

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON THURSDAY 24 NOVEMBER 2022 AT 9AM VIA MICROSOFT TEAMS****Voting Members Present:**

Mr S Harris – FIC Non-Executive Director Chair (up to and including Minute 149/22/4, and for Minutes 150/22 – 154/22)
 Mr M Williams – Non-Executive Director (and Acting FIC Non-Executive Director Chair for Minutes 149/22/5-7, and Minutes 155/22 onwards)
 Mr S Barton – Deputy Chief Executive
 Mr A Furlong – Medical Director (up to and including Minute 149/22/7)
 Ms L Hooper – Chief Financial Officer
 Mr J Melbourne – Chief Operating Officer
 Mr B Patel – Non-Executive Director (up to and including Minute 156/22/4)

In Attendance:

Dr R Abeyratne – Director of Health Equality and Inclusion (from Minute 149/22/6)
 Mr A Carruthers – Chief Information Officer
 Ms B Cassidy – Director of Corporate and Legal Affairs
 Ms G Collins-Punter – Associate Non-Executive Director
 Miss M Durbridge – Director of Quality Transformation and Efficiency Improvement
 Mr R Manton – Head of Risk Assurance
 Ms E Meldrum – Deputy Chief Nurse (for Minutes 149/22/1 and 149/22/2)
 Mr B Shaw – Director of Productivity (for Minute 156/22/6)
 Mr J Shuter – Director of Operational Finance
 Mr M Simpson – Director of Estates and Facilities
 Ms H Stokes – Corporate and Committee Services Manager
 Mr D Turner – Improvement Lead (for Minute 149/22/2)
 Mr J Worrall – Associate Non-Executive Director

		<u>ACTION</u>
	<u>RECOMMENDED ITEMS</u>	
148/22	FIC TERMS OF REFERENCE	
	FIC reviewed and endorsed the updated FIC terms of reference as presented, and recommended them for Trust Board approval. FIC also reviewed an updated workplan based on those terms of reference, and approved it subject to inclusion of an appropriate reporting schedule for subsidiary updates.	FIC NED CHAIR/ CFO/DOF
	<u>Recommended</u> – that (A) the updated FIC terms of reference be endorsed as presented and recommended for Trust Board approval, and (B) an appropriate reporting schedule for subsidiary updates be agreed for inclusion on the FIC workplan.	FIC NED CHAIR FIC NED CHAIR/ CFO/DOF
149/22	ITEMS FOR APPROVAL	
	<u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.	
	<u>RESOLVED ITEMS</u>	
150/22	APOLOGIES FOR ABSENCE	
	There were no apologies for absence received.	

151/22	DECLARATIONS OF INTERESTS	
	Mr S Harris FIC Non-Executive Director Chair and Mr J Shuter Director of Operational Finance declared their respective roles as 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.	
	Resolved – that the declarations of interests be noted.	
152/22	MINUTES	
	Resolved – that the Minutes of the 27 October 2022 FIC meeting be confirmed as a correct record.	
153/22	MATTERS ARISING LOG	
	There were no additional comments made on the positions stated in the FIC action log.	
	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
154/22	BOARD ASSURANCE FRAMEWORK (BAF)	
	As a standing item, FIC reviewed the updated iteration of the 2022/23 BAF risks within its remit, noting the updates since October 2022. As the lead Executive for the FIC BAF risks, the Chief Financial Officer described how each of the agenda'd reports aligned to the FIC BAF risks, and set out how the agenda as a whole reflected those BAF entries. FIC took assurance that the agenda appropriately aligned to the BAF risks. Following the November 2022 Trust Board risk workshop, it had been agreed to amend the score for BAF risk 7 (<i>“significant financial challenge over the next 3 years across the LLR system to meet both operational and inflationary pressures and recover from Covid-19”</i>), and FIC now confirmed its agreement to the workshop’s proposal that this risk also be divided into in-year and longer term elements. FIC noted the context provided by the BAF for the agenda discussions.	
	Resolved – that the BAF risks within FIC’s remit be noted, and their position be endorsed as presented.	
155/22	ICS FINANCE UPDATE 2022/23: MONTH 7	
	The Chief Financial Officer advised that there was nothing additional to report which was not covered in the other items on this FIC agenda.	
	Resolved – that the position be noted.	
156/22	IN-YEAR REPORTING	
156/22/1	<u>2022/23 Month 7 Financial Position</u>	
	FIC noted the month 7 position for 2022/23, which was a deficit of £6.3m (£0.4m adverse but broadly on plan). The drivers for the position included lower-than-planned elective recovery spend, over-achievement on the Trust’s Cost Improvement Programme, inflationary pressures, and additional emergency capacity spend. The Trust’s 2022/23 cash position remained strong at £73.5m. FIC noted the 2022/23 risk range, which continued to narrow as a result of proactive discussions with Clinical Management Groups. In respect of workforce, Whole Time Equivalent numbers were noted to have increased. Mr M Williams Acting FIC Non-Executive Director Chair questioned the aged debtors’ position, and the Chief Financial Officer agreed that a detailed, whole balance sheet review (including	CFO

	debtors) would be provided to FIC bi-annually. FIC agreed to highlight the 2022/23 month 7 financial position to the Trust Board for information.	
	Resolved – that a detailed, bi-annual whole balance sheet review (including debtors) be presented to FIC.	CFO
156/22/2	<u>Report from the Chief Financial Officer</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
156/22/3	<u>2022/23 Capital Plan Month 7 Update and Revised Plan for Approval</u>	
	As reported to FIC in October 2022, the pace of capital expenditure continued to increase, and year-to-date capital expenditure at month 7 was £23.6m (representing an underspend of £5.6m for the reasons now detailed to FIC). A scheme-by-scheme analysis and monthly forecast was also provided to FIC for assurance. UHL continued to meet regularly with the NHSE/I regional capital team, with a view to reaching a more certain understanding of the likely national capital allocation position for 2022/23, and also to understanding critical path points for delivery of any further in-year capital allocations. The Trust's Capital Monitoring and Investment Committee (CMIC) had reviewed and prioritised a list of appropriate additional schemes deliverable by year-end, amounting to a total spend of £81.057m in 2022/23 as per the revised programme now reviewed and supported by FIC. Although noting the Trust's confidence of meeting its 2022/23 capital plan (delivery was assumed in the forecast outturn position), the Acting FIC Non-Executive Director Chair highlighted the very significant amount of capital to be spent in the remainder of 2022/23 and the challenges this posed, including supply chain issues as noted by the Director of Estates and Facilities. The Director of Operational Finance provided assurance to FIC that he was in continuous close dialogue with the capital subgroup chairs, on the issue of both the 2022/23 capital programme and any impact on the 2023/24 capital plan. Given the pace and scale of the capital programme for the remainder of 2022/23, the Acting FIC Non-Executive Director Chair emphasised the need to keep FIC apprised of progress on the plan, noting that an appropriate governance route also existed for any decisions required between formal meetings. FIC agreed to highlight the 2022/23 month 7 capital position and its support for the revised programme to the Trust Board for information.	DOF/ CFO
	Resolved – that FIC be kept appropriately updated on capital plan progress for the remainder of 2022/23, including escalating any urgent issues between meetings (via appropriate existing governance routes).	DOF/ CFO
156/22/4	<u>Cost Improvement Programme (CIP) Update</u>	
	In line with the position reported at the October 2022 FIC, the Director of Quality Transformation Efficiency and Improvement now highlighted the continued good progress re: cash-out CIP delivery (ahead of overall plan by £1.5m and currently also ahead of plan specifically for month 8). Good progress was also being made on productivity schemes, which were £4.3m ahead of plan. The Director of Quality Transformation Efficiency and Improvement considered that all Clinical Management Groups would now meet their cash-out CIP target for 2022/23, and she provided assurance to FIC that she was now confident that UHL would deliver its 2022/23 cost improvement programme in both cash-out and productivity terms. Detailed work on CIP planning for 2023/24 also continued. Following comments at the October 2022 FIC, further detail on agency staffing spend was also now discussed, including UHL's (generally good) comparative position and the actions in place to continue to reduce bank and agency spend, and the additional detail presented to FIC was welcomed by Mr J Worrall Associate Non-Executive Director. In discussion, the Acting FIC Non-Executive Director Chair FIC requested that the issue of how existing substantive staff vacancy % (and resulting use of bank/agency staff) correlated to the Trust's bank/agency spend as a % of the overall payroll be clarified at a future meeting. FIC also noted the new	DQTEI

	arrangements in place for a Doctors' bank system, as per measures introduced by the Trust's Chief People Officer.	
	Resolved – that the position re: how the existing substantive staff vacancy % (and resulting use of bank/agency staff) correlated to the Trust's bank/agency spend as a % of the overall paybill be clarified at a future FIC.	DQTEI
156/22/5	<u>Transformation Update</u>	
	FIC received an update on the work of the Transformation Team for information, noting that this issue would be discussed in detail by the Reconfiguration and Transformation Committee later on 24 November 2022. FIC welcomed this update, and commented on the need to the Trust to assess whether the transformation focus was appropriately aligned to UHL's organisational priorities.	
	Resolved – that the position be noted.	
156/22/6	<u>NHSE Productivity Analysis</u>	
	The Director of Productivity presented the most recent NHSE productivity analysis, and provided assurance to FIC that the Trust was also developing a more detailed monthly breakdown at specialty level to discuss with CMGs, using an internally-developed productivity tool. Productivity work would be discussed further at a Trust Board workshop in the New Year as part of an update on medium term financial planning. FIC welcomed this high-level report (which indicated that the Trust was relatively productive), and took assurance from the fact that more detailed internal work was also underway to understand specialty-level drivers and metrics.	
	Resolved – that the position be noted.	
156/22/7	<u>Roadmap to Financial Sustainability/Exiting the Recovery Support Programme (RSP), and Future Proposals for the UHL RSP Steering Group</u>	
	FIC noted the continued progress on the financial sustainability roadmap actions, and also agreed to the proposal that the UHL RSP Steering Group now be stood down and its functions henceforth be carried out through existing governance arrangements within the Trust. That proposal was supported by both the Intensive Support Team and the Chief Financial Officer.	CFO
	Resolved – that the proposed standing down of the UHL RSP Exit Steering Group be approved.	CFO
156/22/8	<u>Report from the Director of Estates and Facilities</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
157/22	PLANNING	
157/22/1	<u>Report from the Director of Operational Finance</u>	
	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
158/22	ITEMS FOR NOTING	
	Resolved – that the following items be noted for information at papers O1 – O5 respectively: (1) Estates and Facilities Facet Audit; (2) List of contracts with indexation built in;	

	(3) List of funding commitments agreed in year to date, and (4) Executive Finance and Performance Board actions from 25 October 2022 and agenda from 22 November 2022.	
159/22	ANY OTHER BUSINESS	
	There were no items of any other business.	
160/22	IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD	
	Resolved – that (A) the items in Minute 148/22 and confidential Minute 149/22 be recommended to the next private Trust Board for approval, and (B) the discussions in Minutes 156/22/1 and 156/22/3, and in confidential Minutes 156/22/2 and 157/22/1 be highlighted to the Trust Board for information.	FIC NED CHAIR FIC NED CHAIR
161/22	DATE OF NEXT MEETING AND MEETING DATES 2023/24	
	Resolved – that (A) the next meeting of the Finance and Investment Committee be held virtually on Thursday 22 December 2022 from 9am to 11.15am via Microsoft teams, and (B) 2023/23 FIC meeting dates be noted as follows (Friday meetings are from 12.30pm – 3pm; Thursday meetings are from 9am – 11.30am): Friday 27 Jan 2023 Friday 24 Feb 2023 Friday 31 March 2023 Friday 28 April 2023 Friday 26 May 2023 Friday 30 June 2023 Friday 28 July 2023 Friday 25 Aug 2023 Friday 29 Sept 2023 Friday 27 Oct 2023 Thurs 30 Nov 2023 Friday 22 Dec 2023 Friday 26 Jan 2024 Thurs 29 Feb 2024 Friday 22 March 2024	

The meeting closed at 11.28am

Helen Stokes **Corporate and Committee Services Manager**

FIC Attendance Record 2022/23

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris	10	9	90	J Melbourne	9	8	89
S Barton (from 1 July 2022)	5	5	100	R Mitchell (including until 30 June 2022)	4	3	75
A Furlong	9	5	56	B Patel	10	9	90
L Hooper	10	9	90	M Williams	10	10	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	9	9	100
A Carruthers	6	6	100	J Shuter	10	10	100
B Cassidy	10	9	90	M Simpson	6	4	67
G Collins-Punter	6	4	67	J Worrall	10	10	100