University Hospitals of Leicester NHS
NHS Trust

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 24 April 2014

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr R Kilner, Non-Executive Director

DATE OF COMMITTEE MEETING: 26 March 2014

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

None

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

Minute 31/14/1 – discussion on overseas visitor debts and the arrangements for regular review by the Audit Committee.

DATE OF NEXT COMMITTEE MEETING: 23 April 2014

Mr R Kilner
16 April 2014

Paper A

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE, HELD ON WEDNESDAY 26 MARCH 2014 AT 8.30AM IN THE LARGE COMMITTEE ROOM, MAIN BUILDING, LEICESTER GENERAL HOSPITAL

Present:
Mr R Kilner – Acting Chairman (Committee Chair)
Mr J Adler – Chief Executive
Colonel (Retired) I Crowe – Non-Executive Director
Mr P Hollinshead – Interim Director of Financial Strategy
Mr R Mitchell – Chief Operating Officer
Mr G Smith – Patient Adviser (non-voting member)
Ms J Wilson – Non-Executive Director

In Attendance:
Mr M Allen – Director, Ernst and Young (for Minute 26/14)
Ms S Khalid – Clinical Director, Clinical Support and Imaging CMG (for Minute 30/14/1)
Mr N Kee – General Manager, Clinical Support and Imaging CMG (for Minute 30/14/1)
Ms D Mitchell – Interim Alliance Director (for Minute 25/14)
Mrs K Rayns – Trust Administrator
Mr S Sheppard – Deputy Director of Finance

ACTION

RECOMMENDED ITEMS

24/14 REPORT BY THE INTERIM DIRECTOR OF FINANCIAL STRATEGY

Recommended – that this Minute be classed as confidential and taken in private accordingly, on the grounds of commercial interests and that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

25/14 REPORT BY THE DIRECTOR OF STRATEGY

Recommended – that this Minute be classed as confidential and taken in private accordingly, on the grounds of commercial interests and that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

26/14 REPORT BY THE DIRECTOR OF STRATEGY

Recommended – that this Minute be classed as confidential and taken in private accordingly, on the grounds that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

RESOLVED ITEMS

27/14 APOLOGIES AND WELCOME

There were no apologies for absence. The Chairman welcomed Mr G Smith, Patient Adviser, to the meeting and congratulated him on reaching the milestone of 10 years service as a UHL Patient Adviser.

28/14 MINUTES

Resolved – that the Minutes of the 26 February 2014 Finance and Performance Committee meeting (papers A and A1) be confirmed as a correct record.

29/14 MATTERS ARISING PROGRESS REPORT

The Committee Chairman confirmed that the matters arising report provided at paper B detailed the status of all outstanding matters arising. Members noted updated information in respect of the following items:-

(a) Minute 13/14 of 26 February 2014 – members were invited to provide any final comments on the UHL Procurement and Inventory Management Strategy which was being presented to the Trust Board for approval on 27 March 2014; **ALL**

(b) Minute 17/14/4 of 26 February 2014 – it was confirmed that the Chief Operating Officer had circulated a summary of the queries raised by CCGs relating to UHL's RTT improvement plan and that the RTT Improvement Plan had since been accepted by Commissioners. However, the Chief Executive reported on the continuing discussions with Commissioners to determine the level of any penalties (eg up to 2%) that might be applied in the event that the RTT improvement trajectory was not maintained, and

(c) Minute 28/13/3 of 27 March 2013 – an update on the actions and timescales for clarification of landlord elements of University Occupied UHL premises and the apportionment of funding for clinical academic posts would be scheduled on the Finance and Performance Committee agenda for 23 April 2014.

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

30/14 STRATEGIC MATTERS

30/14/1 <u>Clinical Support and Imaging CMG Presentation and Update on the Imaging Improvement Plan</u>

The Clinical Director and General Manager attended the meeting from the Clinical Support and Imaging CMG to present papers C and C1 providing a summary of the CMG's financial and operational performance and a progress report on each of the 9 workstreams identified under the Imaging Improvement Plan. Appendix 1 to paper C1 provided a RAG rated action plan for each of these workstreams. During the presentation, Finance and Performance Committee members particularly noted:-

(a) the support provided by the Interim Director of Financial Strategy in terms of developing greater clarity surrounding the financial reporting mechanism with Empath;
(b) the particular strengths of the CMG management team and their governance processes and the continued focus upon developing similarly high-performing teams at service level;
(c) a forecast £48k improvement upon the year-end 2013-14 control total – the level of forecast improvement had been reduced due to additional expenditure on medical records storage and hire of mobile MRI facilities;
(d) that the CMG's financial plan for 2014-15 had been signed off and that this included a reflection of the cost pressures facing the CMG (£880k). Clarity would be provided to all service level managers regarding the actions required to achieve financial balance;
(e) positive feedback had been received from Ernst and Young regarding the CMG's 2014-15 CIP schemes and a scheme which totalled £1.6m had now been re-RAG rated from red to green. Ms L Bentley, Head of Financial Management and Planning had held a CIP workshop with Service Managers and additional CIP schemes continued to be explored in order to create a contingency to mitigate against any potential in-year CIP slippage;
(f) Imaging performance for 6 week diagnostics was considered to be the CMG's biggest operational challenge. Performance had deteriorated due to significant peaks in demand and loss of capacity due to the major equipment replacement

programme. Assurance was provided that performance against the 1% threshold was expected to be consistently delivered with effect from April 2014 and a trajectory had been agreed with Commissioners in this respect;

(g) the significance of UHL's improved cancer performance over the last 6 months and that the service had been nominated for a related HSJ Award;

(h) that the CMG's workforce metrics stood at 3.3% for sickness, 95.2% for appraisal, 77% for mandatory training and 7.5% for staff turnover. Regular sickness hotspot meetings were held by the General Manager and HR lead;

(i) that the CMG had 3 active Listening into Action teams – 1 in wave 1 and 2 in wave 2, and

(j) the summary of proposed strategic changes for 2014-15 included some innovative developments relating to post mortem CT scanning and PET CT development where UHL was considered to be a UK leader in the field.

The Committee thanked the team for this comprehensive summary and the following comments and questions were raised:-

(1) Ms J Wilson, Non-Executive Director queried whether any plans were in place to increase the opening hours for MRI services to improve utilisation rates. In response, the General Manager advised that the facilities were currently operated on 7 days per week until 8pm and that engagement meetings were scheduled in April 2014 (with support from Patient Advisers) to explore the scope to extend the hours until 10pm or 11pm. Further analysis of the target group for the extended hours was also being undertaken;

(2) Ms J Wilson, Non-Executive Director sought additional information regarding the role of pharmacy staff in supporting timely discharge arrangements, noting in response that winter funding had been utilised to strengthen weekend pharmacy team resources. However, the weakest area of the TTO process was considered to be the writing up of patient prescriptions by medical staff. The provision of an interface between electronic prescribing and Sunquest ICE would be a key factor in resolving this issue, but the Trust had been advised of a 12 week timescale for this to be provided. The Clinical Director advised that an improvement trajectory would be agreed jointly between pharmacy and Consultants and it was hoped to improve upon the current 4-6 month timescale. The Committee requested that a progress report on pharmacy related issues be provided to the May 2014 Finance and Performance Committee meeting; **CD, CSI**

(3) responding to a further query from the Committee Chairman, the Clinical Director confirmed that the Medical Director had been providing medical leadership within the TTO improvement plan, but it was considered more appropriate now to segment the leadership within various specialties. Progress of this workstream was due to be considered at the next LiA Steering Group and the Clinical Director undertook to seek an update report from the Project Pharmacist; **CD, CSI**

(4) Colonel (retired) I Crowe, Non-Executive Director sought and received assurance that the CMG closely monitored its complaints profile and any associated learning opportunities through the CSI Board meetings and its Quality and Safety Committee;

(5) the Committee Chairman referred to the final presentation slide and sought more information on how the Trust Board could help to raise visibility within the CMG. Following discussion, the General Manager was requested to contact the Director of Safety and Risk to flag some of the smaller niche service areas which might benefit from increased visibility through the programme of Executive walkabouts; **GM, CSI**

(6) responding to a query from the Patient Adviser, the CMG advised that if any barriers were preventing progress with particular issues then this would be escalated with the appropriate leads (eg Executive or Clinical Director) and highlighted to the Chief

Operating Officer accordingly, and

(7) the Chief Executive commended the format of the slide presentation and the CMG's responsiveness in supporting the Super Weekends and the TTO elements of the Emergency Care Pathway. He sought further information on the assurance mechanism for monitoring imaging reporting timescales and queried whether any modalities were currently under-performing. In response, the General Manager advised that reporting on outpatient plain films currently stood at between 4 and 5 weeks. This modality was under constant review and plans were underway to establish additional reporting sessions to reduce this timescale. The Chief Executive requested the General Manager to liaise with Mr J Roberts, Assistant Director of Information to arrange for performance against imaging reporting timescales to be added to the monthly quality and performance reporting mechanism. **GM, CSI**

<u>Resolved</u> – that (A) the presentation on the Clinical Support and Imaging CMG's operational and financial performance be received and noted, and

(B) the CMG Clinical Director and General Manager be requested to:-

- **provide a progress report on the interface between e-prescribing and Sunquest ICE to the May 2014 Finance and Performance Committee meeting;** **CD, CSI**
- **contact the Director of Safety and Risk to suggest additional areas which might benefit from inclusion in the programme of Executive walkabouts;** **GM, CSI**
- **liaise with the Assistant Director of Information to arrange for the inclusion of performance against imaging reporting timescales within the monthly Quality and Performance report.** **GM, CSI**

30/14/2 <u>Update on the Resolution of E-Rostering Software Functionality Issues</u>

Further to Minute 5/14/1 of 29 January 2014, paper D provided an overview of the electronic rostering implementation and reported on progress towards resolution of the technical issues which had been affecting the functionality of reporting modules. The Deputy Director of Finance confirmed that the software solution had now been provided and that this was currently being tested by the UHL Project Lead prior to rolling out the management reporting tool to the Executive Team and CMG Management Teams.

Noting that the E-Rostering Project was progressing from the implementation phase into the monitoring phase, the Committee considered the key performance indicators set out in paper D and queried progress towards the overarching project aims of optimising the use of UHL bank staff and reducing agency usage. In response, the Deputy Director of Finance reported on links with substantive recruitment plans and the assumptions relating to levels of prospective cover for staff sickness, study leave, maternity leave and annual leave. It was noted that Ernst and Young had been benchmarking the levels of prospective cover applied by other Trusts and UHL's level appeared relatively high (at 23%). The project had also highlighted some anomalies in respect of capturing annual leave which was not consistently reported for the standard period (1 April to 31 March each year).

The Interim Director of Financial Strategy advised that he had recently met with Ms M McAuley, Head of Nursing (Releasing Time to Care) and agreed a process for escalating any e-rostering concerns through the monthly CMG Performance Management meetings. Members commented on the need to implement an E-Rostering process for medical staffing, and noted that training for this project team was expected to commence in May 2014.

<u>Resolved</u> – that the update on the E-Rostering project (paper D) be received and noted and a further update on progress be provided to the Committee in June 2014. **CN**

30/14/3 Progress Report on Improvements in Ophthalmology

Further to Minute 137/13/2 of 18 December 2013, the Chief Operating Officer introduced a progress report from the Ophthalmology Service outlining reductions in waiting times for letters and the trajectory for achieving RTT compliance with admitted and non-admitted targets by July for admitted patients and by August 2014 for non-admitted (paper E refers). Finance and Performance Committee members particularly noted that:-

(a) a 97% reduction had been achieved in the backlog of letters awaiting typing and the current backlog stood at 800 letters which equated to 4 or 5 days of normal in-house activity;
(b) non-admitted performance was behind trajectory at the end of January 2014 as a result of staffing related issues, but improved clinic utilisation and additional WLI clinic capacity were having the desired effect and March 2014 performance stood at 84.9% against the trajectory of 82.3% towards the target of 95% by August 2014, and
(c) admitted performance had slipped against the trajectory as a result of staffing issues, but the total waiting list had started to reduce again and theatre utilisation rates were improving. A correction to the last sentence of the report was noted which should have referred to admitted (not non-admitted) compliance being forecast in July 2014.

In discussion on paper E, Finance and Performance Committee members recognised the significant progress made by Ophthalmology Services and highlighted the importance of feeding back this recognition to the team. The Chief Executive reported on arrangements for a Caring at its Best award to be presented within that service. Ms J Wilson, Non-Executive Director noted that whilst the outputs contained within paper E were promising, there was a lack of assurance that the improvements were sustainable and the Chief Operating Officer agreed to address this aspect within future reports. Colonel (retired) I Crowe, Non-Executive Director sought assurance that the KPIs for all outpatient clinics were monitored in this way. **COO**

Following discussion on the remaining 3 specialities with RTT challenges, the Committee Chairman requested that a summary of RTT performance within the Orthopaedics Service be provided to the May 2014 meeting. **COO**

Resolved – that (A) the progress towards improving Ophthalmology RTT performance and reducing the clinic letter backlog be noted,

(B) the Chief Operating Officer be requested to focus on providing assurance on the sustainability aspects of improved performance in future reports, and **COO**

(C) a report on RTT performance within the Orthopaedics specialty be presented to the May 2014 Finance and Performance Committee. **COO**

30/14/4 Progress Report on Outpatient Letters

Following consideration by the Executive Performance Board on 25 February 2014, paper F provided a progress report on the arrangements for reducing the Trust's clinical letter backlog. Appendix 1 to paper F detailed the speciality level data within each Clinical Management Group and members noted that each CMG had been tasked with reviewing this data and confirming their improvement plans. The improvement plans would then be reviewed Corporately to assess any scope for cross-cutting improvements. **COO**

In respect of the longest wait for a clinic letter within the Women's and Children's CMG, it was noted that the Clinical Director had not yet been able to verify this data. The Committee requested that a further update on outpatient letter performance be provided in June or July 2014 and the Chief Executive noted the need to mainstream this reporting mechanism, either through the monthly Quality and Performance report or a CMG **COO**

dashboard.

<u>Resolved</u> – that (A) the progress report on reducing the backlog of clinical letters be4 received and noted and a further update be provided to the Committee in June or July 2014, and

(B) the Chief Operating Officer be requested to instigate a mechanism for routinely reporting and tracking clinical letters performance.

30/14/5 <u>Update on Medical Productivity and Benchmarking of Medical Staffing Costs</u>

The Deputy Director of Finance introduced paper J, providing a progress report on the Medical Productivity Project, led by Dr P Rabey, Deputy Medical Director. Members considered the governance arrangements and the key next steps in terms of presenting the revised job planning framework to the Local Negotiating Committee in April 2014 for sign off. The Chief Operating Officer queried the quantum of the savings target allocated to this cross-cutting CIP scheme and noted the Chief Executive's suggestion that a position statement on all of the cross-cutting CIP schemes be provided to the April 2014 meeting, rather than focusing on any particular scheme in isolation. **COO**

Ms J Wilson, Non-Executive Director queried the level of clinical engagement that was taking place and noted in response that the Deputy Medical Director had met with each of the CMG Clinical Directors and had attended Cross CMG meetings to present updates on the progress of this project. It was also noted that the Clinical Directors for CSI and Women's and Children's were core members of the project working group.

<u>Resolved</u> – that (A) the report on improving medical productivity be received and noted as paper J, and

(B) a progress report on all of the cross-cutting cost improvement projects be provided to the 23 April 2014 Finance and Performance Committee. **COO**

30/14/6 <u>Board Assurance Framework – Review of Risk 1 Failure to Achieve Financial Sustainability</u>

The Interim Director of Financial Strategy introduced paper K, inviting Finance and Performance Committee members to consider a revised assessment of UHL's risk relating to failure to deliver financial sustainability. Members commented that it was helpful for the Committee to have sight of this information. The Interim Director of Financial Strategy was requested to populate the current and target scores, noting a suggestion that the current impact and probability scores were both reasonably high currently. In terms of any actions that the Trust was not pursuing, the Chairman suggested that robust links with the LLR Better Care Together workstream be included under this heading.

<u>Resolved</u> – that (A) the revised risk assessment relating to Risk 1 – Failure to Achieve Financial Sustainability – be received and noted, and

(B) the Interim Director of Financial Strategy be requested to complete the current and target risk scores and consider including a reference to improving links with the LLR Better Care Together workstream. **IDFS**

31/14 FINANCE

31/14/1 <u>2013-14 Financial Position to Month 11 and Year End Forecast</u>

Paper L provided an update on UHL's performance against the key financial duties surrounding delivery of a planned surplus, achievement of the External Financing Limit

(EFL) and achievement of the Capital Resource Limit (CRL). Section 2.1 of the report summarised the year to date financial performance (£38.4m deficit) and the full year forecast position (£39.8m deficit) and provided the associated RAG ratings. This section also set out UHL's performance against the subsidiary duty to pay all suppliers invoices within 30 days under the Better Payment Practice Code (BPPC). Between April 2013 and February 2014, the Trust had paid 48.3% of invoices and 72.9% of the value within the target 30 days.

A table provided on page 5 set out the risks and opportunities within the year end forecast position. Members particularly noted the potential impact of ITAPS stock adjustments, a contractual challenge surrounding anti-coagulation, winter pressure funding and a "subject to affordability" clause in respect of additional CCG income. Sections 5.4 and 5.5 highlighted balance sheet movements relating to non-NHS debts and bad debt provision. The Chief Executive queried whether the majority of the NHS debts had been settled on 24 March 2014 as expected when the report had been prepared. This was confirmed, with the exception of part of the winter funding.

The Chairman sought additional information regarding the management of overseas visitor debts, noting in response the assurance provided by the Interim Director of Financial Strategy that the management processes were being strengthened and that the level of debt identified might increase initially as a result of the improved reporting process. The Committee noted that the Audit Committee regularly reviewed the Trust's performance in this area. The Interim Director of Financial Strategy also advised that the office function for financial management of private patients and overseas visitors was being relocated to the LRI site and that there might be opportunities to invest additional resources in this team to improve the collection rate for such debts. Ms J Wilson, Non-Executive Director highlighted opportunities to work with CCG colleagues to develop reciprocal arrangements to support the management of overseas visitor debts.

Resolved – that the report on the Trust's Month 11 financial performance and the year end forecast be received and noted as paper L.

31/14/2 Report by the Interim Director of Financial Strategy

Resolved – that this Minute be classed as confidential and be taken in private accordingly, on the grounds that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

31/14/3 Temporary Borrowing Limit Application

The Interim Director of Financial Strategy introduced paper M, providing a copy of the business case for UHL's temporary borrowing of £30m for a period of up to 3 months.

Resolved – that the application for temporary borrowing of £30m for a period of up to 3 months be received and noted for information.

32/14 PERFORMANCE

32/14/1 Month 11 Quality, Finance and Performance Report

Paper N provided an overview of UHL's quality, patient experience, operational targets, HR and financial performance against national, regional and local indicators for the month ending 28 February 2014 and a high level overview of the Divisional Heatmap report. The Chief Operating Officer reported on the following aspects of UHL's operational performance, using the dashboard on page 27 as his central point of reference:-

ED Performance – a detailed report would be considered by the Trust Board on 27

March 2014;

RTT 18 Week Performance – a separate report had been considered earlier in this meeting (Minute 26/14/3 above refers);

Cancelled Operations and rebooking within 28 days – February 2014 performance was 2.0% against the threshold of 1.0% and an exception report and remedial action plan were provided at appendix 4. The Chief Operating Officer particularly highlighted the graph on page 2 of the exception report which illustrated a significant increase in the number of adult elective inpatients by night as additional RTT activity was taking place and members noted the impact upon cancellations. Discussion took place regarding opportunities to ring-fence elective activity within UHL's capacity plans going forwards. In addition the procedure to be followed in the event of on the day cancellations was being re-circulated to ensure that any untoward incidents were escalated appropriately;

Cancer Performance – all performance indicators were RAG rated as green;

Stroke TIA Performance – February 2014 performance had dipped to 40.7% (against the target of 60%) due to an increase in patient numbers in the first part of the month and 13 patients choosing to be treated outside the 24 hour target, and

Choose and Book Slot Unavailability – performance stood at 14% against the 4% threshold and members noted the link between this performance indicator and the Trust's RTT performance.

Resolved – that the month 11 Quality, Finance and Performance report (paper N) and the subsequent discussion be received and noted.

33/14 SCRUTINY AND INFORMATION

33/14/1 Clinical Management Group (CMG) Performance Management Meetings

Resolved – that the action notes arising from the February 2014 CMG Performance management meetings (papers O to O7) be received and noted.

33/14/2 Executive Performance Board

Resolved – that the notes of the 25 February 2014 Executive Performance Board meeting (paper P) be received and noted.

33/14/3 Quality Assurance Committee (QAC)

Resolved – that the Minutes of the 26 February 2014 QAC meeting (paper Q) be received and noted.

34/14 ITEMS FOR DISCUSSION AT THE NEXT FINANCE AND PERFORMANCE COMMITTEE

Paper R provided a draft agenda for the 23 April 2014 meeting. Discussion took place regarding the next CMG presentation and members agreed that the Musculoskeletal and Specialist Surgery (MSS) CMG be invited to present at the April 2014 meeting (instead of CHUGS). The Chief Operating Officer invited any comments or suggested amendments to the format of the presentation template. The following additional agenda items were proposed and agreed:- **TA**

- further iteration of the 2014-15 Operational Plan;
- standing agenda item for all meetings on CIP performance (and for May 2014 a presentation on each of the cross-cutting CIP schemes);

- regular submission of both the Trust Board and the Executive Performance Board reports on financial performance, and
- UHL capacity plan 2014-15.

The Trust Administrator was requested to update the agenda with the additional items agreed at this meeting and circulate a revised version outside the meeting.

Post meeting note – due to non-availability of the CMG presentation team on 23 April 2014, the RRC CMG was invited to present instead.

Resolved – that (A) the items for consideration at the Finance and Performance Committee meeting on 23 April 2014 (paper R) be noted, and

(B) the Trust Administrator be requested to update the draft agenda and recirculate it outside the meeting. **TA**

35/14 ANY OTHER BUSINESS

Resolved – that there were no items of any other business raised.

36/14 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

Recommended – that the following issues be highlighted for approval at the Trust Board meeting on 27 March 2014:-

- Minute 24/14 – Confidential report by the Interim Director of Financial Strategy;
- Minute 25/14 – Confidential report by the Director of Strategy, and
- Minute 26/14 – Confidential report by the Director of Strategy.

Resolved – that the following issues be highlighted verbally to the Trust Board meeting on 27 March 2014:-

Minute 31/14/1 – discussion on overseas visitor debts and the arrangements for regular review by the Audit Committee.

37/14 DATE OF NEXT MEETING

Resolved – that the next Finance and Performance Committee be held on Wednesday 23 April 2014 from 8.30am – 11.30am in the Large Committee Room, Main Building, Leicester General Hospital.

The meeting closed at 11.16am

Kate Rayns, Trust Administrator

Attendance Record

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
R Kilner (Chair from 1.7.13)	12	12	100%	I Reid (Chair until 30.6.13)	3	3	100%
J Adler	12	10	83%	I Sadd	2	1	50%
I Crowe	9	9	100%	A Seddon	9	9	100%
R Mitchell	9	8	89%	G Smith *	12	11	93%
P Hollinshead	3	3	100%	J Tozer *	2	2	100%
P Panchal	4	2	50%	J Wilson	12	10	83%

* non-voting members