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: 5 JANUARY 2012

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr I Reid, Non-Executive Director

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

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

None.

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

- **NONE**

DATE OF NEXT COMMITTEE MEETING: 4 January 2012

Mr I Reid – Non-Executive Director
29 December 2011

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE HELD ON THURSDAY 24 NOVEMBER 2011 AT 11.40AM IN CONFERENCE ROOMS 1A & 1B, GWENDOLEN HOUSE, LEICESTER GENERAL HOSPITAL SITE

Present:
Mr I Reid – Non-Executive Director (Committee Chair)
Mrs S Hinchliffe – Chief Operating Officer/Chief Nurse
Mr R Kilner – Non-Executive Director
Mr M Lowe-Lauri – Chief Executive
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
Mrs J Wilson - Non-Executive Director

In Attendance:
Mrs J Ball – Divisional Head of Nursing, Planned Care (for Minute 141/11/3)
Mrs K Bradley – Director of Human Resources
Dr S Campbell – Divisional Director Clinical Support (for Minute 141/11/3)
Dr B Collett – Associate Medical Director (on behalf of Dr K Harris, Medical Director)
Mr N Doverty – Divisional Manager Clinical Support (for Minute 141/11/3)
Mr A Furlong – Divisional Director, Planned Care (for Minute 141/11/3)
Mr M Hindle – Trust Chairman
Ms K Jenkins – Non-Executive Director and Audit Committee Chair (until Minute 141/11/4)
Ms D Mitchell – Head of Transformation Programmes (for Minute 141/11/2)
Mr P Panchal – Non-Executive Director
Mrs J Scarfe – Finance and Performance Lead, Planned Care Division (for Minute 141/11/3)
Dr D Skehan – Divisional Director, Acute Care (for Minute 141/11/3)
Ms H Stokes – Senior Trust Administrator
Mr D Tracy – Non-Executive Director and GRMC Chair
Mr P Walmsley – Head of Operations/Acting Divisional Manager Acute Care (for Minute 141/11/3)
Ms K Wilkinson – Divisional Head of Nursing, Women's and Children's (for Minute 141/11/3)
Mr D Yeomanson – Divisional Manager, Women's and Children's (for Minute 141/11/3)
Deloitte and Finnamore Representatives (for Minute 141/11/5)

RESOLVED ITEMS **ACTION**

136/11 APOLOGIES AND WELCOME

Apologies for absence were received from Dr K Harris, Medical Director. The Finance and Performance Committee Chair welcomed the Trust Chair, the Non-Executive Director Audit Committee Chair, the Non-Executive Director GRMC Chair and Mr P Panchal, Non-Executive Director to this meeting.

137/11 MINUTES AND ACTION SHEET

Resolved – that the Minutes and action sheet of the Finance and Performance Committee meeting held on 27 October 2011 be confirmed as a correct record, subject to the addition of Mr D Tracy, Non-Executive Director and GRMC Chair, as having been 'in attendance'. **STA**

138/11 MATTERS ARISING

The following items were noted in respect of the matters arising report at paper B:-

(a) Minute 127/11 – progress continued on work to reduce readmissions, in appropriate discussion with Commissioners. It was noted that the Director of Finance and Procurement was now the Executive Lead for readmissions (Medical Director now

the Executive Lead for the outpatients workstream);

(b) Minute 123/11/2 – a monthly runrate for appraisals would be included in the month 8 (and onwards) quality finance and performance report;

(c) Minute 103/11 – the Chief Executive confirmed that he was meeting with Leicester City Council on 22 December 2011 for discussion on health and social care managerial arrangements; **DHR**

(d) Minute 89/11/4 – an update on resolving HISS and Encoder compatibility issues would be provided to the Finance and Performance Committee Chair outside the meeting. This item could be removed from the matters arising report accordingly; **DS**

(e) Minute 89/11/1 – work to identify additional 2011-12 facilities CIP schemes was underway. The Director of Strategy confirmed that the savings for this area would be delivered despite significant cost pressures relating to energy costs and carbon credits, and **STA**

(f) Minute 74/11/5 – discussions regarding the branding and marketing of UHL (and Leicester more widely) to attract junior medical staff were being progressed through the Workforce and Organisational Development Committee – this item could therefore be removed from the matters arising report. **STA**

<u>Resolved</u> – that the matters arising report and any associated actions above, be noted. **ALL**

123/11 QUALITY FINANCE AND PERFORMANCE REPORT – MONTH 7

Paper C provided an overview of UHL's operational, quality, HR and finance performance against national, regional and local indicators for the month ending 31 October 2011. As per recommendations from External Audit, the narrative accompanying the report now differed between the Finance and Performance Committee and GRMC, focusing on finance issues and on quality issues respectively. In introducing paper C the Chief Operating Officer/Chief Nurse and Executive colleagues noted the following issues by exception:-

(1) changes to referral to treatment (RTT) target requirements since month 6. UHL's plans to mitigate the backlog within general surgery had now been approved by Commissioners, involving a combination of activity by UHL, community hospitals and the independent sector. Some capacity input had also been agreed for emergency surgery to avoid a knock-on effect on elective surgery;

(2) changes to the emergency process since 21 November 2011, having now implemented the 'right place right time' approach. Daily reviews took place to assess the impact, and diagnostic timeliness/capacity were emerging as potential issues. Appropriate escalation processes were in place to address any patient care or safety concerns, and

(3) changes to the measurement of mortality rates (SHMI), as discussed at the November 2011 Trust Board. A further detailed report was scheduled for the 25 November 2011 GRMC (which would explore the impact on UHL of including deaths within 30 days and palliative care pathways).

In discussion on the month 7 quality finance and performance report, the Finance and Performance Committee:-

(a) queried progress on the proposed community step down facility on the Leicester General Hospital site. Although not yet finally resolved, the Chief Operating Officer/Chief Nurse outlined discussions on this issue with Commissioner partners, noting that the distribution of community beds had also been discussed at the urgent/emergency care LLR lock-in event of 22 November 2011. The Trust Chairman confirmed that (at that lock-in event) UHL had clearly articulated the need for more appropriate distribution of those community beds, rather than seeking an increase in the overall number of beds;

(b) noted (in response to a query) continuing clinical discussions on the phased implementation of an integrated front door for the Emergency Department. Current UCC arrangements had been extended and the Chief Operating Officer/Chief Nurse noted work in progress to strengthen a joint governance and ownership approach

between UHL and the Clinical Commissioning Groups;

(c) queried what (if any) additional winter planning risk was posed by the increased RTT requirements. Approximately 500 additional cases were required, of which 275-300 would be managed using UHL/community facilities. The Chief Operating Officer/Chief Nurse confirmed that all financial issues were covered; However, she noted the need also to address the national 'long waiters' issue as highlighted in recent media coverage – UHL's list was reduced to 80 such cases, of which 40 related to orthodontics and 40 required Allied Health Profession input. These were being addressed simultaneously with the backlog work already outlined;

(d) noted (in response to a query) that there was a correlation between RTT performance and theatre utilisation rates. This was a concern in terms of the impact of the national strike planned for 30 November 2011;

(e) requested that any potential reasons/trends behind the recent significant rise in spinal activity be explored further, in light of the impact on fractured neck of femur work, and **MD**

(f) noted the 3% sickness absence target by the end of the 2011-12 financial year. Noting the significant progress within the Acute Care Division, the Director of Human Resources provided assurance that sickness absence positions would continue to be closely monitored by Executive Directors – the December 2011 Workforce and Organisational Development Committee was also scheduled to discuss proposed changes to the UHL management of sickness absence policy. In response to a query on potential drivers for the recent rise in sickness levels, the Director of Human Resources noted the annual seasonal impact at this time of year. **DHR**

The Director of Finance and Performance then reported on UHL's financial position for month 7 as detailed in paper C, noting that due to the timing of this month's report it did not include CBU forecasts. CIP delivery also needed to be included, appropriately correlated to the Deloitte and Finnamore findings. In specific discussion on the financial aspects of the month 7 report, the Finance and Performance Committee requested that:- **DFP**

(i) the budgeted figure for agency spend be re-checked, in light of the significant variance to actual spend;
(ii) future reports include greater clarity on the non-pay spend, particularly the level of unidentified CIP plans (which were counted within this line);
(iii) future Finance and Performance Committee and Trust Board updates on the financial recovery plan include the previously-shown 'cross-over' graph for ease of reference, which illustrated the break-even point.

Noting that activity had been lost on the Leicester General Hospital site in October 2011 due to estates issues, the Chief Executive voiced some concern over the likely month 8 position, particularly in light of the national strike action planned for 30 November 2011. He emphasised the need to understand the factors underlying the month 8 position once received. In response to a query from the Finance and Performance Committee Chair, the Director of Human Resources confirmed that the Trust would be aware of any staff striking, although the lost pay would not match lost income.

<u>Resolved</u> – that (A) the quality finance and performance report for month 7 (month ending 31 October 2011) be noted;

(B) any reasons for the recent rise in spinal activity be explored further, in light of the impact on fractured neck of femur activity; **MD**

(C) the proposed changes to UHL's policy for managing sickness absence be discussed at the 19 December 2011 Workforce and Organisational Development Committee; **DHR**

(D) the month 7 figure budgeted in terms of agency spend be re-checked (in light of the variance to actual spend); **DFP**

(E) the finance sections of future quality, finance and performance reports clarify the **DFP**

non-pay expenditure position (including the level of unidentified CIPs also contained within that line), and

(F) future updates to the Trust Board and Finance and Performance Committee on the financial recovery plan include the break-even cross-over graph, for ease of public reference. **DFP**

140/11 2012-13 ANNUAL FINANCIAL PLAN AND ACUTE CONTRACT NEGOTIATIONS

Paper D updated members on the 2012-13 business planning process and the timetable for negotiating the Acute Services Contract, which would also be informed by the NHS National Operating Framework 2012-13 due out today (and its subsequent supporting technical guidance). In response to a query the Director of Finance and Procurement corrected a typographical error in the report, confirming therefore that underlying NHS inflation was likely to be substantially *higher* than RPI. The Director of Finance and Procurement advised that there had been apparently little Commissioner reaction to the counting and coding changes requested by UHL, and noted that the scope of the external review of the LLR contract base would include those counting and coding issues. A further update on that review would be provided to the 4 January 2012 Finance and Performance Committee. Mr R Kilner Non-Executive Director also confirmed that he remained happy to provide advisory support on the contracting programme. **DFP**

Resolved – that an update on the external review of the LLR contract base be provided to the 4 January 2012 Finance and Performance Committee. **DFP**

141/11 2011-12 FINANCIAL RECOVERY

141/11/1 Introduction

The Director of Finance and Procurement advised that following a brief introduction on the financial position to date and progress against the UHL financial recovery plan, the Finance and Performance Committee would receive updates on the Trust's transformational schemes, its Divisional positions, and a report on potential further proposals from Deloitte and Finnamore. A gap remained in the 2011-12 forecast, with the finalised year-end position yet to be confirmed and the Director of Finance and Procurement tabled the latest month 7 reforecast accordingly, noting the position of the various factors listed. Further detailed discussions were scheduled for the contracting lock-in on 28 November 2011 and the Director of Finance and Procurement noted the crucial need to resolve the underlying position due to its recurrent impact. The readmissions monies in particular were crucial. The quality of the reforecasting exercise varied between Divisions, which was frustrating.

Resolved – that the proposed structure of the Finance and Performance Committee discussion, and the updated month 7 reforecast position be noted (latter as tabled).

141/11/2 UHL Transformational Schemes Update

The Head of Transformation Programmes presented an update on UHL's 5 key transformational schemes (readmissions; job planning; theatres; outpatients, and transforming transcription. Diagnostics was now managed through the Clinical Support Division), noting the anticipated yields in both 2011-12 and 2012-13. It was vital to increase staff awareness of the transformational schemes and to enhance both clinical and project management leadership. Going forward, a Programme Management Office (PMO) would be established with appropriate senior expert leadership. Governance would be via the Transformation Board reporting to the Chief Executive, and all cost improvement programme schemes in excess of £50,000 would be required to use the formal PMO documentation (although they would not be managed through that office). Accountability would be further increased by having 'initiative leads' identified in all CBUs with a clear responsibility for progressing the actions. Good practice lessons would also be taken from the PMO approach used at Nottingham University Hospitals NHS Trust.

In discussion, the Finance and Performance Committee queried why a centralised outpatient function could not be established within UHL, rather than the current decentralised approach spread across a number of Divisions. This was a key strategic issue and would be discussed further through the Transformation Board, as appropriate. In respect of the transcription scheme (and more widely), the Director of Human Resources suggested that it would be helpful to receive expert input from the PMO and/or Deloitte and Finnamore, to identify a good practice model and develop appropriate KPIs. **DFP**

Following the presentation, the Patient Adviser member queried the level of and mechanism for patient input to the transformation schemes. Members also queried how widely the messages from the presentation had been communicated internally, noting that this could now be shared with Divisions.

<u>Resolved</u> – that advice re: good practice models and appropriate KPIs/ measurements for the transformational schemes (including the transcription scheme) be sought from the external financial advisers/PMO (once established). **DFP**

141/11/3 <u>Divisional Presentations</u>

It was noted that following the CBU confirm and challenge sessions of 14 and 16 November 2011, a template report had been circulated to all Divisions for today's Finance and Performance Committee meeting. Each Division's report was therefore populated with the following information for the presentations below:-

(1) year to date financial performance;
(2) monthly trajectory;
(3) year-end forecast;
(4) workforce and pay spend;
(5) specific CBU actions arising from the 14 and 16 November 2011 confirm and challenge sessions, and
(6) 2012-13 cost improvement programme (CIP) schemes.

141/11/3.1 *<u>Acute Care Division</u>* (Divisional Director and Acting Divisional Manager)

In addition to its report, the Acute Care Division also commented on the following:-

(i) the currently-projected £7m deficit for the Division, reflecting significant 2011-12 pressures. The gap in the Division's target position was currently £2.29m;
(ii) the recognised scope for further improvements on readmissions;
(iii) its focus on reducing premium pay costs;
(iv) potential significant improvements to the cardiac CBU position as a result of coding improvements. Further coding review work was also planned re: ED (of which £350,000 was being assumed), respiratory medicine, and cardiology, and
(v) some level of clinical push-back experienced in response to staffing aspects such as (potentially) stopping locum activity.

In response to the presentation, the Finance and Performance Committee:-

(a) noted that it would be helpful to have information on the full-year workforce position, although acknowledging that this had not been requested in the template circulated to Divisions; **DFP**
(b) noted that the graph axis on page 7 was labelled 2010-11 rather than 2011-12;
(c) sought (and received) patient safety-related assurance that nursing ratios would be protected;
(d) pressed the Division on when its workforce plan would be finalised, and particularly queried the scope for further reductions in the A&C staff numbers. The Acute Care Acting Divisional Manager noted the dynamic and responsive nature of the plan, with workforce reductions avoided where possible;
(e) sought clarity on how far the actions from the November 2011 CBU confirm and challenge sessions were reflected in the month 7 reforecast, and what the scale of the opportunity might be if so. Members also noted that the Medicine CBU deep

dive exercise by Deloitte and Finnamore had identified more savings than those shown in the slides. In response, the Division estimated £350,000-£450,000 in-year benefit as a result of coding improvements, with some possible in-year benefits also from YDU and cystic fibrosis actions (although both would yield more in 2012-13). The Acute Care Division therefore anticipated that its position was more favourable than the month 7 reforecast by a minimum of £0.5m;

(f) queried how many beds could be taken out of the Division if internal waits issues were resolved. In response, although beds might not be able to be reduced the Division noted that it might not need then to open additional winter capacity, which would generate a saving, and

(g) queried what Executive-level assistance was needed to resolve the challenging Medical CBU position – in response, the Divisional Director highlighted the need for improved relationships between Medicine and ED, and smoother working with support services such as (eg) Imaging. Executive Director input to managing Consultant relations and improving ownership at that level would also be helpful – this was currently being pursued through job planning but might need future escalation. **MD /EDs**

Following the discussion, the Director of Finance and Procurement advised that the Acute Care Division needed to identify a further £1.5m in savings for 2011-12, focusing on medicine and cardiology as key areas. **DD/DM AC**

<u>Resolved</u> – that (A) the full-year (2011-12) headcount position be clarified;

(B) the Acute Care Division proceed to identify a further £1.5m savings for 2011-12, and **ACD**

(C) appropriate support be provided to the Division in handling communication with medical Consultants. **MD/ EDs**

141/11/3.2 *<u>Clinical Support Division</u>* (Divisional Director and Divisional Manager)

In addition to its report, the Clinical Support Division also commented on the following:-

(i) over-recovery on direct access services, particularly Pathology and Imaging;
(ii) the position of the TAPS CBU as its key deficit area, resulting primarily from savings shortfalls and Synergy contract issues;
(iii) steps to reduce the Division's agency spend through substantive employment of staff, resulting in relatively little headcount change within the TAPS CBU. In terms of workforce changes for 2011-12, the majority of these had been delivered in the first half of the year, and
(iv) the extent to which it was dependent on the performance of other Divisions/CBUs (eg surgery). Wide clinical consent and engagement were crucial to delivering some of the Clinical Support CIPs, coupled with IM&T support to deliver some of the changes in working practices (on which Finance and Performance Committee support would be helpful).

In response to the presentation, the Finance and Performance Committee:-

(a) recognised the key importance of theatres to the Clinical Support Division's overall position. In response to a specific question, the Divisional Director advised that most Anaesthetists worked flexibly across all three UHL sites;

(b) queried what actions had been contemplated in respect of the Synergy contract if performance (and the associated financial loss) did not improve. In response, the Division noted the work in progress and emphasised the need for Surgeons to accept conformity of trays;

(c) voiced some confusion over the workforce figures contained in the report. The Director of Human Resources requested clarity on which staff groups were being recruited in order to stop premium payments. In response to a query, it was advised that a mix of fixed term and permanent flexible contracts was being used for the staff recruited; **DD/DM CS**

(d) queried the progress made on Consultant job planning, noting the crucial need to link this to appropriate internal capacity planning. The Division noted that its capacity plan would also need to be informed by Planned Care Division requirements;
(e) queried the progress made on stock management and the scope to reduce consumable costs on previous years. The Division had reviewed stock levels on all three UHL sites and was working closely with the Clinical Procurement team on stock issues, and
(f) queried what actions were being taken to drive forward the potential £600,000 in-year TAPS savings identified by Deloitte and Finnamore. The Divisional Director noted her wish to validate that deep dive work, which would be progressed during the remainder of that week. The Division would particularly welcome additional help on improvements to theatre scheduling. In discussion, Deloitte and Finnamore representatives advised that they would spend 1.5 days with each deep dive area to explore opportunities.

Following the discussion, the Director of Finance and Procurement advised that the Clinical Support Division needed to identify a further £0.4m in savings for 2011-12. The OT schemes needed to be included in the forecast, and the pace of in-year delivery was crucial. **DD/DM CS**

<u>Resolved</u> – that (A) greater clarity be provided on which staff groups were being recruited to so as to cease premium payments, and **DD/DM CS**

(B) the Clinical Support Division proceed to identify a further £0.4m in savings for 2011-12. **DD/DM CS**

141/11/3.3 *<u>Planned Care Division</u>* (Divisional Director, Head of Nursing, Finance Lead)

In addition to its report, the Planned Care Division also commented on the following:-

(i) its projected £3.9m year-end deficit based on continued activity overperformance against plan. Key pressures related to RTT performance and 62-day cancer targets. In light of winter pressures, the forecast assumed no loss of activity;
(ii) a significant level of counting and coding changes (£3.7m), if all improvements were agreed. The Division recognised the continuing need for efficiencies, however, rather than relying solely on coding changes;
(iii) the impact of VSS developments in terms of the Division's headcount assumptions, and the need therefore to review other staffing controls. Nursing agency was not to be used within Planned Care (which might impact on activity if vacancies could not be filled with bank staff) and medical locums would only be used for emergency out-of-hours work other than in the maxillo-facial service due to RTT requirements. However, further offline discussion was required on that service outside the meeting due to its significant PLICS losses; **DDPC/ COO/ CN**
(iv) its aim for a specified percentage of Divisional staff to be A&C in 2012-13;
(v) plans to bring forward work to review service reconfiguration;
(vi) its recognition that not all of the November 2011 CBU actions were factored into the month 7 reforecast. Sports medicine was an example of assumptions which could be included if needed, with further work also possible on dormant research accounts and additional counting and coding changes, and
(vii) the 2012-13 CIPs had not yet been risk stratified by the Division.

In response to the presentation, the Finance and Performance Committee:-

(a) noted that the reforecast did not include any additional RTT work;
(b) queried what work had been done to benchmark theatre utilisation rates amongst Surgeons and seek to raise standards where needed. The Divisional Director advised that work had been undertaken on this but noted the need to ensure that safe practice was also maintained;
(c) noted (in response to a query) that UHL also operated an enhanced recovery

facility;
(d) commented that the VSS developments should not adversely impact on Planned Care, given the leaving date profile in that area;
(e) suggested that the cancer CIP plans were not sufficiently ambitious, and voiced frustration at the apparent inability to improve the cancer CBU runrate;
(f) suggested a possible need for further discussions on the Bone Marrow Transplant Service, although noting Divisional views that this service might now be showing a small surplus;
(g) noted the Division's view that additional project management support would be helpful, given how closely its productivity was related to estates reconfiguration. This would be discussed further at the estates lock-in on 29 November 2011 accordingly; **DS/ DDPC**
(h) agreed to discuss additional RTT resourcing/support requirements with the Planned Care Division outside the meeting. The Director of Finance and Procurement advised that he had requested a full costing on external endoscopy work in light of apparent losses to date. **COO/ CN/ DDPC**

Following the discussion, the Director of Finance and Procurement advised that the Planned Care Division needed to identify a further £0.7m in savings for 2011-12. **DD/DM PC**

<u>Resolved</u> – that (A) the following issues be discussed further with the Chief Operating Officer/Chief Nurse outside the meeting:- **COO/ CN/ DDPC**
(1) maxillo-facial services;
(2) support required for additional RTT activity;

(B) Planned Care Divisional needs for project management resource re: estates reconfiguration, be discussed at the 29 November 2011 Estates lock-in event, and **DS/ DDPC**

(C) the Planned Care Division proceed to identify a further £0.7m in savings for 2011-12. **DD/DM PC**

141/11.3.4 *<u>Women's and Children's Division</u>* (Divisional Manager and Head of Nursing)

In addition to its report, the Women's and Children's Division also commented on the following:-

(i) its £2.5m deficit for the year to date (comprising £1.5m under-recovery on patient care income and £1m overspend), with a forecast £3m deficit by year end. This did not include any correction of undercommissioned maternity activity, which if addressed would improve the Divisional position by £800,000;
(ii) the planned increase in activity in the 2nd half of 2011-12, reflecting midwifery increases and the seasonal nature of children's activity. The Division's unidentified CIP had also been factored into the 2nd half of the year;
(iii) its workforce increases since April 2011, in line with PCT investment. A further increase had been agreed with Commissioners for 2012-13. At present, the Division was £156,000 short on its required 2nd half paycost reduction. The Division noted the risks of not increasing midwifery numbers to the extent of the original agreement with Commissioners and noted also its view that frontline staff had been reduced as far as possible without compromising patient safety;
(iv) the status of the actions arising from the November 2011 CBU confirm and challenge sessions – it was proposed to slip the maternity and gynaecology service development to 1 April 2012, which would require further discussion with Clinical Support colleagues to understand any related impact on that Divisions CIPs. In light of the slippage, appropriate staff would be diverted to Paediatric ICU and to retrieval work. Although reviewed, the dormant research accounts had not yet been quantified – all actions with the exception of this one were reflected in the month 7 reforecast, and
(v) its focus on key transformational schemes to deliver its 2012-13 CIP target, with a request for dedicated project management support accordingly. Bedbase reductions, jobplanning, a single front door for paediatrics, and gynaecology service reconfiguration were all to be explored further in 2012-13, and significant potential benefits were also

connected to counting and coding improvements.

In response to the presentation, the Finance and Performance Committee:-

(a) received confirmation that the Anthony Nolan nurses were included in the staffing numbers;
(b) received assurance from the Division that a 1:34 midwife ratio would not negatively affect income, although noting the key need to explain the position appropriately both internally and to Commissioners;
(c) queried the scope for further movement on A&C numbers, which seemed to have changed relatively little in 2011-12. The Divisional Manager confirmed that A&C staffing reductions would occur in 2012-13 and acknowledged the need to reflect these in the plans for that year accordingly. The position of Divisional reception services would also be discussed further with the appropriate FM procurement contact; **DS/DM W&C**
(d) suggested supporting the Divisional request for project management resource, given that no deep dive had taken place in the Division; **DFP**
(e) requested that the Division review the current midwifery 12-hour shift pattern; **DM**
(f) voiced frustration at the apparent inability to make relatively small savings in the Women's CBU; **W&C**
(g) noted a query from Deloitte representatives re: progress on an annualised contract for Children's Services, due to the seasonal nature of the activity, and
(h) queried how confident the Division was of resolving the undercommissioning issue satisfactorily with payment received.

Following the discussion, the Director of Finance and Procurement advised that the Women's and Children's Division needed to identify a further £0.15m in savings for 11-12. **DD/DM W&C**

Resolved – that (A) the Women's and Children's Division request for project management resource be discussed outside the meeting (supported in principle); **EDs**

(B) the Division review the current midwifery shift patterns; **DM W&C**

(C) an appropriate FM procurement contact point be passed to the Divisional Manager, for discussions re: reception services, and **DS**

(D) the Women's and Children's Division proceed to identify £0.15m in additional savings for 2011-12. **DD/DM W&C**

141/11/4 Summary of Current Position

Following the departure of the Divisional presentation teams, the Director of Finance and Procurement confirmed that an additional £0.4m was required from Corporate Directorates in 2011-12, in addition to the £3.1m extra savings already sought from the 4 Clinical Divisions above. If all plans were delivered this would result in a current £5.5m deficit on the reforecast position, and crucial discussions also continued with Commissioners to improve UHL's topline position. **EDs**

Resolved – that the further £0.4m additional savings required from Corporate Directorates in 2011-12 be noted. **EDs**

141/11/5 Report from Deloitte and Finnamore

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

142/11 REPORTS FOR NOTING

142/11/1 Implementation of Increased Public and Staff UHL Carparking Charges – Progress Report

Paper F from the Director of Strategy and the Director of Communications and External Relations outlined progress on this issue (including the salary sacrifice scheme for staff). A

verbal update on timescales would be provided to the 1 December 2011 Trust Board. **DS**

Resolved – that a further verbal update on timescales for the implementation of increased public and staff UHL carparking charges and the staff salary sacrifice scheme, be provided to the 1 December 2011 Trust Board meeting. **DS**

142/11/2 Vacancy Management Update

Resolved – that the vacancy management update be noted for information (paper G).

142/11/3 VSS - Monthly Update

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

142/11/4 NHSLA Process for Level 2 Accreditation

Paper H from the Medical Director outlined the background to UHL's decision to pursue NHSLA level 1 accreditation in December 2011, as advised to the November 2011 Trust Board. In respect of the next steps outlined in the report, Ms J Wilson, Non-Executive Director queried how quickly a potential 2012 level 2 accreditation could be progressed. Feedback on the level 1 accreditation review would be available by the end of December 2011, together with information on potential changes for level 2 status. In 2012, the Medical Director was seeking quarterly updates from Divisions re: their NHSLA level 2 readiness, with progress formally tracked on a monthly basis. Finance and Performance Committee members voiced disappointment that level 2 compliance could not be demonstrated at this stage – the Chief Executive emphasised that level 2 achievement must be UHL's goal and he noted the crucial need to engage and connect with staff on NHSLA and make the process value-adding for them; he would discuss this further with the Medical Director and the Associate Medical Director, with a verbal update to the 4 January 2012 Finance and Performance Committee. The need for 12 months' evidence was also a key factor. **CE/MD/ AMD**

Resolved – that following discussion between the Chief Executive and the Medical Director, an update on the process for engaging staff in NHSLA level 2 accreditation be provided to the 4 January 2012 Finance and Performance Committee. **CE/MD**

142/11/5 2012-13 Business Planning Process – Clinical Engagement Proposals

Discussion had taken place with Divisional Directors on how best to engage clinical staff in the 2012-13 business planning and strategic development processes. The Finance and Performance Committee Chair queried whether too great a reliance was being placed on a small number of clinicians (in terms of engaging in such initiatives), and requested that a further update on clinical engagement be provided with the next progress report on 2012-13 business planning. The Chief Executive requested that a 1-page outline be developed to illustrate how the various strategic and planning initiatives linked together, to clarify their various interrelationships. **DS/MD** **DS**

Resolved – that (A) a 1-page outline of how the various UHL strategic initiatives interlinked be developed for ease of reference, and **DS**

(B) the next scheduled update to the Finance and Performance Committee on business planning also cover progress on clinical engagement. **DS/MD**

1431/11 MINUTES FOR INFORMATION

143/11/1 Confirm and Challenge

Resolved – that the action notes of the Confirm and Challenge meeting held on 19 October 2011 (paper I) be received for information.

143/11/2 Governance and Risk Management Committee

Resolved – that the Minutes of the Governance and Risk Management Committee meeting held on 27 October 2011 (paper J) be received for information.

143/11/3 Quality and Performance Management Group

Resolved – that the action notes of the Quality and Performance Management Group meeting held on 5 October 2011 (paper K) be received for information.

144/11 ITEMS FOR DISCUSSION AT THE NEXT FINANCE AND PERFORMANCE COMMITTEE MEETING

Paper L comprised a draft agenda for the Finance and Performance Committee meeting due to be held on 4 January 2012. This was approved, subject to additional updates on NHSLA preparedness and the external review of the LLR contract base as discussed during this meeting. Agenda items for the additional Finance and Performance Committee meeting on 22 December 2011*** would be confirmed with Mr R Kilner, Non-Executive Director, in the Finance and Performance Committee Chair's absence (*** meeting subsequently cancelled). **STA**

Resolved – that the Finance and Performance Committee agenda for 4 January 2012 be approved subject to the additional updates agreed above. **STA**

145/11 ANY OTHER BUSINESS

145/11/1 CBU Management Team Support

Finance and Performance Committee members advised that it would be useful to understand the Executive Team plans in place to support/enhance/turn around specific CBU management teams. This would be pursued offline as appropriate. **CE/ COO/ CN/MD**

Resolved – that this comment be noted.

146/11 IDENTIFICATION OF ANY KEY ISSUES FOR THE ATTENTION OF THE TRUST BOARD

It was agreed to bring the issues discussed in confidential Minute 141/11/4 above to the attention of the 1 December 2011 private Trust Board, via a report from the Director of Finance and Procurement. **FPC CHAIR/ DFP**

Resolved – that the Chair of the Finance and Performance Committee be requested to bring the above referenced confidential matter to the attention of the private Trust Board at its meeting on 1 December 2011. **FPC CHAIR**

147/11 DATE OF NEXT MEETING

Resolved – that (A) an additional Finance and Performance Committee meeting be provisionally scheduled for Thursday 22 December 2011* at 9.15am in Conference Rooms 1A and 1B, Gwendolen House, Leicester General Hospital, and**

(B) the next scheduled Finance and Performance Committee meeting be held on Wednesday 4 January 2012 at 9.15am in rooms 1A & 1B, Gwendolen House, Leicester General Hospital.

*** ***this meeting was subsequently cancelled***

The meeting closed at 5.22pm

Helen Stokes
Senior Trust Administrator