

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST****MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON  
FRIDAY 24 FEBRUARY 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 (for Minute 18/23 [part])  
 Ms G Collins-Punter – Associate Non-Executive Director (excluding Minutes 18/23 – 25/23 inclusive)  
 Mr A Furlong – Medical Director (excluding Minutes 18/23 – 25/23 inclusive)  
 Ms L Hooper – Chief Financial Officer  
 Mr J Melbourne – Chief Operating Officer (excluding Minute 18/23 [part], and excluding Minutes 26/23 – 28/23/1 inclusive)  
 Mr B Patel – Non-Executive Director  
 Mr M Simpson – Director of Estates and Facilities  
 Mr J Worrall – Associate Non-Executive Director

**In Attendance:**

Ms B Cassidy – Director of Corporate and Legal Affairs  
 Mr S Ceres – Deputy Director of Finance (Financial Management)  
 Mr L Gates – Deputy Head of Capital Projects (for Minute 27/23/4)  
 Mr R Manton – Head of Risk Assurance  
 Mr B Shaw – Director of Productivity (for Minute 27/23/3)  
 Mr J Shuter – Director of Strategic Finance  
 Ms H Stokes – Corporate and Committee Services Manager  
 Mr M Vohra – Deputy Chief Information Officer (for Minutes 18/23 – 25/23 inclusive and for Minute 27/23/5)

		<b><u>ACTION</u></b>
	<b><u>RECOMMENDED ITEMS</u></b>	
<b>18/23</b>	<b>ITEMS FOR APPROVAL</b>	
	<b><u>Recommended</u> – that this Minute be classed as confidential and taken in private accordingly.</b>	
	<b><u>RESOLVED ITEMS</u></b>	
<b>19/23</b>	<b>APOLOGIES FOR ABSENCE</b>	
	Apologies for absence were received from Mr M Williams Non-Executive Director.	
<b>20/23</b>	<b>QUORUM</b>	
	The meeting was confirmed to be quorate.	
<b>21/23</b>	<b>DECLARATIONS OF INTERESTS</b>	
	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 27/23/5.	
	<b><u>Resolved</u> – that the declarations of interests be noted.</b>	
<b>22/23</b>	<b>MINUTES</b>	

	<b>Resolved – that the Minutes of the 27 January 2023 FIC meeting be confirmed as a correct record.</b>	
<b>23/23</b>	<b>MATTERS ARISING LOG</b>	
	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 (including the agreement to close the action in Minute 2/23, as now advised by the FIC Non-Executive Director Chair).	<b>CCSM</b>
	<b>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.</b>	<b>Named leads</b>
<b>24/23</b>	<b>BOARD ASSURANCE FRAMEWORK</b>	
	FIC reviewed all strategic risks (3, 5, 6, 7a, 7b, 8 and 9) on the BAF aligned to its remit, noting confirmation (from the Chief Financial Officer) of 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 in red text to include some new key next steps, to extend some due dates and to outline progress with internal controls. To note, there were no changes proposed to the scores of the strategic risks aligned to FIC's remit. For completeness, 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 rating 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.	
	<b>Resolved – that the updated position of, and scores relating to, the BAF risks aligned to the remit of FIC be noted.</b>	
<b>25/23</b>	<b>EXITING THE RECOVERY SUPPORT PROGRAMME: ROADMAP TO SUSTAINABLE FINANCIAL IMPROVEMENT</b>	
	The Trust's External Auditors were reporting good progress in respect of the 2021/22 annual accounts process, which was welcomed by FIC (a potential outline submission timeframe was also now described by the Chief Financial Officer). The Chief Financial Officer briefed FIC on potential risks arising from the financial plan process and medium term financial plan, in terms of any possible impact on the timescale for exiting RSP. FIC noted this issue, and commented on the increased importance of System-level financial sustainability.	
	<b>Resolved – that the position be noted.</b>	
<b>26/23</b>	<b>ICB FINANCE REPORT 2022/23 – MONTH 10</b>	
	The Chief Financial Officer briefed FIC on the month 10 financial report from the ICB, noting the deficit position. FIC recognised that ICB partner organisation financial risks lay principally with UHL, particularly around the emergency pathway.	
	<b>Resolved – that the position be noted.</b>	
<b>27/23</b>	<b>IN-YEAR REPORTING</b>	
<b>27/23/1</b>	<b>2022/23 Financial Position – Month 10</b>	

	<p>This item was considered in mitigation of BAF risk 7a. FIC noted the month 10 position for 2022/23, which was a deficit of £15.7m (£12.4m adverse to plan, for the same reasons as stated in previous monthly finance reports). Additional efficiencies and productivity measures had been worked up with CMGs (ensuring that safety continued to be maintained), and UHL therefore remained committed to delivering a £17.7m deficit year-end position. Although that year-end position was on course, risks remained particularly around pay (which had not decreased as expected in month 10 compared to month 9). The emergency pathway remained the key financial risk area, although the increased expenditure was delivering performance improvements. The potential financial impact of strike action was also discussed. The Chief Financial Officer advised FIC that she was reasonably confident of delivering the agreed year-end position, although this would likely be delivered on a non-recurrent basis. She voiced concern, however, re: the increasing run-rate and the implications of that for 2023/24, and she emphasised the need to understand the workforce growth, noting FIC queries on the impact of/relationship to agency spend. FIC received assurance from the Deputy Director of Finance (Financial Management) that Executive Directors were appropriately challenging premium/agency pay at the monthly Performance Review Meetings with Clinical Management Groups. Executive Directors also commented on the need to explore how to deliver permanent additional capacity (staffing) on a more planned, less high-cost basis. The Chief Financial Officer further noted the need for clarity on price/volume elements.</p>	
	<b>Resolved – that the month 10 finance position be noted.</b>	
27/23/2	<u>2022/23 Capital Programme Update – Month 10</u>	
	<p>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 10 was £40.9m – this was £0.2m behind the forecast profile. FIC recognised the significant expenditure challenge for the remainder of 2022/23 therefore, and was advised of an increasing risk of a small underspend against the Trust's overall £91.2m capital programme. An almost unprecedented amount (£38m) of in-year capital allocations had been received in 2022/23 – further allocations continued to be received and FIC commented on the increasing challenge of spending such capital at this stage of the year (noting also NHS Supply Chain issues). The Chief Financial Officer provided assurance to FIC that appropriate and strong financial governance was being applied by UHL in respect of all in-year allocations (as per BAF risk 5). FIC was advised that all appropriate steps were being taken to deliver the 2022/23 capital programme (while still mitigating any risk to the 2023/24 programme), and noted the continued proactive role of the capital subgroup chairs in reviewing spend and prioritisation. As requested, FIC delegated authority to the Capital Monitoring and Investment Committee (CMIC) to approve additional schemes equating to £2.1m which were deliverable by year-end (considerations to be expedited virtually, in the absence of a formal CMIC meeting).</p>	DSF/ CFO
	<p>Mr J Worrall Associate Non-Executive Director requested further information on the purpose and nature of specific portacabin facilities at the LRI and Glenfield Hospital sites, and Mr B Patel Non-Executive Director provided assurance that their impact was being discussed appropriately through the Operations and Performance Committee. The Director of Operational Finance advised that this scheme was not yet included in the position reported for month 10, and the Medical Director commented on the continued development of the Glenfield Hospital plans.</p>	
	<b>Resolved – that it be agreed to delegate authority to CMIC to agree appropriate schemes re: slippage consideration (£2.1m).</b>	DSF/ CFO
27/23/3	<u>2022/23 Cost Improvement Programme (CIP) Update</u>	
	<p>This item was considered in mitigation of BAF risk 5. The Director of Productivity advised FIC that the Trust was currently circa £1.5m short against the overall 2022/23 £35m CIP target (an improved position since the circulation of the report). Work continued with CMGs</p>	

	<p>to bridge that gap, and the Director of Productivity noted his confidence in delivery albeit with likely non-recurrent measures. Work also continued on identifying plans for the 2023/24 CIP programme, with initial schemes requested to be placed on the CIP tracker by 28 February 2023. The Director of Productivity noted the significant challenge posed by the scale of the 2023/24 CIP requirement, commenting also on the risk that continued inflationary pressures would adversely impact on the scope to deliver CIP in areas such as Pharmacy – a further update on the 2023/24 plan would be provided to the next FIC. Although emphasising the need for realistically-deliverable targets to be set, FIC Non-Executive Director members requested that the % target per area also be included in the report for FIC, to provide an understanding of the range of contributions and likelihood of delivery. Based on the update provided, the FIC Non-Executive Director Chair considered that the 2022/23 CIP was likely to be delivered (albeit non-recurrently) but that there was currently a risk to the 2023/24 programme, and he advised that he would escalate this issue to the Trust Board. The FIC Non-Executive Director Chair also queried whether the 2023/24 CIP was currently reflected in the draft financial plan for 2023/24 (it was).</p>	<p>DoP</p> <p>DoP</p>
	<p><b>Resolved – that (A) a further update on the 2023/24 CIP plan be provided to the next FIC, and</b></p> <p><b>(B) the % CIP target per area be included in future CIP updates to FIC</b></p>	<p>DoP</p> <p>DoP</p>
27/23/4	<u>Report from the Director of Estates and Facilities</u>	
	<b>Resolved – that this Minute be classed as confidential and taken in private accordingly.</b>	
27/23/5	<u>General Pharmaceutical Council Inspection – Action Plan</u>	
	<p>The Chief Financial Officer advised that this was the first formal report on TGH Ltd issues to FIC, and she confirmed that regular updates would be provided going forward. The format of the contract review meetings was changing including the Chief Financial Officer chairing these meetings. The TrustMed Managing Director/Superintendent Pharmacist updated FIC on progress against the improvement action plan arising from the GPhC inspection of TrustMed Pharmacy at the LRI. The overall result of the GPhC's November 2022 unannounced inspection was 'standards not met', due to standard 3 ('premises') not being met. In his capacity as TGH Ltd Director, Mr J Worrall Associate Non-Executive Director emphasised that to avoid enforcement action it was crucial that there was no slippage on the improvement action plan deadlines (28 February 2023 for the short-term actions; 15 June 2023 for the medium-term actions, and 31 March 2024 for the long-term actions), and FIC noted that the GPhC would visit UHL again in Summer 2023. The TrustMed Managing Director/Superintendent Pharmacist advised FIC that she was not unduly concerned with the slight delay on the warm shelter and tracking system elements of the action plan (short term actions). In response to a query from the Chief Financial Officer, the TrustMed Managing Director/Superintendent Pharmacist clarified that the 1-week delay on the warm shelter action related to the GPhC deadline of 28 February 2023.</p> <p>In addition to progress on the short-term actions within the improvement action plan, work had also begun on the medium and longer-term elements, and the TrustMed Pharmacy Managing Director/Superintendent Pharmacist highlighted her concerns over the delay in identifying an LGH hub space. In response, the Director of Estates and Facilities emphasised the need to understand how the LGH space requirement had been calculated, and how it aligned to wider site use plans – he also noted the need for clarity on how existing demand/capacity/workforce/digital models and processes would be transformed in support of the estate ask, and he reiterated the enabling role of estates. The Deputy Chief Information Officer advised that IT elements remained work in progress, and provided assurance that IM&amp;T were also in appropriate discussion with the UHL Pharmacy team to understand any potential impact of TGH Ltd process changes. The FIC Non-Executive Director Chair requested (and received) assurance that the GPhC inspector was being kept appropriately informed of progress against the actions. The FIC Non-Executive Director</p>	

	Chair considered that FIC was assured that good progress was being made in terms of pace on the action plan.	
	<b>Resolved – that the position be noted.</b>	
<b>28/23</b>	<b>PLANNING</b>	
28/23/1	Report from the Deputy Chief Executive and the Chief Financial Officer	
	<b>Resolved – that this Minute be classed as confidential and taken in private accordingly.</b>	
28/23/2	Report from the Director of Strategic Finance	
	<b>Resolved – that this Minute be classed as confidential and taken in private accordingly.</b>	
<b>29/23</b>	<b>ITEMS FOR NOTING</b>	
	<b>Resolved – that the following reports be received and noted for information:</b> (1) updated list of in-year investments/approvals; (2) Procurement Contracts Committee report and quarterly forward contracts pipeline, (3) Executive Finance and Performance Board actions from 24 January 2023 and agenda from 22 February 2023.	
<b>30/23</b>	<b>ANY OTHER BUSINESS</b>	
	There were no items of any other business.	
<b>31/23</b>	<b>IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD</b>	
	<b>Resolved – that (A) the items in confidential Minute 18/23 above be recommended to the Trust Board for approval, and</b>  <b>(B) the items in Minute 27/23/3, and in confidential Minute 28/23/1 above be highlighted to the Trust Board.</b>	<b>FIC NED CHAIR</b>  <b>FIC NED CHAIR</b>
<b>32/23</b>	<b>DATE OF NEXT MEETING</b>	
	<b>Resolved – that the next meeting of the Finance and Investment Committee be held virtually on Friday 31 March 2023 from 12.30pm.</b>	

The meeting closed at 2.47pm

Helen Stokes Corporate and Committee Services Manager

### **FIC Attendance Record 2022/23**

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris	13	12	92	J Melbourne	12	11	92
S Barton (from 1 July 2022)	8	8	100	R Mitchell (until 30 June 2022)	4	3	75
A Carruthers (from Dec 2022)	3	3	100	B Patel	13	12	92
G Collins-Punter (from Dec 2022)	3	3	100	M Simpson (from Dec 2022)	3	3	100
A Furlong	12	8	67	M Williams	13	12	92
L Hooper	13	12	92	J Worrall (from Dec 2022)	3	3	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	13	13	100
B Cassidy	13	12	92	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