary baseline.

2) Green Plans are to be reported to the Board or Governing Body on an annual basis. This may include a dashboard of key targets, compliance levels and anticipated or realised benefits/health outcomes e.g. pollution reduction. The prevailing theme that emerged from our stakeholder engagement is that ongoing data collection efforts at the Trust are siloed. Stakeholders also expressed the need for improvements in the data management processes across the Trust, with the current system needing a lot of manual manipulation. For example, for travel alone we have heard of mileage and carbon footprint data for the Hopper bus service being provided by CentreBus as well as surveys sent out by the Trust to see how people feel about the bike facilities. As described on page 7, the Trust is still formalising the governance and accountability arrangements needed to effectively report to the Board on the Green Plan progress. We have not heard from RLB whether any consideration has been given to how the data should be reported to the board.

Recommendations:

Data collection. A key part of the data collection effort is to map out what data needs to be collected for each of the focus areas, at what interval the data should be reported on, and who is responsible for this process. With these areas mapped, a baseline needs to be established and targets set against this in order to make the process auditable. Depending on the extent of the existing reporting infrastructure, the Trust should use the outcomes of the materiality assessment (see p.8) to define which focus areas to prioritise formalisation of reporting processes for. The Trust should remain cognisant of the three main disclosure areas outlined in the guidance when undertaking this exercise: 1) air pollution, 2) climate change, and 3) single-use plastic products and waste.

Data management and reporting. A centralised system where key stakeholders can report on relevant metrics would provide the Trust with a way to consolidate the many data collection efforts across the various focus areas. Depending on the available resource for the Green Plan implementation, this could include a dashboard of key targets, compliance levels and anticipated or realised outcomes to present progress to the Board. As the relevant data is currently collected from a broad range of sources, the Trust should formalise a stakeholder engagement plan to onboard internal and external data providers onto the centralised data management system.

Appendix A: Basis of our classifications

Appendix B: Terms of Reference

Appendix C: Limitations and responsibilities

Appendix D: Stakeholder meetings

Appendices

Appendix A: Terms of reference

We will review the extent of resources, initiatives and data at the Trust with regards to sustainability at the date of our fieldwork. The sub-processes and related control objectives included in this review are:

Sub-process	Objectives	Potential risks should objectives not be achieved
Governance, resource and expertise	<ul style="list-style-type: none"> There is an identified senior responsible officer and Board Sponsor for the Green Plan. There are resources and expertise available to create the Green Plan (consideration to be given to human resources and financial budgets). Where external support is required to develop the plan, the Trust's procurement processes will be followed. There are plans in place to engage with key stakeholders in developing the Green Plan. The plan will be submitted to relevant partners and communicated to staff and the public via the intranet, newsletters and the Trust website. There is a clear understanding and commitment shown by the relevant internal stakeholders of the importance and significance of the Green Plan, and how the plan will impact the Trust's operations as a whole. There is a process in place to approve the Green Plan at Trust Board. There is a governance structure in place to monitor progress in delivering the Green Plan and to escalate issues. 	<p>There are no clear resources to support on the creation and / or delivery of the Green Plan and therefore the Trust will not meet the expected timelines.</p> <p>Procuring the Green Plan through a non-compliant route may impact upon the Trust's financial controls and may not offer value for money.</p> <p>There is limited buy-in and absence of engagement with key stakeholders around the Green Plan.</p> <p>Late or incomplete delivery of the Green Plan adversely impacts upon planning approval for the reconfiguration programme.</p> <p>Overly ambitious commitments within the Green Plan are unaffordable / undeliverable by the Trust, affecting the Trust's reputation.</p>
Current initiatives	<ul style="list-style-type: none"> There are green initiatives that are currently taking place (e.g. reduction of single-use plastics), or planned to take place, throughout the Trust that could contribute to the Green Plan in line with the NHS Green Plan guidance. 	<p>There are current initiatives that could contribute to the Green Plan taking place at the Trust but these are not currently identified centrally.</p>
Reporting and data availability	<ul style="list-style-type: none"> There is environmental / sustainability data currently being monitored and available as an input into the Green Plan. Where there are data gaps, there is a plan in place which identifies what data needs to be collected, how it will be collected, the frequency of collection, and who will be responsible for its collection. 	<p>There is data on current environmental / sustainability performance at the Trust but this is not currently identified centrally.</p>

Appendix A: Terms of reference

Limitations of scope

The scope of our work will be limited to the areas identified in this Terms of Reference. Additionally, we will not carry out a specific review of the sustainability requirements in relation to the reconfiguration programme.

Any further limitations of scope will be noted within our report output, if applicable.

Audit approach

Our audit approach is as follows:

- Obtain an understanding of the resources, structure and data availability to develop and deliver the Green Plan through discussions with key personnel and review of documentation where appropriate;
- Hold a clearance meeting with key members of management to discuss our findings; and
- Provide a draft report to the client.

Please note that due to the current travel restrictions and government guidance in relation to COVID-19, it has been agreed with management that we will undertake the fieldwork through discussions by calls / video conferencing and review documentation remotely. Where significant evidence is required to support sample testing, we will be using a secure file transfer portal (preferred option used by the Trust or a similar PwC alternative). We do not envisage that this will limit our scope at this stage; if it does, we will advise as such in our final report.

Appendix B: Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken this review subject to the limitations outlined below :

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

Appendix C: Internal audit team and key contacts

The table below captures the stakeholder meetings that were performed to support our review and the production of this report:

Key contacts - University Hospitals of Leicester NHS Trust

Name	Title	Role	Date of meeting:
Martin Mannix	Deputy Director of Estates and Facilities	Executive Lead / Audit Sponsor	Thursday, April 8
Nicky Topham	Reconfiguration Programme Director	Key Contact	Wednesday, March 3
Martin Owen	Senior Specialist Engineer	Key Contact	Thursday, March 4
Ruth Ward	Green Travel Manager	Key Contact	Thursday, April 15
Nigel Bond	Deputy Director of Estates and Facilities	Key Contact	Thursday, April 15
Justin Hammond	Head of PMO	Key Contact	Tuesday, April 20
Samantha Stanhope	Waste Contract Manager, Skanska	Key Contact	Tuesday, April 27
Darryn Kerr	Director of Estates and Facilities	Key Contact	Thursday, May 20

Internal audit team

Name	Title	Role	Contact details
Alison Breadon	Partner	Head of Internal Audit	alison.breadon@pw c.com
Charlotte Wood	Senior Manager	Oversight of internal audit contract	charlotte.l.wood@pw c.com
Mark Thompson	Director	Subject Matter Expert - Oversight of review	mark.z.thompson@pw c.com
Jihea Kim	Senior Associate	Subject Matter Expert - Delivery of review	jihea.x.kim@pw c.com
Lucas Morel	Associate	Subject Matter Expert - Delivery of review	lucas.morel@pw c.com

Appendix D: Documents reviewed

The table below captures the key documents that were reviewed to support our review and the production of this report:

Source	Document title
UHL Trust	UHL Sustainable Development Management Plan (SDMP) 2017
	Facilities Annual Sustainability Report 19-20
	UHL Management Structure January 2021
	Briefing paper NHSC&I roundtable 29th January 2021
Sustainable Development Unit / NHS England / NHS Improvement	NHS Standard Contract 2021/22
	How to produce a Green Plan
	Workbook A: Writing your SDMP
	Workbook B: Identifying priorities through a Materiality Assessment

Thank you

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This document has been prepared only for University Hospitals of Leicester NHS Trust and solely for the purpose and on the terms agreed with University Hospitals of Leicester NHS Trust in our agreement dated 28/03/2017 (and contract extension letter dated 20/04/20). We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to public sector internal audit standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

In the event that, pursuant to a request which University Hospitals of Leicester NHS Trust has received under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), University Hospitals of Leicester NHS Trust is required to disclose any information contained in this document, it will notify PwC promptly and will consult with PwC prior to disclosing such document. University Hospitals of Leicester NHS Trust agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such [report]. If, following consultation with PwC, University Hospitals of Leicester NHS Trust discloses any of this document or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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