

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST****MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON  
FRIDAY 28 JULY 2023 AT 2.30PM VIA MICROSOFT TEAMS****Voting Members Present:**

Mr M Williams – Non-Executive Director (Acting FIC Chair)  
 Mr A Carruthers – Chief Information Officer  
 Ms G Collins-Punter – Associate Non-Executive Director  
 Mr A Furlong – Medical Director  
 Ms L Hooper – Chief Financial Officer  
 Mr J Melbourne – Chief Operating Officer  
 Mr B Patel – Non-Executive Director

**In Attendance:**

Mr N Bond – Deputy Director of Estates (on behalf of the Director of Estates and Facilities)  
 Ms R Briggs – Associate Director of Operations (Projects) (from Minute 102/23 onwards)  
 Ms B Cassidy – Director of Corporate and Legal Affairs  
 Ms K McKinlay – observing  
 Mr S Linthwaite – Deputy Director of Finance (Financial Services)  
 Mr B Shaw – Director of Productivity (for Minute 109/23/3)  
 Mr J Stewart – PwC (for Minute 102/23)  
 Ms H Stokes – Corporate and Committee Services Manager

**ACTION****RECOMMENDED ITEMS****101/23 BOARD ASSURANCE FRAMEWORK (BAF)**

FIC reviewed all strategic risks on the BAF aligned to its remit (5, 6, 7b, 8 and 9), and confirmed that the agenda items being discussed today were linked to those risks. FIC noted the updates made in the month in red text to include new controls, gaps, and key next steps.

For the reasons now described by the Chief Financial Officer (including assurance from External Audit evidence of the improvement/progress made by the Trust), FIC endorsed the proposal that BAF risk 5 be removed from the (strategic-level) BAF, noting that any residual risk would be captured on the Trust Risk Register under the relevant operational finance/business risks.

**FIC  
NED  
CHAIR**

There were no other significant changes proposed to risk scores or content this month (the score for risk 7b having been increased the previous month). Strategic risks 3, 4 and 7a have been closed, and strategic risk 5 (financial grip and control) was proposed to be removed from the BAF and managed through the operational risk register as detailed above. Remaining risks on the BAF aligned to FIC's remit were noted as being scored as follows: strategic risk 6 (insufficient capital funding) current rating 20, tolerable rating 15 and target rating 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 20, 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.

**Recommended – that the proposed removal of risk 5 from the BAF (any residual risk to be managed through the operational risk register instead) be endorsed, and recommended for Trust Board approval.**

**FIC NED  
CHAIR**

**102/23 ITEMS FOR APPROVAL**

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

**RESOLVED ITEMS****103/23 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr S Harris FIC Non-Executive Director Chair, Mr S Barton Deputy Chief Executive, Mr S Ceres Deputy Director of Finance (Financial Management), Mr M Simpson Director of Estates and Facilities, and Mr J Worrall Associate Non-Executive Director. The meeting was chaired by Mr M Williams Non-Executive Director.

**104/23 QUORUM**

The meeting was confirmed to be quorate.

**105/23 DECLARATIONS OF INTERESTS**

There were no declarations of interests made.

**Resolved** – that the declarations of interests be noted.

**106/23 MINUTES**

**Resolved** – that the Minutes of the 30 June 2023 FIC be confirmed as a correct record.

**107/23 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.

**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

**108/23 LLR ICB FINANCE REPORT 2022/23 – MONTH 3**

FIC noted the 2023/24 month 3 ICB finance position as presented, noting comments on the need for further review of the balance of risk.

**Resolved** – that the position be noted.

**109/23 IN-YEAR REPORTING****109/23/1 2023/24 Financial Position – Month 3**

This item was considered in mitigation of BAF risk 7b. FIC discussed the factors behind the deficit position of £21.9m for the year to date as at month 3 (£7.3m adverse to plan). As previously reported, the main drivers for the position included the impact of the industrial action (£2.9m adverse for pay and £2.6m adverse due to lower activity); income over-recovery in areas unaffected by industrial action (£2.2m favourable); inflation above plan (£2.3m adverse), and Urgent and Emergency Care agency nursing (£1.6m adverse), and FIC commented that a number of these factors were outside the Trust's control. The FIC Non-Executive Director Acting Chair queried whether sufficient consideration generally had been given (by the Trust) to the cost and wider implications of the current industrial action.

As part of the month 3 report, FIC also received a detailed update on the 5 key workstreams developed by the Trust to ensure improvement in the financial position, and received assurance from the Chief Financial Officer that appropriate external support had been

secured to assist the Trust on these workstreams. Any currently off-plan clinical areas had been requested (by the Chief Financial Officer and the Chief Operating Officer) to develop appropriate recovery plans, which would be reviewed further by Executive Directors at the August 2023 round of performance review meetings. An appropriate escalation report format had also been developed by the Chief Financial Officer. The Chief Financial Officer went on to outline a number of actions put in place, whose aim was to deliver a steady runrate and build sustainability, and she provided assurance that FIC would be kept fully updated of the position each month. Clear targets and key performance indicators (KPIs) were being developed for each workstream, which would also be reported to the appropriate Board Committee – more detail on that process would be provided to the August 2023 FIC, and the Chief Operating Officer reiterated the need for appropriate reporting structures underpinned by robust CMG, cross-Trust, and Corporate Directorate delivery plans. The Chief Financial Officer also advised FIC of an ongoing review of business cases from the last 2 years, to assess delivery against their stated KPIs.

CFO

In response to Non-Executive Director queries (including ones received from the FIC Non-Executive Director Chair, as now detailed by the FIC Non-Executive Director Acting Chair and the Chief Financial Officer), the Chief Financial Officer acknowledged that the current position was undoubtedly challenging and would not be mitigated unless appropriate actions were taken. She also provided assurance that pay processes had improved, although she recognised that there was still room for further work. The Chief Financial Officer also advised that further information on productivity elements of the Cost Improvement Programme would be provided to the August 2023 FIC.

CFO

The CIP and capital expenditure positions for the year to date as at month 3 were also covered in detail in other reports on the FIC agenda (as outlined below). The month 3 report also incorporated an update on progress towards exiting the Recovery Support Programme.

**Resolved – that more detail be provided to the August 2023 FIC on the following:**  
**(1) development of KPIs and targets for each of the financial recovery workstreams, and their reporting line through to the appropriate Board Committee, and**  
**(2) quarter 1 productivity progress (compared to the end of 2022/23 trend).**

CFO

109/23/2 2023/24 Capital Programme Update – Month 3

This item was considered in mitigation of BAF risk 6. The Trust had delivered year to date gross capital expenditure of £9.2m at month 3 against a plan of £15.6m, representing an underspend against plan of £6.4m. As previously reported, this underspend was primarily due to the profiling of the East Midlands Planned Care Centre spend, and was also impacted by UEC wards developments, slippage on the Linac programme, and IFRS16 finance leases. As in month 2, FIC received continued positive assurance from the Deputy Director of Finance (Financial Services) that the Trust was forecasting to deliver on its revised 2023/24 capital programme of £97.4m, and he noted that further detailed discussions were scheduled with the capital subgroup leads on 31 July 2023. However, he advised FIC that there was significant risk as a consequence of the limited capital resource available to fund statutory requirements, service continuity and essential equipment and Estates infrastructure. The 2023/24 Capital Plan had been prioritised and risk assessed to mitigate the lack of available funding in 2024/25 and ensure that the resource was applied to minimise the service and compliance risk. FIC was also sighted to a number of significant risks (and their quantum) to the Trust's 3-year capital plan, which had emerged since that plan was developed. The month 3 report also contained a detailed assessment of the IM&T capital position and related risks.

DDF(FS)

FIC also approved a number of recommendations from the Capital Monitoring and Investment Committee, relating to the refurbishment of Ward 14; the SIM Suite; eQUIP refresh, and the proposed establishment of separate capital sub-groups for research and education.

The FIC Non-Executive Director Acting Chair suggested that it would be useful to hold a dedicated Trust Board workshop session on capital, and it was agreed to progress this towards the end of the 2023 calendar year.

**Resolved – that information on the risks to the capital plan be included in each monthly update.**

DDF(FS)

109/23/3 2023/24 Cost Improvement Programme (CIP) Delivery

This item was considered in mitigation of BAF risk 5. FIC received assurance that the Trust was continuing to focus on delivery of the very challenging £63m cash-releasing CIP target for 2023/24. In an improvement from month 2, an overview of CIP delivery for month 3 identified that the Trust had achieved cash-out CIP savings of £2.411m against a plan of £1.496m, a favourable variance of £0.915m. Schemes totalling £17m were now on the Clinical Management Group CIP tracker, which was welcomed. An outturn of £51.7m was currently being forecast for 2023/24, and work was underway to bridge the gap. The Director of Productivity reiterated the extremely challenging nature of the 2023/24 CIP target, and advised FIC that month 4 performance was anticipated to be less strong than in month 3. A scheme risk profile review of the programme would be presented to the August/September 2023 FIC. The FIC Non-Executive Director Acting Chair voiced concern at both the significant back-ending of the 2023/24 CIP plan, and at the recurrent/non-recurrent split of schemes, querying the impact of the latter on 2024/25 and beyond. He also sought assurance on the level of CIP collaboration across the ICB, and opportunities such (eg) the urgent and emergency care pathway. In response, the Director of Productivity advised that he was relatively confident of the central schemes which comprised most of the 2023/24 programme back-ending; the position would be clearer, however, following the scheme risk profiling exercise referred to above. Although recognising that some back-ending was unavoidable due to the nature of the process, the Chief Financial Officer provided assurance that the Trust was looking to bring forward financial planning, with the intention of discussing a 2024/25 budget at the September 2023 FIC.

DoP

In response to other Non-Executive Director queries, the Director of Productivity acknowledged that some CMGs were unlikely to deliver the month 4 requirement, and he outlined the support and escalation steps in place for such areas.

**Resolved – that a RAG rating for each of the top 15 cash-releasing CIP schemes be included in each monthly CIP report to FIC.**

DoP

109/23/4 Report from the Chief Operating Officer

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

109/23/5 Report from the Chief Operating Officer

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

**110/23 PLANNING**

There were no planning items to discuss.

**111/23 ITEMS FOR NOTING**

**Resolved – that the following reports be received and noted for information:**

- (1) Procurement Contracts Committee report;
- (2) updated list of in-year investments/approvals, and
- (3) Trust Leadership Team actions from 11 July 2023 and agenda from 25 July 2023.

**112/23 ANY OTHER BUSINESS**

There were no items of any other business.

**113/23 IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD/REFERRAL TO OTHER BOARD COMMITTEES**

**Resolved** – that (A) the items in Minute 101/23 and in confidential Minute 102/23 above be recommended to the Trust Board for approval;

FIC NED  
CHAIR

(B) the items in Minutes 109/23/1 and 109/23/3, in confidential Minute 102/23/1 above be highlighted to the Trust Board, and

FIC NED  
CHAIR

(C) it be noted that there were no items to be referred to other Board Committees.

**114/23 DATE OF NEXT MEETING**

**Resolved** – that the next meeting of the Finance and Investment Committee be held virtually on Friday 25 August 2023 at 2.30 pm.

The meeting closed at 3.32 pm

Helen Stokes **Corporate and Committee Services Manager**

**FIC Attendance Record 2023/24**

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris	4	2	50	J Melbourne	4	3	100
S Barton	4	3	75	B Patel	4	4	100
A Carruthers	4	4	100	M Simpson	4	3	75
G Collins-Punter	4	3	75	M Williams	4	3	75
A Furlong	4	3	75	J Worrall	4	2	50
L Hooper	4	4	100				

**Regular Non-Voting Members/Attendees:**

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
B Cassidy	3	2	67	J Shuter (until July 2023)	3	2	67
S Ceres	4	3	75				