

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON THURSDAY 27 JANUARY 2022 AT 9AM VIA MICROSOFT TEAMS****Voting Members Present:**

Mr A Johnson – FIC Non-Executive Director Chair
 Mr A Furlong – Medical Director
 Ms L Hooper – Chief Financial Officer
 Ms D Mitchell – Acting Chief Operating Officer
 Mr R Mitchell – Chief Executive
 Mr B Patel – Non-Executive Director
 Mr M Williams – Non-Executive Director

In Attendance:

Mr M Archer – Head of Operations, Clinical Support and Imaging (CSI) CMG (for Minute 2/22)
 Mr N Bond – Deputy Director of Estates and Facilities (for Minutes 1/22 and 7/22/1)
 Mr R Cooper – Financial Improvement Director
 Miss M Durbridge – Director of Quality Transformation and Efficiency Improvement
 Mr A Haynes – Adviser to the Trust Board
 Dr P Patel – Clinical Director, CSI CMG (for Minute 2/22)
 Mr J Shuter – Director of Operational Finance
 Ms H Stokes – Corporate and Committee Services Manager

		<u>ACTION</u>
	<u>RECOMMENDED ITEMS</u>	
1/22	REPORT FROM THE DIRECTOR OF ESTATES AND FACILITIES	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
2/22	REPORT FROM THE CHIEF INFORMATION OFFICER, CLINICAL DIRECTOR AND HEAD OF OPERATIONS CSI	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
	<u>RESOLVED ITEMS</u>	
3/22	APOLOGIES FOR ABSENCE	
	Apologies for absence were received from Ms K Gillatt Associate Non-Executive Director.	
4/22	DECLARATIONS OF INTERESTS	
	Mr A Johnson FIC Non-Executive Director Chair, and Mr J Shuter Director of Operational Finance declared their roles as (respectively) Non-Executive Director Chair, and Finance Director and Company Secretary of Trust Group Holdings Ltd. As these declarations were judged by the Committee to be non-prejudicial interests, they remained present at the meeting.	
	<u>Resolved</u> – that the declarations of interests be noted.	
5/22	MINUTES	
	<u>Resolved</u> – that the Minutes of the 23 December 2021 Finance and Investment Committee be confirmed as a correct record.	
6/22	MATTERS ARISING LOG	

	Any updates now provided would be reflected in the next iteration of the action log.	
	Resolved – that the FIC matters arising log be noted, and any updates provided at this meeting be reflected in the next iteration.	Named leads
7/22	KEY ISSUES FOR DISCUSSION AND ASSURANCE	
7/22/1	<u>2021/22 Capital Plan Month 9 Update</u>	
	<p>As detailed in paper D, actual year to date capital expenditure was £32.9m as at month 9, representing an underspend of £0.27m against plan. Due to increased forecast spend on the Community Diagnostic Hub scheme, the capital programme for 2021/22 now stood at £73.3m, thus requiring a very significant level of spend (circa £40m) in the final quarter of the year. The Director of Operational Finance briefed FIC on the detailed programme reviews underway by the capital subgroup leads to assess in-year deliverability, and noted that the subgroup leads remained positive of achieving the 2021/22 capital plan. As the estates and facilities capital subgroup chair, the Deputy Director of Estates and Facilities advised that the estates and facilities capital programme was appropriately over-committed and could therefore be flexed in-year depending on the overall requirements. Although recognising the impact of Covid-19 on staff availability, the Deputy Director of Estates and Facilities outlined his confidence in delivering the estates and facilities capital plan for 2021/22. Mr M Williams Non-Executive Director noted the need to take appropriate account of all known risks, including (for example) the potential construction work impact of adverse weather conditions at this time of year. In response to a query from Mr S Harris Non-Executive Director, the Deputy Director of Estates and Facilities confirmed that capital projects spanning the end of this financial year and the beginning of the next would be accounted for in 2021/22 in terms of the work delivered by 31 March 2022.</p>	
	<p>The Chief Financial Officer provided further assurance that appropriate actions were in hand to monitor expenditure and identify (with the Director of Quality Transformation Efficiency and Improvement) appropriate bring-forward schemes in the event of slippage. A detailed line-by-line review was being undertaken by the capital subgroup leads, and an end of year review session would also be held to learn any lessons for the 2022/23 capital programme. Mr M Williams Non-Executive Director commented on the need for UHL to have appropriate credibility with system partners on the deliverability in full of its 2021/22 capital plan. He also requested that thought be given to presenting a more granular capital update to future FIC meetings, to provide greater assurance on the key capital schemes and the critical gateway points for delivery – the need for improved information was supported, and the ongoing importance of system-wide credibility was emphasised by the FIC Non-Executive Director Chair. In terms of how capital plan ‘success’ would be measured, the Chief Financial Officer echoed the need for certainty and credibility, and to ensure that required year-end expenditure could be delivered. Discussions with the capital subgroup leads were vital to this. The Chief Executive also emphasised the key importance of transparency and openness.</p> <p>The FIC Non-Executive Director Chair noted that FIC was reassured by the capital plan presented, but was not completely assured on deliverability, given the level of expenditure and activity across a number of projects required before year-end.</p>	CFO
	Resolved – that a more granular update on the capital plan be provided to future FIC meetings, to give greater assurance on the key capital schemes and the critical gateway points for delivery.	CFO
7/22/2	<u>2021/22 Month 9 Financial Position</u>	
	<p>The Trust was reporting a month 9 deficit of £1.9m, which was a £12k adverse variance to forecast. The year to date surplus was £9.2m, and the Trust continued to forecast a 2021/22 year-end break-even position after adjusting for the return of headroom income to the LLR system. Detailed discussions were being held with Corporate Directorates and Clinical Management Groups, with a view to reviewing the financial forecast position at month 10 and</p>	

	<p>ensuring a credible and transparent forecast (which was also a continued key focus for NHSE/I). The Trust's cash position remained strong and the Chief Financial Officer provided assurance to FIC that a robust cash position would continue to be a key focus for her team – the FIC Non-Executive Director Chair welcomed this assurance and voiced his support for the process improvements introduced and operating to date such as the Cash Committee. The FIC Non-Executive Director Chair also commented on the key importance of developing a wider and deeper understanding of PLICS (patient level information and costing system), welcoming the additional information provided on this within the month 9 finance report.</p>	
	<p>Noting the key factor of staffing, Mr M Williams Non-Executive Director queried what level of recruitment was required to deliver the forecast staffing levels, and requested assurance that this was realistic – in response the Director of Operational Finance advised that a detailed review was underway with CMGs to assess the requirements and the likely deliverability of the workforce recruitment forecast (not all of which involved new posts). Mr M Williams Non-Executive Director reiterated his previous concerns that the significant level of recruitment needed was not achievable, and he requested specific assurance that appropriate and active leadership was designated and in place re: recruitment levels and actions (given that FIC received retrospective updates). Although noting his view that the current recruitment position would be largely unchanged for the next 6 months, the Chief Executive advised that development of a workforce and recruitment plan would be a key priority area for the new Chief People Officer once in place, including retention and training/re-training. FIC Non-Executive Directors noted that reducing the time to hire was also key. In response to a query from the FIC Non-Executive Director Chair, the Chief Executive advised that the February 2022 public Trust Board would receive an update re: staff vaccination.</p> <p>The FIC Non-Executive Director Chair welcomed the report, noted his increased confidence in the 2021/22 year-end break-even forecast given the action plan in place, although workforce numbers and conversion into activity would be key to the eventual outturn. He voiced his support for the intended month 10 review to ensure a robust and credible year-end forecast.</p>	
	Resolved – that the month 9 finance report be noted.	
7/22/3	<u>Report from the Chief Financial Officer</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
7/22/4	<u>Medium Term Financial Plan (MFTP)</u>	
	<p>The Chief Financial Officer advised that she would provide written progress reports to the February 2022 FIC onwards, including an update on 2022/23 financial planning. The medium term financial plan was a key confidence area for Regulators, and the Chief Financial Officer advised that work was currently underway within UHL to review and refresh the model in the context of current financial funding arrangements. She considered that there were 3 strands to the medium term financial plan: year 1 (2022/23); years 2-5, and years 6-10.</p>	
	Resolved – that written updates on the MFTP be provided to FIC.	CFO
7/22/5	<u>Transformation and Cost Improvement Programme</u>	
	<p>FIC discussed (1) the 2021/22 CIP position; (2) 2022/23 CIP planning, and (3) investments. The Director of Quality Transformation Efficiency and Improvement clarified that a QIA process update was being provided to the Quality Committee rather than to FIC. With regard to the 2021/22 CIP position, the Trust was anticipating full delivery of the £22m programme comprising £16m cash-releasing savings element (slightly less than the December 2021 report due to a specific issue as now outlined to FIC [which caused an adverse variance to the planned position for 2021/22 but which would provide an improvement in future years) and £6m non-cash-releasing savings. 2022/23 CIP planning was well underway, and work continued to validate the schemes and thus ensure that the programme was realistic and credible. A more detailed report on the 2022/23 CIP plan would be presented to the February 2022 FIC.</p>	DQTEI

	<p>With regard to investments, the Director of Quality Transformation Efficiency and Improvement briefed FIC on 2 elements: (i) in-year schemes (2021/22 revenue underspend opportunities), and (ii) 2022/23 revenue investments, noting the process set out in appendix 2 of the report. Circa £6.1m was available for in-year investments, and robust criteria had been developed to assess the bids received – the Director of Quality Transformation Efficiency and Improvement noted that £1.8m of the total was being allocated for cardiac monitors and telemetry equipment, noting the associated patient and operational flow benefits. A clear process was also in place for 2022/23 investments (as detailed in the report).</p> <p>FIC welcomed the good progress made on transformation and on CIP delivery and planning, and noted that the process recommendations had been approved by the January 2022 Executive Finance and Performance Board. The FIC Non-Executive Director Chair considered that the 2022/23 CIP programme looked more reasonable compared to the anticipated target, and was a continued improvement on previous iterations.</p>	
	Resolved – that a more detailed report on the 2022/23 CIP plans be presented to the next FIC.	DQTEI
7/22/6	<u>Report from the Chief Financial Officer</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
7/22/7	<u>Report from the Interim Chief Financial Officer</u>	
	Resolved – that this item be classed as confidential and taken in private accordingly.	
7/22/8	<u>Executive Finance and Performance Board (EFPB)</u>	
	Resolved – that the 21 December 2021 EFPB actions and the 25 January 2022 EFPB agenda be noted as per papers J1 and J2.	
8/22	ITEMS FOR NOTING	
	There were no items for noting.	
9/22	ANY OTHER BUSINESS	
9/22/1	<u>FIC Non-Executive Director Chair</u>	
	<p>The Chief Executive thanked Mr A Johnson FIC Non-Executive Director Chair for his contribution to the Trust while a Non-Executive Director, and wished him well for the future. The Chief Executive thanked the Acting Chief Operating Officer for her input and support to FIC and UHL (noting that it was her last meeting), and also expressed his thanks to both the Director of Financial Improvement for his work while Acting Chief Financial Officer, and to the Director of Operational Finance for his continued focus on financial governance. These sentiments were echoed by the FIC Non-Executive Director Chair, who noted his view that UHL was now in financial recovery and reiterated the key importance of sustained and robust credibility.</p>	
	Resolved – that the position be noted.	
10/22	IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD	
	Resolved – that (A) the items in confidential Minutes 1/22 and 2/22 be recommended to the next private Trust Board for approval, and	FIC NED CHAIR
	(B) the discussion in Minutes 7/22/1 and 7/22/2 be highlighted to the Trust Board for information.	FIC NED CHAIR
11/22	DATE OF NEXT MEETING	

	Resolved – that the next meeting of the Finance and Investment Committee be held virtually on Thursday 24 February 2022, from 9am to 11.15am via Microsoft teams.	
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The meeting closed at 11.08am

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)	10	9	90	S Lazarus	7	6	86
R Brown	3	3	100	D Mitchell	10	7	70
I Crowe	3	3	100	B Patel	10	10	100
A Furlong	7	3	43	M Williams	10	9	90

Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Durbridge	10	9	90	I Orrell	9	9	100
K Gillatt	10	9	90	J Shuter	10	9	90
A Haynes	7	6	86				