

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON THURSDAY 28 OCTOBER 2021 AT 9AM VIA MICROSOFT TEAMS

Voting Members Present:

Mr A Johnson – FIC Non-Executive Director Chair
 Mr R Mitchell – Chief Executive (from Minute 104/21/2)
 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
 Ms K Gillatt – Associate Non-Executive Director
 Mr A Haynes – Adviser to the Trust Board
 Mr D Kerr – Director of Estates and Facilities (for Minutes 99/21 – 104/21/1 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>	
99/21	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>	
100/21	APOLOGIES FOR ABSENCE AND WELCOME	
	Apologies for absence were received from Mr A Furlong, Medical Director.	
101/21	DECLARATIONS OF INTERESTS	
	Mr A Johnson FIC Non-Executive Director Chair, 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 Director Chair, Non-Executive Directors, and Finance Director and Company Secretary of Trust Group Holdings Ltd. Mr S Lazarus Chief Financial Officer also declared his position as Director and Shareholder of Bishop Pair Ltd. As these declarations were judged by the Committee to be non-prejudicial interests, they remained present at the meeting. This was the final FIC meeting for the Chief Financial Officer, and the FIC Non-Executive Director Chair thanked him for his contribution to the work of the Committee and wished him well for the future.	
	<u>Resolved</u> – that the declarations of interests be noted.	
102/21	MINUTES	
	<u>Resolved</u> – that the Minutes of the 30 September 2021 Finance and Investment Committee be confirmed as a correct record.	
103/21	MATTERS ARISING LOG	
	Any updates now provided would be reflected in the next iteration of the action log. The Director of Estates and Facilities particularly noted that he would ask the Head of Procurement and Supplies to confirm the dates for meeting with the FIC Non-Executive Director Chair to discuss the contract report template requirements.	DEF

	<u>Resolved</u> – that the FIC matters arising log be noted, and any updates provided at this meeting be reflected in the next iteration.	CCSM
104/21	KEY ISSUES FOR DISCUSSION AND ASSURANCE	
104/21/1	<u>2021/22 Capital Plan Month 6 Update</u>	
	<p>As detailed in paper D, actual year to date capital expenditure was £22.5m as at month 6, representing an underspend of £3.3m against forecast (details as set out in the report, including reasons for the variance). The full-year forecast was £72.4m and delivery of the Trust's CDEL (capital departmental expenditure limit). A revised reconfiguration spend forecast was expected in month 7, and the Director of Operational Finance also provided assurance to FIC that the capital team was working closely with the estates capital lead to ensure that all accruals were appropriately captured. The month 6 capital update set out a list of additional schemes in the 2021/22 capital programme and provided the previously-requested assurance on the Linac installation costs. The Director of Operational Finance took FIC through each of the additional schemes in detail (setting out the background and current position), and explained the challenges posed by in-year additional capital allocations. The additional schemes identified would result in a slight year-end forecast capital underspend of £56k and would be managed via STP funding. An update would be provided to the November 2021 FIC on the in-year deliverability of the various national TIF (targeted investment fund) bids. In discussion on the capital update, Ms K Gillatt Associate Non-Executive Director sought further clarity and assurance on whether UHL would deliver its 2021/22 CDEL, and it was agreed to provide further detail on the figures at the November 2021 FIC. Mr B Patel Non-Executive Director sought (and received) assurance that the consequences of accepting late in-year capital allocations were carefully considered before such allocations were accepted; the Director of Operational Finance advised FIC that scheme deliverability and any impact on the wider capital programme were robustly considered. It was noted that such monies could not be carried forward, and would therefore create pre-commitments on the following year's capital plan if the schemes could not be delivered in-year. However, it was agreed that wherever possible, in-year allocations should be accepted, and Mr M Williams Non-Executive Director noted the need to have appropriate schemes ready to go when allocations were received.</p> <p>FIC noted that the Director of Operational Finance was currently more involved than usual in reviewing the detail of the 2021/22 capital plan, due to the focus of other senior finance staff on the annual accounts process. The FIC Non-Executive Director Chair welcomed the detail provided in the month 6 capital plan update and concluded that FIC was assured by the update and that the capital plan was being actively managed to ensure full use of capital resources available.</p>	<p>DOF</p> <p>DOF</p>
	<p><u>Resolved</u> – that the following information be provided in the next capital report to FIC:-</p> <p>(1) an update on the in-year deliverability of the TIF (targeted investment funds) bids/schemes and</p> <p>(2) clarification of the 2021/22 CDEL and if this would be met (including clarity on what reconfiguration monies had been reprofiled).</p>	ICFO/ DOF
104/21/2	<u>2021/22 Month 6 Financial Position</u>	
	<p>At month 6 of 2021/22 the Trust continued to be ahead of both plan and the H1 forecast, although the level of surplus had reduced. The actual position (including Top Up funding) was a £5.4m surplus, which was £1m favourable to forecast and £5.4m favourable to plan, primarily due to operational drivers (continued constraints on elective recovery activity due to very significant emergency pressures). The waterfall chart detailed the movements between the month 5 forecast outturn and the month 6 actual position, and the Chief Financial Officer now described each element of those movements to FIC in detail. Mr M Williams Audit Committee Non-Executive Director Chair, now clarified the nature of the Audit Committee's discussions on a specific point. The report also now contained a slide on the underlying financial position, which was being further reviewed with NHSE/I in an ongoing process to agree the position. At the request of Mr I Orrell Associate Non-Executive Director, the Financial Improvement Director outlined the nature of the discussions with NHSE/I (including the need to clarify the recurrent/non-recurrent nature of funding), and noted his view that having a credible 2022/23 budget in place by February/March 2022 was crucial. The Chief Executive advised FIC that he</p>	

	was keen to closely engage Clinical Directors in the budget-setting process.	
	<p>In further discussion on the month 6 finance report, Mr M Williams Non-Executive Director sought assurance on where the staffing WTE figures were obtained (it was confirmed that these were from the general ledger system via the Electronic Staff Record) and whether they were considered to be robust. Building on the issue of staffing, Ms K Gillatt Associate Non-Executive Director queried whether the forecast recruitment plans as reported to the People and Culture Committee were realistic, and appropriately triangulated to activity and performance levels. Although recognising the need for realistic recruitment plans, Executive Directors emphasised the crucial need for safe staffing levels (which was echoed by FIC Non-Executive Directors). Although recognising that detailed discussed on recruitment issues was not within FIC's remit, the FIC Non-Executive Director Chair suggested that it would be helpful for the WTE element of the monthly finance report to include an additional line showing establishment levels. The Acting Chief Operating Officer and the Director of Operational Finance also agreed to consider outside the meeting how best to include an appropriate narrative on this in the monthly finance report, ie aligning the financial, activity and workforce projections and providing context on the level of risk. Mr M Williams Non-Executive Director further queried the measures in place for managing winter pressures and the level of additional staffing required. In response to a specific point on bed occupancy, the Acting Chief Operating Officer clarified that UHL's current bed occupancy was 91% and she detailed the challenges being faced re: the discharge of medically-fit patients due to social care pressures. As discussed at the September 2021 FIC, the Acting Chief Operating Officer reiterated the staffing pressures within UHL, noting that Covid-19 pressures continued. Staffing of winter capacity would likely remain a challenge. The Chief Executive agreed that discharge was a key limiting factor, and noted his view that UHL's internal bed capacity was broadly appropriate. The Chief Executive also commented on his wish for UHL to be seen as a key attractive employer locally. The FIC Non-Executive Director Chair noted that these discussions were within the remit of the Quality Committee and People and Culture Committee, rather than within the remit of FIC. However the issues were relevant to current operating constraints and he would bring them to the attention of the Trust Board to ensure appropriate recognition and focus.</p>	<p>DOF</p> <p>DOF/ ACOO</p> <p>FIC NED CHAIR</p>
	<p>Resolved – that (A) an additional line showing establishment levels be included in the WTE element of the monthly finance report, and</p> <p>(B) consideration be given to how best to align and report the workforce/activity/finance forecasts, ensuring that an appropriate narrative/context was provided, and</p> <p>(C) the impact of current operational constraints be highlighted to the Trust Board, to ensure appropriate recognition and focus.</p>	<p>ICFO/ DOF</p> <p>DOF/ ACOO</p> <p>FIC NED CHAIR</p>
104/21/3	<u>Report from the Chief Financial Officer</u>	
	Resolved – that this item be classed as confidential and taken in private accordingly.	
104/21/4	<u>Becoming the Best Transformation and Cost Improvement Programme</u>	
104/21/4.1	<u>2021/22 Becoming the Best Transformation and Cost Improvement Programme Update</u>	
	<p>With regard to the H1 CIP position, the amount of cash-releasing schemes on the tracker now stood at £8.375m; £4.290m of that was recurrent and further work was underway to improve the recurrent/non-recurrent split in H2. CMGs were sometimes reluctant to badge some vacancies as recurrent CIPs even where those vacancies were longstanding, and work was in hand to discuss how to appropriately overlay the workforce plan and the CIP plan. The Director of Quality Transformation Efficiency and Improvement advised that she continued to hold fortnightly accountability meetings with CMGs to review their position, but she acknowledged that CMGs were currently focusing on day to day operational pressures. The Director of Quality Transformation Efficiency and Improvement considered that robust CIP plans were now in place for H2; all clinical and Corporate areas had accepted their H2 CIP targets, although discussions continued with some areas re: potential delivery challenges. In discussion, the FIC Non-Executive Director Chair emphasised the need for appropriate alignment/consistency between the UHL CIP figures internally and at system-level, as it appeared that the ICS</p>	

	forecasts for H2 were potentially out of step with UHL internal targets.	
	Resolved – that the position be noted.	
104/21/4.2	Report from the Director of Quality Transformation Efficiency and Improvement	
	Resolved – that this item be classed as confidential and taken in private accordingly.	
104/21/5	Roadmap to Sustainable Financial Improvement	
	The Financial Improvement Director presented the October 2021 iteration of the assurance roadmap, which would be further updated for the November 2021 Trust Board. He highlighted key risk 1 (annual accounts finalisation) and provided assurance to FIC that he met very regularly with External Audit to discuss progress on that issue. Although the Financial Improvement Director considered that UHL's grip and control continued to improve, he noted the significant demand placed on the Trust's finance team in completing the accounts process for 2019/20 and 2020/21 as well as managing the finance function day to day.	
	Resolved – that the position be noted.	
104/21/6	Report from the Chief Financial Officer	
	Resolved – that this item be classed as confidential and taken in private accordingly.	
104/21/7	Financial Recovery Board (FRB)	
	Resolved – that the 29 September 2021 FRB action notes, the 13 October 2021 FRB actions, and the 27 October 2021 FRB agenda be noted (papers I1 – I3 respectively).	
105/21	ITEMS FOR NOTING	
	Resolved – that the 28 September 2021 Executive Finance and Performance Board action notes be received and noted as per paper J (26 October 2021 EFPB cancelled).	
106/21	ANY OTHER BUSINESS	
	There were no items of any other business.	
107/21	IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD	
	Resolved – that (A) the item in confidential Minute 99/21 be recommended to the next private Trust Board for approval, and (B) the discussions in Minute 104/21/2 and in confidential Minutes 104/21/3 and 104/21/4.2 be highlighted to the 4 November 2021 Trust Board for information.	FIC NED CHAIR FIC NED CHAIR
108/21	DATE OF NEXT MEETING	
	Resolved – that the next meeting of the Finance and Investment Committee be held virtually on Thursday 25 November 2021, from 9am to 11.15am via Microsoft teams.	

The meeting closed at 11.20am

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)	7	6	86	S Lazarus	7	6	86
R Brown	3	3	100	D Mitchell	7	6	86
I Crowe	3	3	100	B Patel	7	7	100
A Furlong	4	1	25	M Williams	7	7	100

Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Durbridge	7	6	86	I Orrell	7	7	100
K Gillatt	7	7	100	J Shuter	7	6	86
A Haynes	4	4	100				