

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD ON FRIDAY 27 OCTOBER 2023 AT 12.30 PM VIA MICROSOFT TEAMS

Voting Members Present:

Mr S Harris - FIC Non-Executive Director Chair
 Ms G Collins-Punter - Associate Non-Executive Director
 Mr A Furlong, Medical Director
 Ms L Hooper - Chief Financial Officer
 Mr B Patel - Non-Executive Director

In Attendance:

Ms B Cassidy - Director of Corporate and Legal Affairs
 Mr S Ceres - Deputy Director of Finance
 Mr A Ennis - Director of Financial Sustainability
 Ms S Favier – Deputy Chief Operating Officer
 Mr R Manton - Head of Risk Assurance
 Ms A Moss - Corporate and Committee Services Officer
 Mr D Shoker - Associate Director of Commercial Services
 Mr Z Safdar - Deputy Director of Finance
 Mr B Shaw - Director of Productivity

ACTION

RESOLVED ITEMS

148/23 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr A Carruthers, Chief Information Officer, Mr M Williams, Non-Executive Director, Mr J Worrall, Non-Executive Director and Mr J Melbourne, Chief Operating Officer.

149/23 QUORUM

The meeting was confirmed to be quorate.

150/23 DECLARATIONS OF INTERESTS

There were no declarations of interests made.

Resolved – that the declarations of interests be noted.

151/23 MINUTES

Resolved – that the FIC Minutes of the 2 October 2023 be confirmed as a correct record.

152/23 MATTERS ARISING LOG

FIC reviewed the log of actions from previous meetings, and noted any additional updates provided, which would be reflected in the next iteration of the 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

153/23 BOARD ASSURANCE FRAMEWORK (BAF)

The Chief Financial Officer reported that the BAF risks relating to the Committee had been reviewed and changes indicated in red text (paper C refers). There were reports on the agenda which would speak to the risks: BAF risk 6 and 7b.

There were no significant changes proposed to risk scores or content and the risks were noted as

- strategic risk 6 (Insufficient capital funding) current rating is 20, tolerable rating is 15 and target rating is 9;
- strategic risk 7b (financial challenge over 2023/24 and for the future 3 years across the LLR system may result in failure to deliver the 2023/24 financial plan and achieve long term financial sustainability) current rating is 20, tolerable rating is 12 and target rating is 8;
- strategic risk 8 (IT Infrastructure unfit for the future) current rating is 16, tolerable rating is 12 and target rating is 9;
- strategic risk 9 (Estate Infrastructure unfit for the future) current rating is 16, tolerable rating is 12 and target rating is 9.

Resolved – that the report be received and noted.

154/24 ICB FINANCE UPDATE

154/24/1 ICB Finance Update (Month 6)

The Chief Financial Officer reported on the Integrated Care System's financial Position at Month 6, noting that the level of risk for the System in not achieving a break-even position was £82.3m, of which £43.2m was attributable to UHL. The System had met with NHSE for its quarterly review and whilst the scale of the challenge was acknowledged, there was a need to drive improvement of the forecasted position.

Paper D presented the financial position of the Integrated Care Board (ICB) and not the position of the Integrated Care System. Mr B Patel, Non-Executive Director, highlighted the overspend on prescribing and ICB staffing. It was noted that the costs for prescribing was a national issue. There was a national requirement for ICB to reduce their running costs over three years and whilst LLR ICB had planned to do so earlier, this was proving difficult to achieve.

Resolved – that the report be noted.

155/23 IN-YEAR REPORTING

155/23/1 Report of the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly.

155/23/2 2023/24 Cost Improvement Plan (CIP) Delivery Financial Sustainability Programme oversight and assurance

The Director of Productivity and the Director of Financial Sustainability presented papers F1 and F2 which addressed the delivery of the Cost Improvement Programme (CIP) and the Financial Sustainability Group. The report was considered in mitigation of BAF risk 7b 'significant financial challenge over 2023/24 and for the future 3 years across the LLR system to meet both operational and inflationary pressures and recovery from COVID'.

The Director of Productivity reported that CIP was forecasted to deliver £50.4m savings against a target of £63m and the report set out plans to bridge the gap. The Director reported that there were further schemes, to be reported for Month 7, including those for Estates and Facilities and opportunities for income generation through changes in coding. He was confident that The Trust would achieve the £63m target. The concern, however, was the value of the schemes that would deliver recurrent savings and the impact of achieving CIP targets in future years. Mr S Harris, Non-Executive Director Chair, questioned the level of confidence in delivering the plan. The Chief Financial Officer noted that since the report had been written, a number of schemes had been added to the tracker bringing the total to £53.2m. As there was a degree of prudence when adding schemes to the tracker this indicated the schemes were close to delivery.

In response to a question from Mr B Patel, Non-Executive Director, the Chief Financial Officer noted that a list of 'difficult decisions' had been agreed by the Trust Leadership Team and

included services or functions that could be stopped, vacancy freezes, etc. This list would be referenced in the report to Trust Board. There were further conversations to be had with the Integrated Care Board, Northampton and Kettering Hospitals and the East Midlands Acute Provider network to consider what could be done elsewhere.

The Director of Financial Sustainability reported on the five workstreams reporting to the Financial Sustainability Group. Further assurance would be sought regarding the income for the productivity workstream, particularly for theatres and day cases. There were opportunities to be realised through increased depth of coding.

With respect to urgent and emergency care the emphasis was on reducing expenditure. The workforce workstream was overseeing the achievement of the NHS controls for agency staff with weekly meetings and improvements in data quality planned. The programme was reporting to the Trust Leadership Team.

Resolved - that the report was received and noted.

155/23/3 **2023/24 Month 6 Capital Update**

The Chief Financial Officer presented the update on the 2023/24 capital Plan (paper G refers). This was considered in mitigation of BAF Risk 06 'unfunded high-risk schemes (estates compliance and replacement medical equipment), IT infrastructure and operational developments'.

The Chief Financial Officer reported that the Trust was on target to achieve its 2023/24 plan. However, there was a significant risk relating to the new wards at Glenfield Hospital which would be discussed later in the meeting.

Work had progressed to develop the Trust's 3-year capital plan. The allocation in 2023/24 was close to the value of depreciation. However, as the level of depreciation would increase in the next two financial years there was a need to review the way the System allocated capital funding. It was proposed to allocate capital based on the organisation's proportionate share of depreciation costs. The methodology for prioritising requests would be developed. A further report would be made.

Resolved – that the report be received and noted.

155/23/4 **Balance Sheet Review**
Accounts Payable Deep Dive

The Chief Financial Officer presented the outcome of the balance sheet review. She highlighted the work undertaken to verify assets noting that additional resource had been allocated and good progress was being made. NHSE would act as a critical friend to review progress.

The position with respect to cash had been noted earlier in the meeting and the Cash Committee was developing a policy to manage cash which would be presented to the Financial and Investment Committee.

The Deputy Director of Finance presented the deep dive into accounts payable. There had been five objectives for the team: recoverability of overdue debt; insightful reporting to drive decision-making and escalation; review of internal processes; concluding negotiations with Private insurers; and engagement across the Trust to improve controls.

The aged debt at Month 6 for 2023/24 was set out which totalled £15.9m. It was noted that debts from overseas visitors was hard to recover. Work was underway with People Services to recover salary overpayment. Leicestershire Partnership Trust owed £3.7m and an element of that would be escalated.

Ms G Collins-Punter, Associate Non-Executive Director, asked how the level of salary overpayment had occurred. The Deputy Director of Finance noted that they usually arose when managers failed to complete the leavers form in an appropriate timescale. Mr S Harris, Non-

Executive Director Chair, asked whether external debt collectors were used for overseas visitors and salary overpayments. This was confirmed. However, with respect to salary overpayments it was likely that the Trust had been at fault and all the processes would be exhausted before a legal process followed. It was noted that the aged debts had been accounted for and had no impact on the income and expenditure forecasted in-year.

Resolved – that the reports be received and noted.

155/23/5 Report of the Chief Operating Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly.

156/23 PLANNING

156/23/1 Report from Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly.

157/23 ITEMS FOR NOTING

Resolved – that the following reports (apers J – N) be received and noted for information:

- Procurement Contracts Committee – Contracts Award
- TGH Oversight and Assurance – Notes
- TGH Oversight and Assurance – Actions
- Finance and Procurement Annual Skills Development Review
- 2023-24 TLT Approved Investments
- TLT agenda and actions

With respect to the report of the Procurement Contracts Committee the Chief Financial Officer noted that the landscape for healthcare procurement was changing as a result of Brexit and proposed legislation. This would facilitate greater collaboration. An update would be presented to a future meeting .

With respect to the report on Trust Leadership Team - Approved Investments, Ms G Collins-Punter, Associate Non-Executive Director, asked about the business case for the Renal Transplant Unit. It was noted that the reference to £4M was the additional income to be received following the investment on a firth transplant surgeon.

158/23 ANY OTHER BUSINESS

There were no items of any other business.

159/23 IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD/REFERRAL TO OTHER BOARD COMMITTEES

Resolved – that the following items be highlighted to the Trust Board for Information

- 155/23/1 - Report of the Chief Financial Officer

There were no items to be referred to other Board Committees.

160/23 DATE OF NEXT MEETING

Friday 30 November 2023 from 9.00 am MS Teams.

The meeting closed at 2.34 pm

Alison Moss **Corporate and Committee Services Officer**

FIC Attendance Record 2023/24

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris	7	5	71	J Melbourne	7	4	57
S Barton	7	4	57	B Patel	7	7	100
A Carruthers	7	6	86	M Simpson	7	5	71
G Collins-Punter	7	5	71	M Williams	7	5	71
A Furlong	7	5	71	J Worrall	7	3	43
L Hooper	7	7	100				

Regular Non-Voting Members/Attendees:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
B Cassidy	7	6	86	J Shuter (until July 2023)	3	2	67
S Ceres	7	5	71				