University Hospitals of Leicester NHS
NHS Trust

Trust Board paper G

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 4 August 2011

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr I Reid, Non-Executive Director

DATE OF COMMITTEE MEETING: 29 June 2011. A covering sheet outlining the key issues discussed at this meeting was submitted to the Trust Board on 7 July 2011.

RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE TRUST BOARD:

None.

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR PUBLIC CONSIDERATION/ RESOLUTION BY THE TRUST BOARD:

- **Progress on the financial recovery discussions at the extraordinary Trust Board meeting of 23 June 2011 (Minute 59/11/1), and**
- **Discussions on the LLR emergency care network transformation project (Minute 59/11/5). and productivity headlines (Minute 49/11/3).**

DATE OF NEXT COMMITTEE MEETING: 28 July 2011.

Mr I Reid – Non-Executive Director
29 July 2011

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE HELD ON WEDNESDAY 29 JUNE AT 9.15AM IN ROOMS 1A & 1B, GWENDOLEN HOUSE, LEICESTER GENERAL HOSPITAL SITE

Present:
Mr I Reid – Non-Executive Director (Committee Chair)
Dr K Harris – Medical Director
Mr R Kilner – Non-Executive Director
Mr M Lowe-Lauri – Chief Executive
Mrs S Hinchliffe – Chief Operating Officer/Chief Nurse
Mr A Seddon – Director of Finance and Procurement
Mr J Shuter – Deputy Director of Finance and Procurement
Mr G Smith – Patient Adviser (non-voting member)
Dr A Tierney – Director of Strategy (up to and including Minute 63/11)
Mrs J Wilson – Non-Executive Director

In Attendance:
Mr J Clarke – Chief Information Officer (for Minute 58/11)
Ms K Bradley – Director of Human Resources
Mr P Panchal – Non-Executive Director (from Minute 59/11/2)
Ms H Stokes – Senior Trust Administrator
Mr M Wightman – Director of Communications and External Relations

RESOLVED ITEMS **ACTION**

55/11 APOLOGIES

No apologies for absence were received.

56/11 MINUTES AND ACTION SHEET

Resolved – that the Minutes and action sheet of the Finance and Performance Committee meeting held on 25 May 2011 be approved as a correct record.

57/11 MATTERS ARISING

In addition to the issues itemised on the agenda, members considered the report on matters arising from previous Finance and Performance Committee meetings (circulated as paper B).

57/11/1 Clarification on Staff Recruitment 2010-11 (Minute 48/11)

The Director of Human Resources agreed to confirm whether information on the number of staff recruited in 2010-11 (excluding trainee doctors) had been circulated to Finance and Performance Committee members. **DHR**

Resolved – that the Director of Human Resources be requested to confirm whether the information above had been circulated to Finance and Performance Committee members. **DHR**

57/11/2 Managing Sickness Absence (Minute 48/11/2)

In response to a query, the Director of Human Resources advised of progress on discussions with Staff Side re: strengthening UHL's policy on managing sickness absence. The position would be discussed further at the 4 July 2011 Workforce and Organisational Development Committee meeting, with a view to Trust Board consideration on 4 August 2011. **DHR**

Resolved – that the Director of Human Resources be requested to provide an update to the 4 August 2011 Trust Board on the proposed strengthening of UHL's provisions for managing sickness absence, noting that this issue would be discussed in detail at the 4 July 2011 Workforce and Organisational Development Committee. **DHR**

57/11/3 Residential Accommodation (Minute 48/11/4)

In response to a query, the Director of Human Resources advised that contact with commercial estate agencies had yet to take place. It was agreed to retain this issue on the matters arising report, therefore. **DHR/ STA**

Resolved – that an update on discussions re: residential accommodation provision remain on the matters arising report. **DHR/ STA**

58/11 CORPORATE DIRECTORATE PRESENTATION – IM&T

In addition to the Director of Strategy, UHL's recently-appointed Chief Information Officer (Mr J Clarke) attended to present the IM&T Directorate's performance (slides as detailed in previously-circulated paper C). The presentation highlighted:-

(1) the current position of the Directorate in terms of its service provision and financial situation, commenting that traditionally within UHL IM&T had not been seen as a key enabling service. 82% of UHL's discretionary non-pay IT budget was currently spent on maintenance, compared to a best practice split of 60:40% (maintenance:new projects). At 1.24%, UHL was under-resourced when compared to best practice in terms of the percentage of organisational income spent on IM&T services. It was confirmed that staffing costs would have reduced by 6% in real terms from 2009-10 to 2012-13, and the presentation outlined the impact of the current restructuring exercise, with clearer accountabilities to be in place by August 2011;

(2) the Directorate's consistent delivery of its cost improvement programme (CIP) in previous years, and its intention to do likewise in 2011-12;

(3) the intention to revise the Directorate's key performance indicators (KPIs) and work towards professionalising the IM&T service offered by UHL. Existing KPIs had been positively trending for the last 12 months, particularly so since January 2011;

(4) the 3 stages of the transformational IM&T strategy, being to turnaround, maximise, and then integrate services. A key element was to develop UHL as an intelligent customer, with greater awareness of its own needs and requirements. The 'integrate' stage envisaged the procurement of an enterprise-wide or hybrid EPR system by 2016, with initial work suggesting a full return on investment within 8 years – the presentation also illustrated the difference between the number of clinical systems in place within UHL as of 2011 and the more rationalised and logical EPR framework by 2016, and

(5) the Directorate's proposed roadmap to move it from 2011-12 through to 2017-20, in terms of clinical and non-clinical functionality and also service delivery.

In discussion on the IM&T Directorate presentation, the Finance and Performance Committee:

(a) noted queries from Mr R Kilner, Non-Executive Director, as to the extent to which the new Chief Information Officer (CIO) was supportive of the IM&T Strategy, the CIO's views on the current second tier IM&T management capacity and capability, and the apparent 5-year timeframe for introducing an EPR. In response, the CIO advised that he fully supported the Trust's IM&T strategy

(having been aware of it before commencing UHL employment), which also appeared to have good general organisational buy-in. He commented that on first impressions, the operational side of the IM&T Directorate appeared to be working well. In terms of the EPR programme, the CIO suggested that 5 years was reasonable given UHL's particularly low starting point;

(b) welcomed the development of new, more targeted KPIs, and queried both the scale of the required investment over the next 5 years and how to focus priorities appropriately (queries from Ms J Wilson, Non-Executive Director). In response, the CIO noted the need to factor in all relevant cost aspects (eg staff training requirements) and commented that it would be crucial to know the 'added value' of any new IT systems prior to investment. As already reflected in the Trust's Integrated Business Plan, the Director of Strategy envisaged a 10-20% uplift on annual investment compared to current levels and she outlined the process for completing the detailed business case over the next 3-6 months;

(c) noted the need also to ensure the best use of UHL's existing technology/IT systems – the CIO recognised this point, which was reflected in his current discussions with both Planned Care and Clinical Support regarding the electronic bed management system;

(d) noted (in response to a query from the Medical Director) the intention to create a Chief Medical Information Officer post, to enhance clinical buy-in to and leadership on IM&T improvements;

(e) noted a query from the Chief Executive regarding wider integration of (eg access to) clinical IT systems across LLR, to benefit clinical working. Noting the CIO's response that he was in contact with his LLR counterparts, the Chief Executive requested that this aspect of integration be reflected more explicitly in the IM&T strategy turnaround stage; **DS/ CIO**

(f) welcomed the focus on how the IM&T service could benefit users, but advised also of the need for greater emphasis on what was expected of users, including the need for new systems to be used where introduced (point (c) above also refers). The need to facilitate a cultural change was recognised by the IM&T Directorate;

(g) noted a query from the Medical Director as to the scope for any patient input to the strategy – eg in light of issues such as the possible electronic transmission of patient letters. Although recognising the need to be aware of certain practical issues, the CIO was actively considering ways of increasing patient involvement through technology, including a possible patient portal for contact with clinicians. The Medical Director further noted longstanding arrangements in Nephrology regarding patient e-access to medical information, and

(h) noted comments from the Patient Adviser that administrative and clerical staff buy-in was crucial to the success of new IT systems – the CIO recognised this point and noted the importance of involving and motivating both ward-based and administrative staff appropriately.

<u>Resolved</u> – that (A) the presentation on the IM&T Directorate's performance be noted, and

(B) Director of Strategy be requested to include more explicit reference within the 'turnaround' phase of UHL's IT strategy, to engagement with LLR partners re: access to community IT systems. **DS**

59/11 2011-12

59/11/1 <u>Quality, Finance and Performance Report – Month 2</u>

The Chief Operating Officer/Chief Nurse presented paper D outlining the Trust's quality, HR, finance and operational performance position for month 2 (month ending 31 May 2011). A 'heat map' showing Divisions' positions on the range of indicators was also provided. In terms of the highlights of the month 2 report (the quality aspects of which were pursued primarily through the Governance and Risk Management Committee [GRMC]), the Chief Operating Officer/Chief Nurse and Executive Director leads noted the following operational performance issues by exception:-

(a) changes to the ED targets as of 1 July 2011, as outlined in recently-issued technical guidance on the NHS National Operating Framework 2011-12. The changes would also be outlined to the Trust Board on 7 July 2011 as part of the month 2 report. Five key metrics had been clustered into 2 areas, relating (broadly) to the length of time to be seen and have treatment progressed, and to readmissions and patients leaving without being seen. A further 13 metrics were due around March 2012. Following a review of the requirements in the 2 clustered areas, the Chief Operating Officer/Chief Nurse confirmed that UHL achieved both targets. She also noted an improvement in ED performance during month 3 to date (97% for June 2011, cumulatively);

(b) the inclusion of MSSA (meticillin sensitive staphylococcus aureus), with E. coli also to feature from July 2011. This was a national change and no targets were yet in place;

(c) positive performance on the nursing metrics, as detailed in appendix A of paper D (maternity/outpatients/children's/theatres not yet included). Medical metrics were also being discussed;

(d) an extension of the quality diamonds, noting that some further quality targets had now been identified. The Committee Chair queried when targets would be set for any remaining quality indicators, noting (in response) that this remained work in progress and was being discussed with the Divisions. In response to a further query from the Committee Chair, the Chief Operating Officer/Chief Nurse advised that a 5% target for the reduction of falls could also be included;

(e) detailed GRMC discussions on fractured neck of femur performance – although still below target UHL was in the top quartile nationally. In response to a query on the significant fall in May 2011 performance, the Medical Director noted the marked impact of relatively few cases, due to the low numbers of overall patients involved. Instrumentation availability had also been a factor. In further discussion on this performance aspect, the Finance and Performance Committee voiced concern over the availability of theatres and Anaesthetists, suggesting that the daily fluctuations in performance indicated a lack of overall control of the situation. Recognising that this issue was a key priority for the Trust, the Chief Executive advised that the relevant Director lead (Director of Research and Development) was providing a further update to the 30 June 2011 GRMC as the most appropriate lead Committee;

(f) certain concerns – as now outlined by the Medical Director – regarding the wider roll-out of the VTE risk assessment e-recording system following the initial pilot, which he agreed to discuss further with the Director of Strategy outside the meeting. The Medical Director also agreed to contact the NHS East Midlands Medical Director to discuss any need to extend the period during which VTE CQUIN penalties would not apply to UHL (previous agreement in light of the move to an e-system), and **MD/DS**

(g) a query from the Committee Chair as to the reasons for the increase in staff complaints re: staffing levels in the Women's and Children's Division, given a lower number of births. The Medical Director agreed to explore this issue and respond outside the meeting. **MD**

Members also particularly queried progress on reducing readmissions, noting that this was a 2011-12 cost improvement programme scheme as well as a key clinical issue. Less progress had been made than had been hoped as of month 2, and in response to a query from the Committee Chair the Medical Director considered that it might be a further 3 months before it was clear as to whether the significant CIP savings associated

with reducing readmissions would be delivered in 2011-12. The Committee agreed that this timescale was not acceptable and emphasised the need for some interim progress to be made prior to the SRO commencing in post in August 2011. In the interests of gaining further assurance (with which it could subsequently advise the Trust Board), it was further agreed that the July 2011 Finance and Performance Committee meeting should receive a summary of all of the cross-cutting CIP schemes (specifically including the reducing readmissions scheme and particularly whether that would be deliverable in-year), advising of progress and raising their profile. The Finance and Performance Committee Chair voiced his significant concern at the slippage on the readmissions CIP, and queried whether more resource was needed to deliver this scheme. In discussion, the Director of Finance and Procurement noted the challenge of delivering cultural and clinical change, and commented also on the need to remove attendant costs as readmissions were reduced (this also applied to the outpatients CIP scheme) – he suggested that further resource might be required to support that cost reduction aspect. The Chief Executive reiterated previous comments regarding the need to address UHL's management capacity and capability, with a resulting need to consider the need and timeliness of bringing in external resource – he advised that the readmissions CIP should also be added to the projects being considered for external resource. In respect of the readmissions CIP, the Finance and Performance Committee reiterated its earlier concerns at the speed of delivery given that the penalties had been highlighted before 2011-12, and emphasised the need now for urgent progress. In response to a comment from the Director of Communications and External Relations, the Medical Director confirmed that he would reiterate the need to reduce readmissions at his 30 June 2011 meeting with Consultants. **DFP/ COO/ CN/MD** **COO/ CN/ DFP** **MD**

In respect of the financial elements of the month 2 position, the Director of Finance and Procurement advised of a further in-month deterioration, as reported at the extraordinary public Trust Board meeting on 23 June 2011. Following a rolled-out change in forecasting methodology, it was apparent that some areas required greater local management understanding of business forecasting. Costs remained a key issue, although there had been an improvement on UHL's run-rate. The Director of Finance and Procurement emphasised the crucial need for Divisions to be able to forecast accurately, and also noted his view that UHL's capital expenditure was likely to need to reduce. The speed of 2011-12 CIP implementation and delivery was also of concern.

In discussion on the month 2 financial position, the Finance and Performance Committee:-

(1) requested further clarity on the total income/expenditure picture in future monthly reports, including any input from contingencies, core pay, add-on pay, non-pay, real-time CIP delivery, and a profile of Consultant and other staff costs over the course of the year. The Committee noted that pay was running significantly over-budget and suggested that further work was needed on UHL's core staff base; **DFP**

(2) noted the key financial messages being communicated to staff, involving the need for immediate controls on discretionary spending and accelerating the necessary service transformations – as discussed above, the scale of any external resource required was being considered;

(3) queried the 'central expenditure' element of the non-pay overspend, and whether this represented real costs incurred. The Deputy Director of Finance and Procurement advised that this related to a technical accounting mechanism reflecting the need for UHL to continue reporting against the plan originally submitted to NHS East Midlands, although Divisional budgets had themselves been changed since that plan. Non-Executive Directors agreed it would be helpful to receive a clear briefing note ahead of the July 2011 Trust Board confirming the actual income and expenditure figures and providing appropriate transparency. The Director of Finance and Procurement agreed to this request and agreed also to clarify the phasing/profiling for 2011-12, as well as providing appropriate context on the national position (eg tariff reduction as of 1 April 2011); **DFP**

(4) noted a request from the Committee Chair for future forecasts to include Divisional and CBU-level detail, with a comparison to the previous year's position;

(5) queried whether the Director of Finance and Procurement was concerned by the level of non-recurrent CIP put forward by the Planned Care Division;

(6) queried when the totality of the 2011-12 CIP would be identified, although noting that this would be covered in the further CIP update report being provided to the July 2011 Finance and Performance Committee meeting;

(7) noted discussions planned with all CBUs individually in the coming week, to understand their forecasts and thus inform the 7 July 2011 Trust Board report on financial recovery, and

(8) reiterated the need for the July 2011 Finance and Performance Committee to receive appropriate assurance on UHL's plans to deliver the 2011-12 CIP and overall financial position. The Finance and Performance Committee Chair also advised that the 7 July 2011 Trust Board should – through the month 2 quality finance and performance report – receive an update on progress against the financial recovery actions outlined to the 23 June 2011 extraordinary Trust Board meeting. **DFP/ COO/ CN**

<u>Resolved</u> – that (A) the quality, finance and performance report for month 2 (month ending 31 May 2011) be noted;

(B) to enable appropriate Finance and Performance Committee assurance on to the Trust Board, the Chief Operating Officer/Chief Nurse, the Director of Finance and Procurement and the Medical Director be requested to prepare a further assurance report to the 28 July 2011 Finance and Performance Committee, providing further clarity on:- MD/ DFP/ COO/ CN

(1) progress on the 2011-12 cross-cutting CIP schemes (including reducing readmissions);
(2) whether the specific CIP scheme to reduce readmissions would be delivered in 2011-12;

(C) the Medical Director be requested to reiterate the need to reduce readmissions, to Divisional Directors and Consultants at the meeting scheduled for 30 June 2011; MD

(D) the Chief Operating Officer/Chief Nurse and the Director of Finance and Procurement be requested to add the readmissions CIP to the list of issues to be addressed through the proposed additional external resource support for Divisions/CBUs; COO/ CN/ DFP

(E) in respect of VTE risks:-

(1) the Medical Director and the Director of Strategy be requested to discuss the challenges experienced in implementing the VTE risk assessment e-recording system outside the meeting; MD/DS
(2) the Medical Director be requested to discuss the potential need to extend the period during which VTE CQUIN penalties would not be applied to UHL, with the NHS East Midlands Medical Director; MD

(F) following the receipt of further information, the Medical Director be requested to advise the Finance and Performance Committee Chair outside the meeting on why the number of Women's and Children's Division staffing complaints (from staff) had risen in the context of a lower number of births; MD

(G) in respect of future financial reporting in the monthly QFP report, the Director of Finance and Procurement be requested to:- DFP
(1) clarify future forecasts to include clear details on real income, contributions

from contingency monies, core pay and add-on pay, non-pay, real CIP delivery, and Divisional/CBU-level detail;
(2) provide a clear profile over the course of the year of key major expenditure lines such as Consultant costs, junior doctors, nurses and support staff;

(H) the Director of Finance and Procurement be requested to provide a briefing note to Non-Executive Directors (ahead of the 7 July 2011 Trust Board), clarifying the actual income and expenditure position, explaining instances of technical accounting treatments and detailing the in-year profiling/phasing, and **DFP**

(I) the Finance and Performance Committee Chair be requested to note the following issue to the 7 July 2011 Trust Board:- **FPC CHAIR**
(1) the need to discuss progress on the financial recovery actions/update from the additional Trust Board of 23 June 2011 (to be covered through the month 2 QFP report).

59/11/2 Efficiency Update

Resolved – it be noted that this item had been covered in Minute 59/11/1 above.

59/11/3 Patient Level Information and Costing System (PLICS) and Service Line Reporting (SLR)

Paper F advised of progress on the roll-out of PLICS data and analytical capability, noting that an alternative presentation method was also being considered. It was vital that PLICS was appropriately linked to Consultant jobplanning, in order for the data to be meaningful. As indicated in paper F, the spread of UHL service profitability/loss was remarkable – in response to a query it was confirmed that ECMO services were not currently included in the report. The Finance and Performance Committee Chair considered that it would be helpful to include further detail in future PLICS reports as to the actions and timescales for improving the position of specific loss-making services. It was also noted that the additional resource currently being placed in the Acute Care Division would assist that Division with the PLICS position of cardiac surgery. **DFP**

Ms J Wilson, Non-Executive Director and Workforce and Organisational Development Committee Chair, also noted the need for continued market share improvement even for profitable services, and she queried how Divisions were made aware of the information in paper F. Although recognising this point, the Chief Executive reiterated the need for an appropriate focus on driving down costs rather than solely increasing income. The Director of Communications and External Relations agreed that paper F contained crucial information for Divisions, which should appropriately underpin UHL's clinical and financial strategy.

Resolved – that the report on PLICS and SLR be noted, with the Director of Finance and Procurement requested to include additional detail on the actions (and timescale) to address the current non-profitability of key services, in future such updates. **DFP**

59/11/4 Process for Developing and Monitoring Consultant Output Measures

The month 2 quality, finance and performance report contained certain metrics on this issue, the presentation of which was currently being explored (eg potentially as per the nursing metrics). The Committee Chair noted the need for key productivity metrics on this issue, and suggested that it would be useful to seek comparative information from other peer Trusts in terms of managing Consultant productivity. It was noted that this issue was linked to PLICS at a named other Trust. The Medical Director also noted links to reducing clinical variation, and agreed to provide a further update on an initial metrics position (plus appropriate benchmarking) to the September 2011 Finance and Performance Committee. The Director of Communications and External Relations suggested it might also be useful to seek Consultants' own views on this issue. **MD**

Resolved – that the Medical Director be requested to provide an update to the 28 September 2011 Finance and Performance Committee on the development of Consultant productivity metrics, including proposed bench-marking. **MD**

59/11/5 LLR Emergency Care Network Transformation – Update

The Chief Operating Officer/Chief Nurse provided a verbal briefing on developments, noting a further LLR Emergency Care Network meeting in the coming week. Although UHL was clear on the extent of its own responsibilities for improving the overall LLR emergency care system (and was moving forward accordingly), the Chief Operating Officer/Chief Nurse voiced some frustration at the level of integrated engagement from certain other LLR partners. The level of ED attendances remained a key concern and UHL's ability to discharge patients to more appropriate community facilities was also being compromised – hampered further by certain decisions taken to remove community capacity. The Committee Chair echoed the Chief Operating Officer/Chief Nurse's comments and noted the key need for common metrics to be used by all parties. He also noted the crucial need to make appropriate progress on this issue before 2011 winter pressures took effect, and voiced his wish to make the UHL Trust Board aware of the current situation (including discharge difficulties). **FPC CHAIR**

The Chief Executive agreed with the analysis of the current situation and suggested that he and the Chief Operating Officer/Chief Nurse draft a briefing note for UHL's Chairman accordingly. The Committee agreed that UHL's discomfort at the present situation should be appropriately communicated to its LLR partners. The Finance and Performance Committee also reiterated the need to move away from previous silo working in addressing the LLR emergency process on a community-wide basis. Committee members further noted the challenge for LLR Non-Executive Directors to reconcile the various sources of information and arrive at a commonly-understood position – noting that she had developed some slides (outlining various points in respect of the Emergency Care Network) for an LLR Non-Executive Directors meeting, the Chief Operating Officer/Chief Nurse agreed to circulate these to UHL Non-Executive Directors accordingly. In further discussion, the Director of Finance and Procurement suggested that UHL should develop appropriate metrics for common use by all LLR Emergency Care Network partners. **COO/ CN**

Resolved – that (A) the update on the LLR emergency care network transformation project be noted;

(B) the Chief Operating Officer/Chief Nurse be requested to:- **COO/ CN/ CE**

(1) circulate the slides for the 30 June 2011 LLR Non-Executive Directors meeting to all UHL Non-Executive Directors, for information;

(2) consider UHL taking the lead in developing common metrics for use by all parties;

(3) (with the Chief Executive) consider drafting a briefing note for the Trust Chairman, setting out UHL's concerns at the level of integrated engagement across the community and the adverse impact of certain decisions re: community capacity, and

(C) the Finance and Performance Committee Chair be requested to highlight the need for intelligent engagement on the LLR emergency care transformation project (and the need for appropriate progress prior to 2011 winter pressures), at the 7 July 2011 Trust Board. **FPC CHAIR**

59/11/6 Report by the Chief Operating Officer/Chief Nurse

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

60/11 2012-13

60/11/1 CIP Planning 2012-13

The Director of Finance and Procurement confirmed that CIP planning 2012-13+ would be appropriately covered in the tender framework for external resourcing. It was noted that there was no written update on this item.

Resolved – that the position be noted.

61/11 PRIVATE PATIENT ACTIVITY

Paper I noted the extremely low income UHL received from private patient activity, and outlined the reasons for that situation. The Director of Finance and Procurement considered that there was some scope to improve this position, and outlined his discussions to date accordingly. In response to a query from Mr P Panchal, Non-Executive Director, the Director of Finance and Procurement confirmed that the figures in paper I did not include overseas visitors, and provided assurance that (separately) all action was taken to recover costs from overseas visitors who were not eligible for NHS treatment. It was agreed to provide a further update to the 24 August 2011 Finance and Performance Committee. **DFP**

Resolved – that a further update on discussions re: private patient activity be provided to the 24 August 2011 Finance and Performance Committee meeting. **DFP**

62/11 MULTI-PROFESSIONAL EDUCATION AND TRAINING (MPET) – REFORM OF EDUCATION FUNDING

Paper J updated the Finance and Performance Committee on the proposed changes to MPET funding as of 1 April 2012, the financial impact of which would be to reduce UHL's education and training income by 11%. National implementation of the changes had been deferred for 12 months from 1 April 2011, and the impact was reflected in both UHL's 2011-12 annual operating plan and its IBP. Given the significant adverse impact on UHL, it was proposed to provide regular updates to the Finance and Performance Committee on this issue, with the next such report in August 2011. **MD/ DHR**

In discussion, the Finance and Performance Committee recognised the need to reduce costs as income fell, and queried when further detail would be available on that aspect. Members also queried whether clinical education was currently a profitable UHL service. The Chief Executive agreed the need for further clarity and advised developing an appropriate contingency model linked to the need for continued delivery in a lower-cost way. The Medical Director also noted the differential impact on the various East Midlands Trusts of the MPET funding reform, with some Trusts potentially actually gaining. The Director of Human Resources commented on discussions by the NHS Futures Forum, on the need for providers to become more closely involved in the appropriate expenditure of education and training monies.

Resolved – that the next regular update on MPET funding reform and its impact on UHL (including contingency plans), be provided to the 24 August 2011 Finance and Performance Committee meeting. **MD/ DHR**

63/11 REVIEW OF STRATEGIC RISK REGISTER (SRR) RISKS MONITORED BY THE FINANCE AND PERFORMANCE COMMITTEE

Further to Trust Board Minute 146/11 of 2 June 2011, it was noted that 5 risks were allocated for Finance and Performance Committee monitoring in the existing-format Strategic Risk Register/Board Assurance Framework. Given that the new format of the strategic risk register was to be presented to the Trust Board on 7 July 2011, it was agreed to defer discussion of this item until the 28 July 2011 Finance and Performance Committee meeting. This was also the approach likely to be taken at the GRMC meeting on 30 June 2011. **MD**

Resolved – that discussion of the SRR risks allocated for Finance and Performance Committee monitoring be deferred until the 28 July 2011 Finance and Performance Committee meeting, to allow for Trust Board discussion of the new format. **MD**

64/11 REPORTS FOR INFORMATION

64/11/1 Vacancy Management Update

Resolved – that the update on vacancy management be received for information.

65/11 MINUTES FOR INFORMATION

65/11/1 Divisional Confirm and Challenge Meeting

The Finance and Performance Committee Chair queried what action had been taken in respect of paragraph 2.2 of paper M (re: comments on UHL's relative recruitment attraction for doctors). The Director of Communications and External Relations advised that one of the HR Business Partners was analysing feedback on this issue, which would be used to work with Communications and create an appropriate branding strategy.

Resolved – that the notes of the Divisional Confirm and Challenge meeting held on 18 May 2011 be received for information.

65/11/2 Governance and Risk Management Committee

Resolved – that the Minutes of the Governance and Risk Management Committee meeting held on 26 May 2011 be received for information.

65/11/3 Quality and Performance Management Group

Resolved – that the notes of the Quality and Performance Management Group meeting held on 4 May 2011 be received for information.

66/11 ITEMS FOR DISCUSSION AT THE NEXT FINANCE AND PERFORMANCE COMMITTEE MEETING

Further to Minute 52/11/1 of 25 May 2011, paper P comprised a draft agenda for the 28 July 2011 Finance and Performance Committee meeting. Members requested an additional report on medical vacancies (noting also the Committee Chair's wish for medical vacancies data to be included in the month 3 finance and CIP reports), and also noted that the report on market share would be considered in the absence of the Director of Communications and External Relations. **DDHR/ STA**

Resolved – that with the addition of a report on medical vacancies, the draft Finance and Performance Committee agenda for 28 July 2011 be approved. **DDHR/ STA**

67/11 ANY OTHER BUSINESS

There were no items of any other business.

68/11 IDENTIFICATION OF KEY ISSUES THAT THE COMMITTEE WISHES TO DRAW TO THE ATTENTION OF THE TRUST BOARD

It was agreed to bring the following issues to the attention of the Trust Board on 7 July 2011:- **FPC CHAIR**

- Update on progress from the extraordinary 23 June 2011 Trust Board meeting

re: financial recovery (Minute 59/11/1 above), and

- concerns regarding the LLR emergency care network transformation project (Minute 59/11/5 above).

69/11 DATE OF NEXT MEETING

Resolved – that the next meeting of the Finance and Performance Committee be held on Thursday 28 July 2011 from 9.15am – 12.45pm* in rooms 1A & 1B, Gwendolen House, Leicester General Hospital site.**

***** please note the extended duration of this meeting.**

The meeting closed at 12.35pm

Helen Stokes
Senior Trust Administrator