

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

**MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON
FRIDAY 31 MARCH 2023 AT 12.30PM VIA MICROSOFT TEAMS**

Voting Members Present:

Mr S Harris – FIC Non-Executive Director Chair
 Mr S Barton – Deputy Chief Executive
 Mr A Carruthers – Chief Information Officer
 Ms G Collins-Punter – Associate Non-Executive Director
 Mr A Furlong – Medical Director (up to and including Minute 50/23/3)
 Ms L Hooper – Chief Financial Officer
 Mr J Melbourne – Chief Operating Officer (excluding Minute 41/23/2, and excluding Minutes 50/23/2 – 50/23/4 inclusive)
 Mr B Patel – Non-Executive Director (excluding Minutes 42/23 – 48/23 inclusive)
 Mr M Simpson – Director of Estates and Facilities
 Mr M Williams – Non-Executive Director
 Mr J Worrall – Associate Non-Executive Director

In Attendance:

Ms R Briggs – Associate Director of Operations (for Minute 53/23/1)
 Ms B Cassidy – Director of Corporate and Legal Affairs
 Mr S Ceres – Deputy Director of Finance (Financial Management)
 Ms J Dixon – Head of Operations, ESM (for Minute 41/23 [part])
 Mr R Gill – Head of Finance, ESM (for Minute 41/23 [part])
 Ms H Hendley – LLR Director of Planned Care (for Minute 41/23 [part])
 Ms M Khiroya – Managing Director/Superintendent Pharmacist TGH Ltd (for Minute 41/23 [part])
 Mr S Linthwaite – Deputy Director of Finance (Financial Systems) (for Minute 50/23/2)
 Mr R Manton – Head of Risk Assurance
 Mr B Shaw – Director of Productivity (for Minute 50/23/4)
 Ms H Stokes – Corporate and Committee Services Manager

		<u>ACTION</u>
	<u>RECOMMENDED ITEMS</u>	
41/23	ITEMS FOR APPROVAL	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
	<u>RESOLVED ITEMS</u>	
42/23	APOLOGIES FOR ABSENCE	
	Apologies for absence were received from Mr J Shuter Director of Operational Finance.	
43/23	QUORUM	
	The meeting was confirmed to be quorate.	
44/23	DECLARATIONS OF INTERESTS	
	Mr J Worrall Associate Non-Executive Director, Mr S Harris FIC Non-Executive Director Chair, and Mr J Shuter Director of Strategic Finance declared their respective roles as Chair, Director, 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, including for Minute 41/23/2.	
	<u>Resolved</u> – that the declarations of interests be noted.	

45/23	MINUTES	
	Resolved – that the Minutes of the 24 February 2023 FIC meeting be confirmed as a correct record.	
46/23	MATTERS ARISING LOG	
	FIC reviewed the log of actions from previous FIC meetings, and noted any additional updates now provided, which would be reflected in the next iteration of the log	CCSM
	Resolved – that any updates provided at this meeting be reflected in the next iteration of the action log and taken forward by the appropriate lead.	Named leads
46/23/1	Report from the Chief Operating Officer	
	Resolved – that this minute be classed as confidential and taken in private accordingly.	
47/23	BOARD ASSURANCE FRAMEWORK	
	<p>FIC reviewed all strategic risks on the BAF aligned to its remit (including 3, 5, 6, 7a, 7b, 8 and 9), noting (from the Chief Financial Officer) how the FIC agenda items for this meeting related to those risks. There were no significant changes proposed to the content this month. FIC noted the updates made in the month included in the BAF in red text to include some new controls, assurances, and key next steps, and to extend some due dates.</p> <p>There were no changes proposed to the scores of the strategic risks aligned to FIC's remit. For completeness, the BAF risks were: strategic risk 3 (material misstatements in the Trust's restated 2019/20 balance sheet) current rating 12, tolerable rating 8 and target rating 4; strategic risk 5 (financial grip and control) current rating 8, tolerable rating 8 and target rating 4; strategic risk 6 (Insufficient capital funding) current rating 20, tolerable rating 15 and target rating 9; strategic risk 7a (financial challenge over the next 3 years across the LLR system may result in failure to deliver the 2022/23 financial plan reforecast) current rating 12, tolerable and target ratings 6; strategic risk 7b (financial challenge over the next 3 years across the LLR system may result in failure to deliver the Medium Term Financial Plan) current rating 16, tolerable rating 12 and target rating 8; strategic risk 8 (IT Infrastructure unfit for the future) current rating 16, tolerable rating 12 and target rating 9; strategic risk 9 (Estate Infrastructure unfit for the future) current rating 16, tolerable rating 12 and target rating 9.</p> <p>The Chief Information Officer advised that a report on IT capital requirements would be brought to FIC in due course, and the Director of Estates and Facilities highlighted the constraints on the Estates and Facilities capital budget and provided assurance that spend would be prioritised appropriately.</p>	CIO
	Resolved – that (A) the updated position of, and scores relating to, the BAF risks aligned to the remit of FIC be noted, and	
	(B) a report on IT capital requirements be presented to a future FIC.	CIO
48/23	EXITING THE RECOVERY SUPPORT PROGRAMME: ROADMAP TO SUSTAINABLE FINANCIAL IMPROVEMENT	
	This item aligned to BAF risks within the remit of FIC, and members noted the Trust's current position re: progress in exiting the Recovery Support Programme. Discussions were underway regarding the best way to incorporate this update in to 'business as usual' financial reporting, focusing on the use of targeted Key Performance Indicators to measure success.	
	Resolved – that the position be noted.	

49/23	LLR ICB FINANCE REPORT 2022/23 – MONTH 11	
	The Chief Financial Officer briefed FIC on the month 11 financial report from the LLR ICB, noting that the position was on track with forecast.	
	Resolved – that the position be noted.	
50/23	IN-YEAR REPORTING	
50/23/1	<u>2022/23 Financial Position – Month 11</u>	
	This item was considered in mitigation of BAF risk 7a. FIC noted the month 11 position for 2022/23, which was a deficit of £16.6m (£17.2m adverse to plan, for the same reasons as stated in previous monthly finance reports). The Trust had been on track to deliver its forecast year-end deficit position, but that position had now improved to a deficit of £12.6m due to the recent receipt of non-recurrent additional income from the ICS – subject to clarification on specific issues including the cost of recent industrial action and the impact of the proposed pay award, the Chief Financial Officer voiced her confidence of delivering that revised £12.6m year-end deficit position for 2022/23. Mr J Worrall Associate Non-Executive Director welcomed this position, and expressed his increased confidence in the Trust's ability to predict and manage its financial position, commenting positively on the more controlled environment therefore now in place. The FIC Non-Executive Director Chair echoed these comments.	
	Resolved – that the month 11 finance position be noted.	
50/23/2	<u>Accounts Receivable – Deep Dive</u>	
	This item was considered in mitigation of BAF risk 5. The Deputy Director of Finance (Financial Services) presented a detailed report on the work being undertaken in Accounts Receivable. FIC received assurance on the progress being made on actions to address and manage both legacy and ongoing debt issues, and on the processes and systems being put in place to ensure effective financial controls were in place and to minimise aged debt arising going forwards. FIC welcomed this detailed analysis of the debtors position, and gained assurance that UHL's position re: Overseas Visitor debt was not an outlier when compared to the national position for similar-sized Trusts. The FIC Non-Executive Director Chair sought further information on the actions open to the Trust to recover debt, noting the reactive nature of many of the options available. FIC requested a future breakdown on the types of treatment involved in OSV debt, to understand the scale of emergency treatment involved, noting that elective treatment payment should be taken in advance. Mr M Williams Non-Executive Director also queried the processes in place re: private insurer debt, and received assurance that the Trust's strengthened Private Patients team had succeeded in improving relations with such companies and were also working closely with clinicians. The FIC Non-Executive Director Chair welcomed this update, and voiced his particular support for appropriate pre-discharge collection mechanisms as outlined in the presentation. FIC requested that a further update on Accounts Receivable be provided during the new financial year (eg at the half-way point).	DDF(FS)
	Resolved – that a further update be provided to FIC in the new financial year (eg at the midway point), including the emergency/elective split.	DDF(FS)
50/23/3	<u>2022/23 Capital Programme Update – Month 11</u>	
	This item was considered in mitigation of BAF risk 6. As previously reported, the pace of capital expenditure continued to increase, and year-to-date capital expenditure (net of donated income) at month 11 was £52.5m – this was £2.5m ahead of the forecast profile. The capital subgroup leads had reiterated their confidence in delivering the 2022/23 capital programme, but FIC recognised, however, the risk presented by the significant expenditure	

	<p>challenge for the remainder of 2022/23 (£40.7m). The FIC Non-Executive Director Chair queried how this level of capital spend in the last quarter of the year would be received by the Trust's External Auditor, noting (in response) the recognised need for appropriate and robust evidencing of those accruals. Mr M Williams Non-Executive Director strongly emphasised his previously-expressed views on the need to plan the capital spend to avoid such a concentration at year end – the Chief Financial Officer noted that the capital plan had doubled in size over the year following additional allocations from NHSE/I, confirmed that she was discussing the need to improve pace with her team, and also noted the need for a discussion on risk appetite when committing the capital plan/spend. The Chief Information Officer provided assurance that his team was reviewing how to be appropriately ready to respond to short-notice in-year capital allocations, although he noted that it was not always possible to front-load capital plans in all circumstances. He also confirmed that he had received assurance from his team that the IT capital plan was on target to deliver at month 12.</p>	
	Resolved – that the position be noted.	
50/23/4	<u>2022/23 Cost Improvement Programme (CIP) Update</u>	
	<p>This item was considered in mitigation of BAF risk 5. In a continued improvement since month 10, the Trust was currently circa £1.2m short against the overall 2022/23 £35m CIP target, and plans were now in place to bridge that gap and deliver the 2022/23 programme, albeit with likely non-recurrent measures. Work also continued on identifying plans for the 2023/24 CIP programme, which was a target of £56m with circa £3.5m currently identified on the 2023/24 tracker. An 'opportunities' tracker had also been developed. FIC commented on the need for an appropriate ICB system-wide approach to transformation, noting a meeting planned accordingly of the Chairs, Chief Executives, and Finance Directors of all LLR ICB partner organisations in the next few weeks; in response to a query from the Director of Estates and Facilities, the Chief Financial Officer advised that discussions were also underway re: the appropriate allocation of system capital, noting UHL's view that any such allocation should be risk-profile based, and reflect consistent partner assumptions. Mr M Williams Non-Executive Director observed the need for allocations to reflect the best interests of LLR patients, and also briefed FIC on the recent ICB finance meeting.</p>	
	Resolved – that the position be noted.	
51/23	PLANNING	
51/23/1	<u>Report from the Chief Operating Officer</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
51/23/2	<u>Report from the Deputy Chief Executive and the Chief Financial Officer</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
51/23/3	<u>FIC Workplan 2023/24</u>	
	FIC noted and supported the updated FIC workplan for 2023/24 (as updated by the Chief Financial Officer).	
	Resolved – that the updated FIC workplan 2023/24 be endorsed as presented.	
52/23	ITEMS FOR NOTING	
	Resolved – that the following reports be received and noted for information: (1) updated list of in-year investments/approvals, and	

	(2) Executive Finance and Performance Board actions from 22 February 2023 and the Trust Leadership Team agenda from 28 March 2023.	
53/23	ANY OTHER BUSINESS	
	There were no items of any other business.	
54/23	IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD	
	Resolved – that (A) the items in confidential Minute 41/23 above be recommended to the Trust Board for approval, and (B) the item in Minute 50/23/2 above be highlighted to the Trust Board.	FIC NED CHAIR FIC NED CHAIR
55/23	DATE OF NEXT MEETING	
	Resolved – that the next meeting of the Finance and Investment Committee be held virtually on Tuesday 2 May 2023 at 9.30am.** ** new date confirmed after the 31 March 2023 FIC meeting	

The meeting closed at 2.40pm

Helen Stokes **Corporate and Committee Services Manager**

FIC Attendance Record 2022/23

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris	15	14	93	J Melbourne	14	13	93
S Barton (from 1 July 2022)	10	10	100	R Mitchell (until 30 June 2022)	4	3	75
A Carruthers (from Dec 2022)	5	5	100	B Patel	15	14	93
G Collins-Punter (from Dec 2022)	5	4	80	M Simpson (from Dec 2022)	5	4	80
A Furlong	14	10	71	M Williams	15	14	93
L Hooper	15	14	93	J Worrall (from Dec 2022)	5	5	100

Regular Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Barton (until 30 June 2022)	1	1	100	M Durbridge	10	10	100
A Carruthers (until Dec 2022)	6	6	100	J Shuter	15	14	93
B Cassidy	15	14	93	M Simpson (until Dec 2022)	6	4	67
G Collins-Punter (until Dec 2022)	6	4	67	J Worrall (until Dec 2022)	10	10	100