

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON THURSDAY 24 FEBRUARY 2022 AT 9AM VIA MICROSOFT TEAMS

Voting Members Present:

Mr S Harris – FIC Non-Executive Director Chair
 Ms L Hooper – Chief Financial Officer
 Mr J Melbourne – Chief Operating Officer
 Mr R Mitchell – Chief Executive
 Mr B Patel – Non-Executive Director
 Mr M Williams – Non-Executive Director

In Attendance:

Miss M Durbridge – Director of Quality Transformation and Efficiency Improvement
 Mr J Shuter – Director of Operational Finance
 Ms H Stokes – Corporate and Committee Services Manager

		<u>ACTION</u>
	<u>RECOMMENDED ITEMS</u>	
12/22	REPORT FROM THE DIRECTOR OF OPERATIONAL FINANCE	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
13/22	REPORT FROM THE CHIEF FINANCIAL OFFICER	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
	<u>RESOLVED ITEMS</u>	
14/22	APOLOGIES FOR ABSENCE	
	Apologies for absence were received from Mr R Cooper Financial Improvement Director, and Mr A Furlong Medical Director.	
15/22	DECLARATIONS OF INTERESTS	
	Mr J Shuter Director of Operational Finance declared his role as Finance Director and Company Secretary of Trust Group Holdings Ltd. As this declaration was judged by the Committee to be a non-prejudicial interest, he remained present at the meeting.	
	<u>Resolved</u> – that the declarations of interests be noted.	
16/22	MINUTES	
	<u>Resolved</u> – that the Minutes of the 27 January 2022 Finance and Investment Committee be confirmed as a correct record.	
17/22	MATTERS ARISING LOG	
	Any updates now provided would be reflected in the next iteration of the action log. With regard to the money saving ideas staff forum relaunch, FIC asked that the Director of Quality Transformation Efficiency and Improvement liaise with the new Chief People Officer (once in post) and provide an update on these proposals in April 2022, noting the need for the forum to cover good ideas/suggestions generally not only financial savings, and for an appropriate response mechanism to be considered. In discussion on that action, the Chief Financial Officer noted the national 'Future-Focused Finance' value-makers concept, and agreed to brief the	DQTEI CFO

	Director of Quality Transformation Efficiency and Improvement accordingly outside the meeting.	
	Resolved – that the FIC matters arising log be noted, and any updates provided at this meeting be reflected in the next iteration.	Named leads
18/22	KEY ISSUES FOR DISCUSSION AND ASSURANCE	
18/22/1	Reports from the Chief Operating Officer	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
19/22	ICS FINANCE UPDATE	
	Paper E comprised the LLR system finance report for month 9 of 2021/22. The Chief Financial Officer advised that the month 10 position had also been discussed at the LLR system finance group on 23 February 2022, noting a narrowing of the risk range as expected at this point in the financial year. Although welcoming the addition of this new standing item to the FIC agenda, the FIC Non-Executive Director Chair requested that the report be made shorter if possible, to a length of (eg) 2 slides.	CFO
	Resolved – that the scope to shorten the report length be explored.	CFO
20/22	IN-YEAR REPORTING	
20/22/1	2021/22 Month 10 Financial Position	
	<p>The Trust was reporting a month 10 deficit of £2.1m, which was a £4.5m favourable variance to forecast. The key drivers for this position were detailed in the bridge movement, including (eg) lower than expected ERF and winter expenditure; reduced pay and agency spend; agreement of balances, and reduced depreciation. The year to date surplus was £7m, and following a detailed review of CMG forecasts and month 10 outturn the Trust's full year forecast was now a £3m surplus based on the assumed level of System income to fund elective recovery and winter schemes. Planning had taken place within the Finance Team to outline a range of potential forecasts covering worst/likely/best case scenarios, and the Chief Financial Officer advised that the forecast outturn was subject to there being no further prior year adjustments and no significant movement on the level of annual leave accruals currently provided for in the balance sheet.</p> <p>The Trust's cash position remained strong at £109.9m, and the Chief Financial Officer provided assurance to FIC that cashflow forecasting would be a key UHL focus for 2022/23, in addition to the I&E position itself. FIC noted that capital was covered in detail in papers G1 and G2 below, with headline expenditure shown in the month 10 finance report.</p> <p>The Chief Financial Officer advised FIC that NHSE/I was fully briefed on UHL's forecast position. The Chief Financial Officer further noted that new dashboard slides had been included in the month finance report immediately after the executive summary section – these additions were welcomed by the FIC Non-Executive Director Chair.</p>	
	In discussion on the month 10 financial position, the FIC Non-Executive Director Chair took assurance from the relatively narrow nature of the range of outcomes, and queried the position re: Nightingale funding.	
	Resolved – that the 2021/22 month 10 finance report be noted.	
20/22/2	2021/22 Capital Plan Month 10 Update and Capital Investment Update	
	As detailed in paper G1, actual year-to-date capital expenditure was £37.5m as at month 10, representing an underspend of £2.5m against plan. The capital subgroup leads were	

	<p>continuing their increased scrutiny of the capital programme position; although close monitoring continued of the Estates and Facilities schemes in particular, a detailed confirm and challenge session had provided assurance that the 2021/22 capital programme would be delivered. The main changes since month 9 related to the timing of medical equipment receipt and revised lead in times for IM&T equipment. Paper G2 detailed additional capital investments of £2.9m planned for the remainder of 2021/22.</p> <p>The Chief Financial Officer provided assurance to FIC that work was underway to provide a more granular capital update to FIC each month, as previously requested. Mr M Williams Non-Executive Director reiterated his previous comments on the need to progress 2022/23 capital planning as soon as possible, and to increase the amount spent in the early stages of the annual capital cycle from the known allocation relating to Trust/System capital. It was recognised that national in-year capital allocations could be challenging, particularly when received late in the year.</p> <p>The FIC Non-Executive Director Chair considered that FIC was more assured than previously by the work outlined on 2021/22 capital plan.</p>	
	<u>Resolved</u> – that the 2021/22 capital plan updates be noted.	
20/22/3	<u>Transformation and Cost Improvement Programme (CIP)</u>	
	<p>As per paper H, FIC discussed (1) the 2021/22 CIP position, and (2) 2022/23 CIP planning. The 2021/22 CIP position had improved further in month 10 in both productivity/efficiency and cash-releasing terms, now standing at £16.057m of cash-releasing savings. The recurrent/non-recurrent split of CIP schemes needed further work however, particularly in light of the challenging 80% recurrent target for 2022/23. With one exception, all CMGs had delivered their CIP targets, and that remaining CMG had provided assurance of delivery at its recent Performance Review Meeting with Executive Directors. The Director of Quality Transformation Efficiency and Improvement advised FIC that the Transformation Team intended to do a lookback at the 2021/22 CIP schemes, to identify those which had also been actively quality-enhancing.</p> <p>National planning guidance had now been received and was being reviewed by the Transformation team in respect of 2022/23 CIP planning – it was anticipated that the cash-releasing proportion of the 2022/23 CIP plan would increase. Further detail on the 2022/23 CIP plan would be provided to the Executive Finance and Performance Committee and to FIC in March 2022. Mr M Williams Non-Executive Director commented on the likely significant CIP expectations on the NHS as a whole for 2022/23, particularly re: productivity schemes.</p> <p>FIC also received a report for information on the (non-recurrent) surplus revenue allocation for 2021/22 as detailed in paper H2, and welcomed the spend on items such as mattresses and beds.</p>	DQTEI
	<u>Resolved</u> – that further detail on the 2022/23 CIP plan be provided to the next FIC (and Executive Finance and Performance Board).	DQTEI
20/22/4	<u>Assurance Roadmap to Sustained Financial Improvement</u>	
	FIC took assurance from the continued good progress evidenced in the roadmap report at paper I.	
	<u>Resolved</u> – that the position be noted.	
20/22/5	<u>Report from the Director of Quality Transformation Efficiency and Improvement</u>	
	<u>Resolved</u> – that this Minute be classed as confidential and taken in private accordingly.	
20/22/6	<u>Report from the Chief Financial Officer</u>	

	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
21/22	PLANNING	
21/22/1	<u>Process for Development of a Medium Term Financial Plan (MTFP)</u>	
	In addition to reflecting good financial management, the Chief Financial Officer reminded FIC that the development of medium term financial plan was a requirement for exiting special measures and one of External Audit's statutory recommendations. Development of the Trust's MTFP was in 3 phases (2022/23; the next 3 years after that, and then beyond 2027), and a timetable for that work would be presented to the March 2022 FIC. The FIC Non-Executive Director Chair advised the need for that report also to include appropriate governance and sign-off routes.	CFO
	Resolved – that a detailed timetable for the development of the UHL medium term financial plan be presented to the next FIC, including appropriate governance and sign-off routes.	CFO
22/22	ITEMS FOR NOTING	
22/22/1	<u>Executive Finance and Performance Board (EFPB)</u>	
	Resolved – that the 25 January 2022 EFPB actions and the 22 February 2022 EFPB agenda be noted as per papers N1 and N2.	
23/22	ANY OTHER BUSINESS	
	There were no items of any other business.	
24/22	IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD	
	Resolved – that (A) the items in confidential Minutes 12/22 and 13/22 be recommended to the next private Trust Board for approval, and	FIC NED CHAIR
	(B) the discussion in Minute 21/22/1 above and in confidential Minutes 18/22/1 and 20/22/5 be highlighted to the Trust Board for information.	FIC NED CHAIR
25/22	DATE OF NEXT MEETING	
	Resolved – that the next meeting of the Finance and Investment Committee be held virtually on Thursday 31 March 2022, from 9am to 11.15am via Microsoft teams.	

The meeting closed at 11.02am

Helen Stokes **Corporate and Committee Services Manager**

FIC Attendance Record 2021/22

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris (Chair from 1.2.22)	2	2	100	S Lazarus	7	6	86
A Johnson (Chair until 31.1.22)	10	9	90	J Melbourne (from 31.1.22)	1	1	100
R Brown (until 3.10.21)	3	3	100	D Mitchell (until 30.1.22)	10	7	70
I Crowe	3	3	100	R Mitchell (from 4.10.21)	4	4	100
A Furlong	8	3	38	B Patel	11	11	100
				M Williams	11	10	91

Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Durbridge	10	9	90	I Orrell (until 31.12.21)	9	9	100
K Gillatt (until 31.1.22)	10	9	90	J Shuter	11	10	91
A Haynes	7	6	86				