University Hospitals of Leicester NHS
NHS Trust

Trust Board paper H

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 6 October 2011

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr I Reid, Non-Executive Director

DATE OF COMMITTEE MEETING: 24 August 2011. A covering sheet outlining the key issues discussed at this meeting was submitted to the Trust Board on 1 September 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:

- **CQUIN reconciliation process (Minute 89/11/5 refers), and**
- **Acute Care Divisional presentation (Minute 88/11 refers).**

DATE OF NEXT COMMITTEE MEETING: 28 September 2011

Mr I Reid – Non-Executive Director
30 September 2011

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE HELD ON WEDNESDAY 24 AUGUST 2011 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 (via Skype link for Minute 88/11 only)
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

In Attendance:
Ms S Clarke – Head of Business Development and Service Planning (for Minute 88/11)
Mr R Gillingwater – Associate Director (Supplies/Operations) (for Minute 89/11/3)
Ms S Mason – Divisional Head of Nursing, Acute Care (for Minute 88/11)
Ms H Mather – Divisional Manager, Acute Care (for Minute 88/11)
Ms M Muirhead – Head of GP Services (for Minute 93/11)
Mrs K Rayns – Trust Administrator
Mr J Roberts – Assistant Director of Information (for Minute 89/11/4)
Mr S Shearing – Divisional Finance and Performance Manager, Acute Care (for Minute 88/11)
Mr D Skehan – Divisional Director, Acute Care (for Minute 88/11)
Mr D Tracy – Non-Executive Director
Mr M Wightman – Director of Communications and External Relations (from Minute 89/11/5 to 93/11 inclusive)

RESOLVED ITEMS **ACTION**

85/11 APOLOGIES

Apologies for absence were received from Mr R Kilner, Non-Executive Director and Mrs J Wilson, Non-Executive Director. Members noted that whilst Mr Kilner was not able to attend the meeting in person, arrangements had been put in place for him to participate in the Acute Care Division's performance presentation via a Skype link (Minute 88/11 below refers). The Chairman recorded his thanks to Mr D Tracy, Non-Executive Director for attending this meeting to provide additional Non-Executive Director perspective.

86/11 MINUTES AND ACTION SHEET

Resolved – that the Minutes and action sheet of the Finance and Performance Committee meeting held on 28 July 2011 be approved as a correct record.

87/11 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).

87/11/1 Planned Care Division Performance Presentation (Minute 73/11/1)

The Director of Strategy provided a verbal update on the timescales for the elective community activity tendering process, noting that the current provider's contract had been extended to December 2012 and that the potential value of this care bundle had increased from £15m to £21m. Commissioners had advised that they were keen to

work with UHL in re-designing the appropriate patient pathway specifications, but the implications in respect of UHL's involvement in this work were currently being assessed for any potential conflict of interests. Members noted that clear project plans would be developed for this workstream by April 2012 and that these would be presented to the Finance and Performance Committee accordingly. **PCDMT**

Members agreed that the Planned Care Division would be invited to re-attend the Finance and Performance Committee in January 2012 in order to gauge progress, as the Divisional Director would not be available to attend on 24 November 2011 and there would not be a meeting held in December 2011.

Resolved – that (A) the Planned Care Divisional Management Team be requested to present project plans for the elective community activity tendering process to the Finance and Performance Committee in April or May 2012, and **PCDMT**

(B) via Trust Administration, the Finance and Performance Committee Chair be requested to invite the Planned Care Divisional to re-attend the Finance and Performance Committee in January 2012. **FPC CHAIR/ STA**

87/11/2 Actions to Ensure 2011-12 Financial Turnaround (Minute 74/11/2)

The Patient Adviser highlighted the agreed action to apply appropriate good practice lessons from other Trusts (in respect of governance of CIP delivery) and requested that appropriate focus be maintained in his respect. In response, the Chief Executive reported verbally on the arrangements for UHL staff to receive presentations by the Chief Executive and Director of Finance from Southampton NHS Trust on 7 October 2011 and the Director of Finance and Procurement confirmed that formal guidance and examples of best practice would also be sought from the Trust's appointed external turnaround advisers.

Resolved – that the verbal information provided by the Chief Executive and the Director of Finance and Procurement regarding the process for seeking examples of good practice in respect of CIP delivery be noted.

87/11/3 VTE CQUIN Penalties (Minute 72/11/3)

The Medical Director provided a verbal update in respect of UHL's achievement of the 90% performance threshold for recording patients receiving a VTE assessment on admission to hospital. He advised that forecast CQUIN penalties of £220k would not now be applied.

Resolved – that the verbal information provided by the Medical Director in respect of VTE performance be noted.

87/11/4 LLR Emergency Care Transformation Programme (Minute 72/11/5)

The Chief Executive provided a verbal report in respect of the development of common LLR performance metrics, noting that the non-UHL elements of this workstream were being progressed appropriately through the Emergency Care Network. He confirmed that briefing reports would be provided to the Finance and Performance Committee on an ad-hoc basis until a robust performance monitoring mechanism was established. The Chief Operating Officer/Chief Nurse advised that the Chief Executive, NHSLCR/LC would be attending the Trust Board development session on 1 September 2011 and that specific examples had been requested to reflect the current position in respect of the Emergency Care network action plan and the associated suites of metrics. **COO/ CN**

Resolved – that (A) the verbal update on the development of LLR performance metrics be noted, and

(B) the Finance and Performance Committee continue to receive ad-hoc briefings **COO/**

on the development of common LLR metrics, until a robust mechanism was established. **CN**

87/11/5 Impact on UHL of LLR Councils' Funding of Long-Term Conditions (Minute 72/11/7)

The Chief Executive provided a verbal progress report on the arrangements to establish a tracking mechanism for the health and social care managerial arrangements with Leicester City Council to replicate the system already established with Leicestershire County Council. Further discussions were scheduled to be held at the Emergency Care Network meeting scheduled to be held in October 2011. **CE**

Resolved – that the Chief Executive be requested to keep the Finance and Performance Committee advised of the process to establish a tracking mechanism with Leicester City Council in respect of health and social care managerial arrangements. **CE**

88/11 PERFORMANCE PRESENTATION – ACUTE CARE DIVISION

The Divisional Director, Divisional Manager, Head of Nursing and Associate Divisional Finance and Performance Manager, Acute Care, attended to present the Division's performance. An updated version of the slides previously circulated as paper C was used as the basis for the presentation. The Divisional Management Team was also accompanied by Ms S Clarke, Head of Business Development and Service Planning. The presentation briefly highlighted:-

(1) indicative signs of improvement against the Division's forecast year end £7.5m deficit (anticipated to be in the region of a £0.9m reduction for month 5 and £0.5m for month 6);
(2) key causation factors which had included extra capacity remaining open until May/June 2011, 71 doctor vacancies, gaps within rotas and CBU team pressures;
(3) tight control measures implemented to reduce the pay overspend alongside robust plans for covering rota gaps, workforce transformation and transforming patient care pathways;
(4) 31 bed closures already achieved (forecast to release £1m by the 2011-12 year end) and the planned closure of 32 further beds (to release forecast savings of £0.62m by the year end);
(5) appropriate controls in place to reduce non-pay expenditure through weekly CBU meetings focusing on the areas of CIP delivery, NICE and HCT treatments, and procurement of medical devices;
(6) key achievements to date included the transformation of medical take, implementation of the Elderly Frailty Unit (EFU), reducing emergency admissions, increasing the number of ED decision makers and successful BRU applications;
(7) appropriate clinical priorities were being provided to the clinical coding workstream to ensure that all co-morbidities were captured and accurately recorded. The associated benefits of reducing quarter 1 readmissions penalties were noted in this respect, and
(8) the arrangements for winter pressure planning and extending engagement with LLR partner agencies in relation to managing demand and maintaining discharge flows.

In discussion on the Acute Care Divisional presentation, the Finance and Performance Committee:-

(a) sought clarity around the actual projected savings in terms of income and expenditure run-rate, monthly pay reduction, length of stay reductions, and non pay expenditure, the scope of Catheter Lab efficiencies and head count reductions and requested that a revised financial plan be provided to the Chief Operating Officer/Chief Nurse and Director of Finance and Procurement within the next month; **ACDMT**

(b) considered the arrangements for winter capacity planning and extended engagement with partner agencies outside the Trust in relation to reducing demand for emergency care and improving discharge processes and requested that these be further reviewed with the aim of developing flexible length of stay strategies commensurate with not opening unplanned additional bed capacity during the winter period;

(c) recommended that the Division continued to develop market share analysis and horizon scanning techniques to develop business planning strategies and set appropriate targets for growth in research trials; **ACDMT**

(d) queried how engaged UHL clinicians were in respect of GP cluster groups and suggested that strengthened engagement with the Clinical Commissioning Group to agree a common agenda and set of challenges would be beneficial;

(e) sought additional clarity regarding the CIP risk assessment process (particularly where schemes had been risk assessed in clusters) and noted in response that the risk assessment process was approximately 75% complete;

(f) agreed that any requirements for additional external support would be determined through discussion with the Chief Operating Officer/Chief Nurse and Director of Finance and Procurement and that this was likely to include the Medicine CBU, and **ACDMT**

(g) suggested that the Division strive to convert the extensive range of separate workstreams into shared Divisional and CBU objectives, with a clear agenda and appropriate performance targets and monitoring arrangements. **ACDMT**

Following the departure of the presenters, the Finance and Performance Committee commented upon the improving ability of the team to provide more detailed information relating to values and timescales within their presentation. Members particularly noted the positive impact of some good clinical leadership and engagement, but queried whether this was being replicated throughout the whole Division. It was agreed that the Finance and Performance Committee Chair would invite the Acute Care Division to re-attend the Finance and Performance Committee on 24 November 2011, in order to monitor continuing progress. **FPC CHAIR**

<u>Resolved</u> – that (A) the presentation on the Acute Care Division's performance be noted;

(B) the Acute Care Divisional Management Team be requested to:

(1) provide a robust revised year end forecast position to the Chief Operating Officer/Chief Nurse and Director of Finance and Procurement within the next month; ACDMT

(2) review the arrangements for winter capacity planning and extended engagement with partner agencies outside the Trust in relation to reducing demand for emergency care and improving discharge processes; ACDMT

(3) develop flexible length of stay strategies commensurate with not opening unplanned additional bed capacity during the winter period; ACDMT

(4) continue to develop market share analysis and horizon scanning techniques to develop business planning strategies; ACDMT

(5) agree a common agenda and set of challenges with GPs through continued engagement with the Clinical Commissioning Groups; ACDMT

(6) set appropriate targets for growth in research trials; ACDMT

(7) provide additional clarity regarding the CIP risk assessment process (particularly where schemes had been risk assessed in clusters); ACDMT

(8) agree additional external support requirements with the Chief Operating Officer/Chief Nurse and Director of Finance and Procurement (to include the Medicine CBU), and ACDMT

(9) convert the extensive range of separate workstreams into shared Divisional and CBU objectives, with a clear agenda and appropriate performance targets and monitoring arrangements, and ACDMT

(C) the Finance and Performance Committee Chair be requested to invite the Acute Care Division to re-attend the Finance and Performance Committee on 24 FPC CHAIR/

November 2011. **STA**

89/11 2011-12

89/11/1 Quality, Finance and Performance Report – Month 4

Members noted the quality, finance and performance report for month 4 (month ending 31 July 2011), as detailed in paper D. The Chief Operating Officer/Chief Nurse particularly drew members' attention to new stretch targets and revised Monitor guidance received on 23 August 2011 in respect of measuring performance on a percentage basis (in place of centiles). Re-profiled reporting arrangements would be developed by the Trust in response to this new guidance. **COO/ CN**

Responding to queries raised by the Committee Chairman on behalf of Mr R Kilner, Non-Executive Director, the Chief Operating Officer/Chief Nurse advised that:-

(a) UHL had appealed against the inclusion of one recurring case of MRSA in the July 2011 performance, where the Trust had delivered all appropriate care and treatment, but this same repeated bacteraemia was likely to represent upon further admissions. The outcome of this appeal would be incorporated into the next iteration of this report; **COO/ CN**

(b) a patient experience report for outpatients was due to be presented to the GRMC on 25 August 2011. This would demonstrate that the volume of returns and the impact of a number of re-profiled clinics had contributed to the declining performance for July 2011, and

(c) the total WTE statistics had continued to rise during July 2011, as the vacancy controls had not been implemented until 15 July 2011 and a number of externally funded research posts had been implemented (using fixed term contracts). Between 15 July and 1 August 2011 the panel had reviewed 56 posts and approved only 16 of these. A week by week reduction had been noted in the number of requests being submitted to the panel. Student recruitment was expected to increase annually in September and February and 326 vacancies had been held over to accommodate these intakes.

Members considered the sickness absence data provided on page 10 of paper D (standing at 4.02% for July 2011) and discussed the opportunities to strengthen the management of sickness absence within the Trust. The Director of Human Resources was noted to be progressing amendments to the sickness absence reporting policy through the next JSCNC meeting and it was agreed that she would be requested to provide an update to the 28 September 2011 meeting in this respect. Mr D Tracy, Non-Executive Director queried whether a consistent basis for capturing sickness absence was applied (ie working days or calendar days lost) but he agreed to seek a clarification from the Director of Human Resources outside the meeting. **DHR** **DT NED**

The Medical Director highlighted the salient points relating to discharge and outpatient letters, CQUINS and readmissions, noting that whilst readmissions had increased slightly in June 2011, the underlying trend was still decreasing. The Committee Chairman queried the rationale for introducing a target of 10 days for discharge and outpatient letters, when the average was already 8 days but the range varied between 0 and 94 days. In response, the Medical Director agreed to consider re-describing the statistical process to confirm that 10 days should be the minimum acceptable standard rather than a target. **MD**

The Director of Finance and Procurement presented the Trust's financial performance for month 4 (July 2011), noting a cumulative deficit of £11.3m which was in line with the monthly trajectory reported to the Trust Board in June 2011. He reported that a strong cash position had been maintained but this was being closely monitored on a daily basis. The Committee Chairman sought assurance regarding the robustness of Divisional and CBU forecasts and sought additional information regarding Facilities and Corporate Nursing expenditure. The Chief Operating Officer/Chief Nurse advised that

Corporate Nursing was currently providing financial support for the transformation project SROs and had just taken on the centralised out of hours duty managers service. The Director of Strategy noted that some Facilities CIP efficiencies had been linked to bed closure plans which had not come to fruition. She advised that mitigating facilities schemes continued to be sought to address this slippage, although management of change processes might delay the impact of any efficiencies until 2012-13. **DS**

Resolved – that (A) the quality finance and performance report for month 4 be received and noted;

(B) the Chief Operating Officer/Chief Nurse be requested to :-

1) arrange for re-profiled reporting arrangements to be implemented (based upon percentages instead of centiles); COO/ CN

2) provide an update on the outcome of an appeal relating to a reported recurring MRSA bacteraemia through the next iteration of the quality, finance and performance report; COO/ CN

(C) the Director of Human Resources be requested to provide an update to the 28 September 2011 Finance and Performance Committee in respect of proposed changes to UHL's sickness reporting policy and performance management arrangements; DHR

(D) Mr D Tracy, Non-Executive Director, to clarify the arrangements for consistency within the sickness reporting mechanism (ie working days or calendar days) with the Deputy Director of Human Resources outside the meeting; DT, NED

(E) the Medical Director to redefine the standardised approach to copying discharge and outpatients letters to patients to clarify that the 10 day standard was the minimum standard and not a target, and MD

(F) the Director of Strategy to continue to explore additional Facilities CIP schemes to mitigate the slippage of efficiency schemes linked to Divisional bed closure plans which had not been progressed. DS

89/11/2 Progress on Actions to Ensure 2011-12 Financial Turnaround and Efficiency Update

Paper E, from the Chief Operating Officer/Chief Nurse and the Director of Finance and Procurement, provided a detailed update in respect of progress against 2011-12 CIP performance and the agreed actions to ensure financial turnaround. The Committee Chairman requested that a profile of the proposed £15.9m stabilisation and recovery programme be provided by month to include the arrangements for tracking progress against trajectory. He also advised that clarity and visibility would need to be demonstrated in respect of monitoring the arrangements for delivering the required Corporate Directorate 20% reductions.

The Chief Operating Officer/Chief Nurse provided an update on the weekly performance metrics, which captured non-discretionary spending, bank agency and locum costs, reductions in pay costs, delivery against bed closure plans and monitoring of cancellation rates, etc. She also briefed the Finance and Performance Committee on the arrangements in place to prevent any "double-counting" of CIP efficiencies achieved by the Clinical Divisions.

Responding to a further query from the Committee Chair, the Director of Finance and Procurement reported on the project management arrangements for the external advisers and the process to hold them to account and preventing any overlap in the capture and reporting of financial benefits.

Resolved – that (A) the update on actions to ensure 2011-12 financial turnaround and CIP update be received and noted;

(B) the Director of Finance and Procurement and Chief Operating Officer/Chief Nurse be requested to:-

(1) circulate a profile of the £15.9m proposed stabilisation and recovery programme by month, complete with tracking arrangements and timescales; COO/ CN/DFP

(2) clarify the arrangements for improving visibility regarding progress against 20% Corporate Directorate efficiency plans, and COO/ CN/DFP

(3) provide additional clarity regarding the governance arrangements for the transformation projects to include management arrangements, accountabilities and how the benefits of each scheme will be measured. COO/ CN/DFP

89/11/3 Procurement and Category Management

The Associate Director (Supplies/Operations) attended the meeting to present an update on current procurement and supplies efficiency initiatives and compliance with category management (paper F refers). Members considered the safeguards in place to prevent non-compliance with category management and the scope to monitor ongoing compliance and develop systematic adherence to the catalogue by reducing the number of non-purchase orders and free text options.

Discussion took place regarding framework compliance and the positive influence that clinical champions for procurement could have on improving clinical engagement in procurement schemes. The Chief Executive commented upon the controls required to reduce the gap between framework and non-framework usage to a minimum.

The Chief Operating Officer/Chief Nurse noted some concerns raised by the Associate Director (Supplies/Operations) regarding control of discretionary expenditure and she requested him to provide a summary of discretionary and non-framework expenditure covering the three preceding weeks to inform her analysis of changes in spending behaviours since revised controls and authorisation levels had been implemented. **AD(S/O)**

Resolved – that (A) the progress report on procurement and category management compliance (paper F) be received and noted;

(B) a further progress update on procurement and category management compliance be provided to the Finance and Performance Committee in January 2012, and AD(S/O)

(C) Associate Director (Supplies/Operations) be requested to provide the Chief Operating Officer/Chief Nurse with a summary of discretionary and non-framework expenditure for the last three weeks. AD(S/O)

89/11/4 Clinical Coding

The Assistant Director of Information attended to present paper G, an update on progress of the transformational clinical coding project. He advised that the project had now been extended to cover outpatient coding, due to the significant scope identified to improve data for follow-up ratios and day case rates. A meeting of the Project Board had been arranged to be held on 5 September 2011. Dr N Pullman had agreed to provide GP representation on this Board, although he would not be able to attend the first meeting. Generally clinical engagement in this project had been excellent and clinicians, nurses and administrative staff were all supporting a joined up approach towards improving the quality and completeness of clinical coding. Members particularly noted the scope for increasing income in the Planned Care and Acute Care Divisions and received assurance that resources were being targeted in the most appropriate areas. Some Clinical Coders were noted to be working within ward areas in order to finalise the coding process prior to a patient's discharge to Community hospitals whilst access to the notes was still available.

The Assistant Director of Information expressed disappointment that Encoder had not

been able to be linked to the current version of HISS, but he confirmed that a HISS upgrade was being arranged and the deadline for the "go live" date would be 3 October 2011. He also noted that Cardiology CBU had expressed an interest in using Encoder (with appropriate support from the coding team) and that an additional batch of licences would be required. Mr D Tracy, Non-Executive Director queried what the implications of the Encoder timescale slippage might be and noted in response that there would be no change in process in the short term but ease of use, resources, quality and audit benefits would be delivered upon installation. The Medical Director also emphasised the significant benefits expected in improving the quality of reporting. **ADI/DS** **ADI**

Finally, members discussed the sustainability of this 12 months project, noting excellent clinical engagement and ownership of the issues by the Divisions. The Committee Chairman highlighted the age profile of the clinical coding workforce and the developing arrangements around retirement planning. Members noted that a number of retired clinical coders continued to be a valuable resource in their capacity as bank staff and their support had been welcomed.

Resolved – that (A) the update on Clinical Coding be noted;

(B) the Assistant Director of Information/Director of Strategy be requested to urgently progress the scheduled upgrade to HISS to support compatibility with Encoder clinical coding software, and **ADI/DS**

(C) the Assistant Director of Information be requested to review the Encoder licence allocation with a view to providing additional licences to Cardiology Services. **ADI**

89/11/5 CQUIN Reconciliation

The Chief Operating Officer/Chief Nurse introduced paper H which provided the anticipated performance against the Quarter 1 CQUIN scheme due to be considered at a separate reconciliation meeting being held that day. Members noted that the Commissioners had challenged performance against 29 of the 145 indicators and the reasons for this would be drawn out at the meeting. The Chief Operating Officer/Chief Nurse undertook to highlight UHL's concerns regarding the process formally to Commissioners and provide feedback on the outcome of the Quarter 1 reconciliation process to the Finance and Performance Committee on 28 September 2011. The Chief Executive also undertook to escalate concerns to the UHL and NHSLCR/LC Boards. **COO/CN** **CE**

Resolved – that (A) the CQUIN reconciliation report (paper H) be received and noted;

(B) the Chief Operating Officer/Chief Nurse be requested to formally highlight UHL's concerns regarding the reconciliation process to Commissioners; **COO/CN**

(C) the Chief Executive to escalate concerns regarding the CQUIN reconciliation arrangements to the UHL and NHSLC/LCR Boards, and **CE**

(D) a further progress update on CQUIN Reconciliation to be provided to the 28 September 2011 Finance and Performance Committee. **COO/CN**

90/11 2012-13

90/11/1 Appointment of External Turnaround/Transformation Support

The Director of Finance and Procurement presented paper I which detailed the process and arrangements for the appointment of external consultants to support the Trust's transformation and financial turnaround (as supported by the Trust Board on 21 July 2011). At the time of preparing the paper, references for the two organisations which had submitted proposals were being sought. The Director of Finance and Procurement

confirmed that the Deloitte LLP had now been appointed in partnership with Finnamore Ltd and that an appropriate fee-sharing mechanism would be developed during the ensuing two day post award contract period.

The Committee Chair queried the timescale for the data collection phase of the project brief and sought clarity regarding the role of the Finance and Performance Committee in monitoring the transformation and turnaround process. Members proposed a monthly reporting process to the Finance and Performance Committee and queried whether there would be any material benefits in establishing a programme of weekly teleconference calls with the Deloitte/Finnamore team. The Chief Executive noted his view that the Executive Team should be held to account to ensure proper management of the governance process and active involvement in the project management. It was agreed that the Chief Operating Officer/Chief Nurse and Director of Finance and Procurement would engage with Deloitte/Finnamore to establish robust arrangements for the Finance and Performance Committee to monitor the governance arrangements and progress of efficiency projects on a monthly basis. **COO/ CN/DFP**

Resolved – that (A) the contents of paper I be noted, and

(B) the Chief Operating Officer/Chief Nurse and Director of Finance and Procurement be requested to establish robust arrangements for the Finance and Performance Committee to monitor the governance arrangements and progress of efficiency projects on a monthly basis. **COO/ CN/DFP**

91/11 UPDATE ON CLINICAL COMMISSIONING GROUPS AND 2012-13 CONTRACT PROCESS

The Director of Finance and Procurement provided verbal feedback following a meeting with the Crescent Consortium on 23 August 2011, noting that this Clinical Commissioning Group appeared to be establishing a mature approach to the commissioning role and the disposition of services. He also highlighted some of the challenges and opportunities that lay ahead in developing arrangements for elective care and planned transition work in that respect. Members noted the significant work to be undertaking in developing a process and common agenda for the contract discussions for 2012-13.

The Committee Chairman queried the timescale for 2012-13 contract discussions and the Director of Finance and Procurement provided assurance that the 2011-12 process would be improved upon and that the discussions would be linked into the CQUIN developments. The Chief Operating Officer/Chief Nurse expressed concern about the large number of transactional queries raised at the previous day's contract meeting and the Medical Director commented on the imbalance between the number of UHL and PCT contracting staff. It was agreed that a further update report would be scheduled on the October 2011 Finance and Performance Committee meeting agenda. **DFP**

Resolved – that (A) the progress update on Clinical Commissioning Groups and the 2012-13 Contract Process be received and noted, and

(B) the Finance and Performance Committee Chair be requested to schedule a further progress update on the 27 October 2011 Finance and Performance Committee meeting agenda. **FPC CHAIR**

92/11 IMPACT OF MPET FUNDING CHANGES

The Medical Director provided a verbal report on the potential impact of MPET funding changes, noting a proposed change to PBR methodology based upon student weeks and the arrangements to phase in the new process over the next two years. He advised that the impact upon UHL's funding would be diversified across different areas of infrastructure and job plans, but the aim would be to maintain the quality of education, maximise the number of student weeks and develop arrangements to share hub costs

with other academic partners. A further report on the structural reforms of the education process would be provided to the next Finance and Performance Committee meeting. **MD**

Resolved – that the Medical Director be requested to submit a written report on the impact of MPET funding changes to the Finance and Performance Committee on 28 September 2011. **MD**

93/11 UHL MARKET SHARE ANALYSIS

The Director of Communications and External Relations and the Head of GP Services attended the meeting to present the Market Share Analysis report for April 2008 to December 2010 (as detailed in paper J). Members of the Finance and Performance Committee were asked to consider the arrangements for disseminating the Market Share Analysis data to Divisions and the expected outputs from this work. In discussion, members noted that the data was presented from the Provider's perspective and agreed that it would be helpful to see the data presented from the Commissioner's perspective. The Director of Communications and External Relations agreed to provide this report to the next meeting on 28 September 2011. **DCER/ HGPS**

The Director of Strategy particularly welcomed this data and commented upon the strategy for scanning other Trusts' business plans and service developments alongside the commissioning input. The Committee Chairman noted that such comparisons would be required urgently to inform UHL's integrated business planning process. The Chief Executive noted the timely opportunities presented for CBUs to develop a structured response to cost effectiveness and influencing GP behaviours and patient choice.

Members agreed that the Commissioning perspective report would be considered at the Executive Team meeting on 30 August 2011 and that the quarter 4 data would be provided to the Finance and Performance Committee in October 2011 when it became available. **DCER/ HGPS**

Resolved – that (A) the Market Share Analysis Provider Report for April 2008 to December 2010 be received and noted, and

(B) the Director of Communications and External Relations/Head of GP Services be requested to:- **DCER/ HGPS**

1) **present the report to the Executive Team for discussion on 30 August 2011;**
2) **submit market share data by Commissioner detail to the Finance and Performance Committee on 28 September 2011 and**
3) **submit the full quarter 4 market share data to the Finance and Performance Committee on 27 October 2011.**

94/11 REPORTS FOR INFORMATION

94/11/1 Vacancy Management Update

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

95/11 MINUTES FOR INFORMATION

95/11/1 Divisional Confirm and Challenge Meeting

Resolved – that the notes of the Divisional Confirm and Challenge meetings held on 20 and 22 July 2011 be received for information.

95/11/2 Governance and Risk Management Committee

The Committee Chairman raised a query in respect of Minute 62/11/2 of the GRMC meeting held on 28 July 2011. In response, the Medical Director provided a verbal report on the action to be taken in the event of a proven complaint about staff attitude

involving locum/bank/agency/temporary staff. The Chief Operating Officer/Chief Nurse also provided similar feedback regarding the position regarding such complaints about agency nursing staff.

Resolved – that the Minutes of the Governance and Risk Management Committee meeting held on 28 July 2011 be received for information.

95/11/3 Quality and Performance Management Group

Resolved – that the notes of the Quality and Performance Management Group meeting held on 3 August 2011 be presented to the 28 September 2011 Finance and Performance Committee.

96/11 ITEMS FOR DISCUSSION AT THE NEXT FINANCE AND PERFORMANCE COMMITTEE MEETING

Further to Minute 52/11/1 of 25 May 2011, paper N comprised a draft agenda for the 28 September 2011 Finance and Performance Committee meeting. The Committee Chair noted a minor amendment to reflect that the report on the external turnaround/ transformation support would be expected to provide a summary of progress rather than an update on the appointment process.

Resolved – that the draft Finance and Performance Committee agenda for 28 September 2011 be approved, subject to the amendment noted above.

97/11 2012 FINANCE AND PERFORMANCE COMMITTEE MEETING DATES

The proposed schedule of meeting dates for the Finance and Performance Committee in 2012 was approved, subject to the Senior Trust Administrator confirming the actual meeting dates in May and December 2012. No Committee member expressed any preferences for these dates at the meeting.

Resolved – that the 2012 meeting dates be approved, subject to confirmation of the finalised meeting dates for May and December 2012 by the Senior Trust Administrator. **STA**

98/11 ANY OTHER BUSINESS

98/11/1 Financial Position Reflection

The Chief Operating Officer/Chief Nurse tabled copies of a draft paper considered by the Executive Team on 22 August 2011 providing a thematic reflection of the issues contributing to the Trust's current financial position. She noted the confidential nature of the draft report and requested that members did not circulate the paper any further. Members noted the intention to finalise this report and submit it to the Trust Board on 1 September 2011. The Chief Operating Officer/Chief Nurse welcomed members' views and any additional comments for inclusion in the finalised report.

Resolved – that the financial position reflection report be finalised for submission to the private session of the Trust Board meeting on 1 September 2011. **COO/ CN**

99/11 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 1 September 2011:- **FPC CHAIR**

- CQUIN reconciliation process (Minute 89/11/5 refers), and
- Acute Care Divisional presentation (Minute 88/11 refers).

100/11 DATE OF NEXT MEETING

Resolved – that the next meeting of the Finance and Performance Committee be held on Wednesday 28 September 2011 from 9.15am – 12.15pm in rooms 1A & 1B, Gwendolen House, Leicester General Hospital site.

The meeting closed at 12.40pm

Kate Rayns
Trust Administrator