

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST****MINUTES OF A FINANCE AND INVESTMENT COMMITTEE (FIC) MEETING, HELD VIRTUALLY ON  
FRIDAY 30 JUNE 2023 AT 2.30PM VIA MICROSOFT TEAMS****Voting Members Present:**

Mr S Harris – FIC Non-Executive Director Chair  
 Mr S Barton – Deputy Chief Executive (excluding part of Minute 87/23)  
 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  
 Mr M Simpson – Director of Estates and Facilities  
 Mr M Williams – Non-Executive Director (up to and including Minute 95/23/2)  
 Mr J Worrall – Associate Non-Executive Director

**In Attendance:**

Mr M Archer – Associate Director of Operations (for Minute 87/23 [part])  
 Mr D Barley – Head of Finance (for Minute 87/23 [part])  
 Ms R Briggs – Associate Director of Operations (Projects)  
 Ms B Cassidy – Director of Corporate and Legal Affairs  
 Mr S Ceres – Deputy Director of Finance (Financial Management)  
 Dr J Cusack – Clinical Director Women’s and Children’s CMG (for Minute 87/23 [part])  
 Dr R Davies – Clinical Director Renal Respiratory and Cardio-Vascular CMG (for Minute 87/23 [part])  
 Ms K Jones – Head of Operations Renal Respiratory and Cardio-Vascular CMG (for Minute 87/23 [part])  
 Ms M Khuroya – TGH Managing Director and Chief Superintendent (for Minute 95/23/6)  
 Dr K Lambert – Associate Medical Director (for Minute 87/23 [part])  
 Mr R Manton – Head of Risk Assurance  
 Ms S McLeod – Head of Operations Women’s and Children’s CMG (for Minute 87/23 [part])  
 Ms A Parmar – Macmillan Cancer Programme Lead (for Minute 87/23 [part])  
 Ms S Patel – Head of Finance (for Minute 87/23 [part])  
 Mr A Riddick – Project Manager (for Minute 87/23 [part])  
 Mr B Shaw – Director of Productivity (for Minute 95/23/5)  
 Mr J Stewart – PwC (for Minute 87/23 [part])  
 Ms H Stokes – Corporate and Committee Services Manager  
 Dr C Swales – Consultant (for Minute 87/23 [part])

		<b><u>ACTION</u></b>
	<b><u>RECOMMENDED ITEMS</u></b>	
<b>86/23</b>	<b>BOARD ASSURANCE FRAMEWORK (BAF)</b>	
	<p>FIC reviewed all strategic risks on the BAF aligned to its remit (5, 6, 7b, 8 and 9), and discussed how the agenda items being discussed today 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 described in the report, FIC supported the proposal to increase the current risk score in BAF risk 7b to 20 (impact remains at 4 and likelihood moved up from 4 to 5), and recommended this for Trust Board approval. There were no other significant changes proposed to risk scores or content this month.</p> <p>FIC noted the current BAF risk scores as follows: strategic risks 3, 4 and 7a had previously been closed; 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 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 16 (see above for</p>	<b>FIC NED CHAIR</b>

	increased risk score), 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. The Chief Financial Officer advised that more detail on BAF risk 5 would be brought to the July 2023 FIC.	CFO
	<b>Recommended</b> – that (A) the increase (to 20) in the risk score for BAF risk 7b be endorsed, and recommended for Trust Board approval, and  (B) further detail on BAF risk 5 be brought to the July 2023 FIC.	FIC NED CHAIR  CFO
87/23	<b>ITEMS FOR APPROVAL</b>	
	<b>Recommended</b> – that this Minute be classed as confidential and taken in private accordingly.	
88/23	<b>FIC TERMS OF REFERENCE</b>	
	Subject to removal of the reference to the IM&T Strategy in the ‘purpose’ section, FIC endorsed its updated terms of reference, which reflected the transfer of core oversight of digital transformation and IT strategy issues to the Reconfiguration and Transformation Committee (as requested by the Trust Board). IT contract oversight would continue to be through FIC. The Director of Corporate and Legal Affairs also confirmed that TGH contracts committee reporting would be added to the workplan, and noted that current FIC membership was being reviewed in light of the amended terms of reference.	
	<b>Recommended</b> – that (A) subject to the removal of reference to the IM&T Strategy in the ‘purpose’ section, the updated FIC terms of reference be endorsed and recommended for Trust Board approval, and  (B) TGH Contract Committee reporting to FIC be appropriately reflected in the FIC workplan.	FIC NED CHAIR  CCSM
	<b>RESOLVED ITEMS</b>	
89/23	<b>APOLOGIES FOR ABSENCE</b>	
	Apologies for absence were received from Mr J Shuter Director of Strategic Finance.	
90/23	<b>QUORUM</b>	
	The meeting was confirmed to be quorate.	
91/23	<b>DECLARATIONS OF INTERESTS</b>	
	Mr S Harris Non-Executive Director Chair, and Mr J Worrall Associate Non-Executive Director, declared their respective roles as Non-Executive Director, and Chair of Trust Group Holdings Ltd. As these declarations were judged by the Committee to be non-prejudicial interests, they remained present at the meeting. Mr S Barton Deputy Chief Executive declared an interest in one specific element of confidential Minute 87/23 and absented himself from the meeting for that element accordingly.	
	<b>Resolved</b> – that the declarations of interests be noted.	
92/23	<b>MINUTES</b>	
	<b>Resolved</b> – that the Minutes of the 26 May 2023 FIC be confirmed as a correct record.	
93/23	<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.	
	<b>Resolved</b> – 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
94/23	<b>LLR ICB FINANCE REPORT 2022/23 – MONTH 2</b>	
	FIC noted the 2023/24 month 2 ICB finance position as presented.	
	<b>Resolved</b> – that the position be noted.	
95/23	<b>IN-YEAR REPORTING</b>	
95/23/1	<u>2023/24 Financial Position – Month 2</u>	
	<p>This item was considered in mitigation of BAF risk 7b. FIC discussed the factors behind the deficit position of £15.3m for the year to date as at month 2 (£5.2m adverse to plan), including the impact of industrial action (including lower than planned activity and increased costs for cover on strike days), agency staff use, and inflationary pressures. FIC recognised that – if not addressed – there was a significant risk to delivering the year-end forecast, and noted that (as reported at the May 2023 FIC) a mitigation plan focusing on 5 key workstreams had been developed by the Trust after the month 1 position.</p> <p>The CIP and capital expenditure positions for the year to date as at month 2 were also covered in detail in other reports being considered by FIC (Minutes 95/23/4 and 95/23/5 below refer). FIC agreed to highlight the 2023/24 month 2 financial position and associated risk to the Trust Board for information.</p>	
	<b>Resolved</b> – that the 2023/24 month 2 financial position be noted.	
95/23/2	<u>Report from the Chief Financial Officer</u>	
	<b>Resolved</b> – that this Minute be classed as confidential and taken in private accordingly.	
95/23/3	<u>Exiting the Recovery Support Programme (RSP)</u>	
	The Chief Financial Officer updated FIC verbally on recent discussions with NHSE/I re: UHL's position in the RSP. Further discussions were planned after the 2023/24 month 6 position, and the Chief Financial Officer emphasised the need for the Trust to focus particularly on those issues within its own control.	
	<b>Resolved</b> – that the position be noted.	
95/23/4	<u>2023/24 Capital Programme Update – Month 2</u>	
	This item was considered in mitigation of BAF risk 6. The Trust had delivered gross capital expenditure of £5.1m in month 2 of 2023/24 against a plan of £6.8m, representing an underspend against plan of £1.7m. As previously reported, this underspend was primarily due to the profiling of the East Midlands Planned Care Centre spend. FIC received 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 noted the rationale for the movements to this revised programme from its original level of £103.9m (the movements related primarily to UEC modular wards). The Deputy Director of Finance (Financial Services) set out the mitigations for the risks to the capital plan as detailed in the report, and advised FIC that the Trust's Capital Monitoring and Investment Committee was	DDF(FS)

	<p>being refocused at a more strategic level. The FIC Non-Executive Director Chair requested that the information on risks to the capital plan be included in each monthly report to FIC.</p> <p>A system-level group looking at system capital allocations was also being established, to be chaired by the UHL Chief Financial Officer, and FIC also noted work at system level on a system estates strategy.</p> <p>In further discussion, the Chief Information Officer advised FIC of challenges within the UHL IT capital allocation for 2023/24 (a further report on which was scheduled to be presented to FIC in July 2023), and (in response to queries from the FIC Non-Executive Director Chair) noted further modelling underway re: the eEquip programme.</p>	
	<b>Resolved – that information on the risks to the capital plan be included in each monthly update.</b>	DDF(FS)
95/23/5	<u>2023/24 Cost Improvement Programme (CIP) Delivery</u>	
	<p>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. Although specific month 2 delivery of £613k was below the plan of £1.422m, the Director of Productivity provided positive assurance to FIC that overall delivery for the year to date was in line with plan. Although reiterating his comments to the May 2023 FIC re: the very challenging nature of the 2023/24 target, the Director of Productivity anticipated a significant improvement in the month 3 CIP position (compared to month 2). FIC noted the mitigating actions presented, and was advised that the Transformation team continued to meet very regularly with both Clinical Management Groups and Corporate Directorates to explore their CIP schemes, in addition to implementing weekly progress sessions with the Chief Financial Officer. The Chief Financial Officer recognised the CIP challenge for 2023/24, but noted that the in-year position for 2023/24 (as at the end of June 2023) was markedly better than the comparable time in 2022/23. There was still a gap to be bridged, however, and she commented on the need also to improve the recurrent/non-recurrent split of schemes. In discussion on the 2023/24 CIP delivery update, the FIC Non-Executive Director Chair requested that future monthly reports include a RAG rating for the top 15 cash-releasing CIP schemes.</p>	DoP
	<b>Resolved – that a RAG rating for each of the top 15 cash-releasing CIP schemes be included in each monthly CIP report to FIC.</b>	DoP
95/23/6	<u>Report from Mr J Worrall Non-Executive Director</u>	
	<b>Resolved – that this Minute be classed as confidential and taken in private accordingly.</b>	
96/23	<b>PLANNING</b>	
	There were no planning items to discuss.	
97/23	<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, and (2) Trust Leadership Team actions from 20 June 2023 and agenda from 27 June 2023.	
98/23	<b>ANY OTHER BUSINESS</b>	
	There were no items of any other business.	
99/23	<b>IDENTIFICATION OF ANY KEY ISSUES FOR THE TRUST BOARD/REFERRAL TO OTHER BOARD COMMITTEES</b>	

	<p><b>Resolved</b> – that (A) the items in Minutes 86/23 and 88/23 , and in confidential Minute 87/23 above be recommended to the Trust Board for approval;</p> <p>(B) the items in Minute 95/23/1 and in confidential Minute 95/23/2 above be highlighted to the Trust Board, and</p> <p>(C) it be noted that there were no items to be referred to other Board Committees.</p>	<p>FIC NED CHAIR</p> <p>FIC NED CHAIR</p>
100/23	<b>DATE OF NEXT MEETING</b>	
	<b>Resolved</b> – that the next meeting of the Finance and Investment Committee be held virtually on Friday 28 July 2023 at <b>2.30pm</b> .	

The meeting closed at 4.24pm

Helen Stokes **Corporate and Committee Services Manager**

### **FIC Attendance Record 2023/24**

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
S Harris	3	2	67	J Melbourne	3	3	100
S Barton	3	3	100	B Patel	3	3	100
A Carruthers	3	3	100	M Simpson	3	3	100
G Collins-Punter	3	2	67	M Williams	3	2	67
A Furlong	3	2	67	J Worrall	3	2	67
L Hooper	3	3	100				

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

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
B Cassidy	3	2	67	J Shuter	3	2	67
S Ceres	3	3	100				