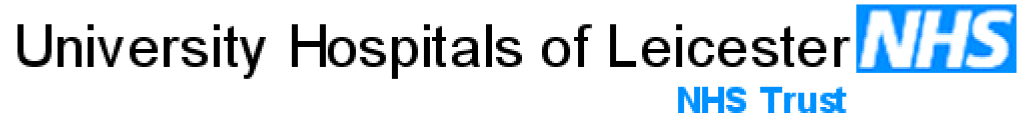

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 30 October 2014

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr R Kilner, Non-Executive Director

DATE OF COMMITTEE MEETING: 24 September 2014

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

- **Minute 99/14 – Mitigating actions to deliver a balanced capital programme 2014-15.**

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

- **Minute 104/14/3 – Clinical Letters Performance, and**
- **Minute 104/14/4 – Ambulance Turnaround Action Plan.**

DATE OF NEXT COMMITTEE MEETING: 29 October 2014

Mr R Kilner
24 October 2014

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE, HELD ON WEDNESDAY 24 SEPTEMBER 2014 AT 8.30AM IN THE SEMINAR ROOMS A AND B, CLINICAL EDUCATION CENTRE, LEICESTER GENERAL HOSPITAL

Present:
Mr R Kilner – Acting Chairman (Committee Chair)
Mr J Adler – Chief Executive
Colonel (Retired) I Crowe – Non-Executive Director
Mr R Mitchell – Chief Operating Officer (from part of Minute 103/14/1)
Mr S Sheppard – Acting Director of Finance
Mr G Smith – Patient Adviser (non-voting member)
Ms J Wilson – Non-Executive Director

In Attendance:
Ms L Bentley – Head of Financial Management and Planning
Ms E MacLellan-Smith – Ernst Young (for Minute 105/14/1)
Mr G Maton – Project Manager, Transforming Transcription (for Minute 104/14/3)
Ms D Mitchell – Interim Alliance Director (for Minute 103/14/3)
Mr R Power – Clinical Director, MSS (for Minute 103/14/1)
Mrs K Rayns – Trust Administrator
Ms K Shields – Director of Strategy (for Minutes 103/14/2 and 103/14/3)
Ms S Taylor – General Manager, MSS (for Minute 103/14/1)
Mr S Turner – Active Plan/Space Manager, NHS Horizons (for Minute103/14/5)
Mr P Walmsley – Acting General Manager, ITAPS (for Minute 103/14/1)

RECOMMENDED ITEM **ACTION**

99/14 CAPITAL PROGRAMME

The Acting Director of Finance introduced paper N, seeking the Committee's endorsement of proposals to deliver a balanced Capital Programme for 2014-15. The expected impact of the mitigating actions detailed in the report were summarised (by scheme) in the Capital Expenditure report provided at appendix 1. Discussion took place regarding the following key changes:-

(a) increases in budget for MES installation and feasibility studies;
(b) Stock Management System to commence on 1 April 2015;
(c) deferred IMT projects into 2015-16;
(d) accommodation refurbishment to commence on 1 April 2015;
(e) revised bed budget allocation to reflect the reduced bed requirement;
(f) removal of ED early works (double counted costs), and
(g) revised forecasts for the Emergency Floor and Vascular Schemes.

In respect of item (g) above, the Emergency Floor scheme was still assumed to be progressing in 2015-16, but the works relating to demolition, diversions and isolations were not due to commence until February 2015 – a delay of 2 months. Further consideration would be taking place at the next meeting of the Emergency Floor Board and assurance would be sought that this delay would not adversely affect the timescale for the overall scheme, eg create an additional winter period without the expanded facilities – subject to planning consent.

__Recommended__ **– that (A) the revised Capital Programme for 2014-15 be endorsed for Trust Board approval on 30 October 2014, and** **ADF**

(B) the Finance and Performance Committee's concerns regarding potential delays in the timescale for the Emergency Floor development (subject to planning consent) be highlighted at the September 2014 Trust Board meeting. **Acting Chair**

RESOLVED ITEMS

100/14 APOLOGIES

An apology for absence was received from Mr C Allsager, Clinical Director, ITAPS and it was noted that the Chief Operating Officer had been delayed and would be arriving late.

101/14 MINUTES

Resolved – that the draft Minutes of the 27 August 2014 Finance and Performance Committee meeting (papers A and A1) be confirmed as correct records.

102/14 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 received updated information in respect of the following items:-

(a) Minute 90/14(b) of 27 August 2014 – the Acting Director of Finance provided feedback from meetings held between UHL and the CCGs to develop and agree a Memorandum of Understanding (MoU) to address activity query notices relating to emergencies, outpatients, QIPP and cancer and a key line of inquiry relating to critical care activity. It was hoped that a mutually agreed MoU to cover the key issues identified above would be developed by the end of that week and that this would help to support an agreed position relating to depth of clinical coding and Commissioner engagement relating to planned patient pathway changes going forwards; **CE/ADF**

(b) Minute 91/14/2(c) and (d) of 27 August 2014 – these 2 issues related to revised patient restraint guidance for Interserve security staff and additional restraint training for UHL staff. The Committee Chairman requested the Trust Administrator to seek confirmed dates for assurance to be provided to the Committee that both of these issues had been progressed appropriately; **TA/CN**

(c) Minute 91/14/6(c) of 27 August 2014 – a thematic analysis of headcount movements had been circulated to Finance and Performance Committee members outside the meeting;

(d) Minute 78/14(b) of 30 July 2014 – a follow-up report on the error rate for TTO prescriptions would be scheduled for discussion at the October 2014 QAC meeting; **QAC Chair**

(e) Minute 81/14(b) of 30 July 2014 – the Committee Chairman had attended the EY CIP masterclass for Women's and Children's on 9 September 2014 and he provided a positive evaluation of that session, and

(f) Minute 67/14/8(d) of 25 June 2014 – the Acting Director of Finance briefed members on the review of opportunities for Asteral to support the Alliance. He particularly noted discussions between UHL, the CCGs, NHS England and the TDA in respect of potential capital investment. He was due to meet with Ms H Seth, Head of Planning and Business Development on this subject later that afternoon and an update would be provided to the October 2014 Finance and Performance Committee meeting (under matters arising). **ADF**

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

103/14 STRATEGIC MATTERS

103/14/1 Joint CMG Presentation – ITAPS and MSS Financial Recovery Plans

Before the CMG representatives attended the meeting, the Chief Executive briefed the Committee on financial recovery plan discussions held at the Executive Performance Board on 23 September 2014. In respect of ITAPS, the CMG had developed a challenging but deliverable plan with a forecast year end deficit of £1m and this had been broadly accepted. However, MSS had not been able to develop a recovery plan to deliver the target £1.5m deficit and they were currently forecasting a year end deficit of £2.9m. This had not been accepted and further work was taking place to identify the scope for achievable improvements. A further meeting with MSS was being scheduled within the next 2 weeks, to consider the outputs from this workstream and agree the next steps. **CE/ADF**

The Committee considered and agreed the following key issues for the CMG representatives to focus upon during their presentation:-

a) Critical Care/Intensive Therapy revenue and an associated Commissioner letter of inquiry;
b) MSS to be invited to articulate their understanding of the financial position and the reasons for the CMG's significant variances to plan;
c) theatre capacity planning;
d) whether any repatriation of independent sector activity was planned, and
e) any further support required from the Finance and Performance Committee, or the Executive Team to support the financial recovery plans.

The Clinical Director and General Manager, MSS and the Acting General Manager, ITAPS attended the meeting at this point in the meeting to present their financial recovery plans. Paper C provided a set of presentation slides, which were taken as read. The Committee Chairman outlined the key issues to be covered during the presentation (as noted above) and queried whether any additional items were required for discussion.

The Clinical Director, MSS briefed the Committee on the following issues:-

- theatre capacity and utilisation rates, noting the impact of Consultant delivered services and that it had taken longer than planned to build the additional sessions for RTT, but the additional lists and flexible job plans were now in place. He highlighted the need to introduce a more robust system of equitable planning and monitoring of annual leave. The Chief Executive advised that all CMG Clinical Directors had been requested to review their arrangements for controlling annual leave, to avoid the peaks and troughs in activity during the summer and half term school holidays; **CD, MSS**
- an additional 6 beds were likely to be required on the LGH site as theatre utilisation rates and throughput increased. There was some scope to create this by reconfiguring the existing wards and decompressing the admissions side by creating a theatre arrivals area adjacent to theatres 10 to 14 and discussions were underway with Mr R Kinnersley, Major Projects Technical Director in this respect; **CD, MSS**
- (in response to a request to articulate the CMG's deviation from plan) – not all aspects of the deviation were fully understood, but the key recovery actions were considered to be maximising theatre occupancy and reducing administrative delays in patient pathways;
- the £1.1m reduction in emergency vascular and trauma activity could not have been predicted, nor was the CMG able to influence this, although a market analysis exercise had been undertaken and the Trust did not appear to be losing activity to other centres. It was feasible that improved screening processes were having the desired effect of reducing emergency admissions. In addition, there were some concerns regarding the accuracy of clinical coding and whether all activity had been captured. A national change in epidemiology for trauma cases had occurred over recent years, with presentation of more elderly fragility fractures (who typically took longer to recover).

- it had recently been identified that approximately 400 outpatient visits had not been recorded (or paid for) during April 2014 and work was taking place with the data warehouse to establish the reason for this. It was crucial that all OPD activity was properly counted and coded as the impact of this omission alone was estimated at £40k, and
- opportunities for additional vascular and spinal surgery activity were being explored with Lincolnshire and Northamptonshire (respectively). If these discussions were successful, then additional spinal theatre capacity would be required.

The Acting General Manager, ITAPS reported on the following additional issues:-

- a lack of clarity regarding the commissioned activity levels for each service and ongoing discussions with the CMGs regarding their baseline to deliver 49 weeks per year of a set number of lists per week for each service. Conversations were underway to agree the process to identify and control which 49 weeks out of the 52 actually required resourcing by ITAPS, otherwise the CMG ended up resourcing the full 52 week period, and
- since 3 additional critical care beds had been opened, total activity had increased but the patient acuity mix had decreased, ie more level 2 non-ventilated HDU type cases were being treated. This had resulted in an appropriate reduction in the average patient care income. A review of UHL's total critical care capacity was being undertaken currently and the draft report was expected at the end of September 2014. The outputs of the review would be used to inform Commissioning plans and staffing models going forwards. The Committee Chairman requested an update on the Intensive Care Strategy be provided to the December 2014 Finance and Performance Committee meeting.

AGM/ CD, ITAPS

In addition, the Chief Operating Officer advised that the admitted RTT backlog had almost been addressed and he briefed members on the process to retract additional theatre sessions and repatriate any independent sector activity going forwards. Approximately 20 additional (out of hours) lists per week were still being carried out and the plan was to develop a 7 day working culture to encompass this activity within UHL's baseline.

Finally, discussion took place regarding the following areas where it was considered that additional Corporate support would be helpful:-

1) theatre capacity for emergency spinal surgery on the LRI site;
2) sustainable arrangements for ring fencing of beds to protect elective capacity;
3) junior doctor and dental specialty recruitment plans to support gaps in the on-call rotas – this was noted to be a Trust-wide issue and there was felt to be some scope to aggregate specialty level solutions and develop a more systematic approach. Proposals would be developed for consideration at a future Finance and Performance Committee meeting. The Clinical Director, MSS requested that any new ANP roles that were developed were task specific rather than generic; **MD/ DHR**
4) turnaround times for reporting of diagnostic imaging (up to 10 weeks) were unacceptable as a maximum of 4 to 6 weeks was required. The quality of some outsourced images was considered to be sub-standard. It was agreed to invite representatives from the Imaging Service to the October 2014 meeting to provide an update on this matter; **COO**
5) assurance on the timescales for moving UHL's pain service into the Alliance contract and clarity regarding the associated impact on the financial position;
6) improved theatre utilisation data flows – the information support to theatres under IBM had deteriorated and data was now being provided monthly in arrears. Ideally, ITAPS need to receive this information weekly. The Chief Executive had raised this issue previously with the Chief Information Officer who had confirmed that the position was up-to-date – he asked the Chief Operating Officer to forward details of current IBM performance to him for further escalation; **COO**

7) clarity regarding the potential plans to downgrade the LGH ITU within the next 12 to 18 months as part of UHL's reconfiguration of services. A clear vision for this service was required to inform and motivate staff and to mitigate any impact upon other services on the LGH site (as part of the reconfiguration programme), and **AMD/ MD**
8) the scope to progress refurbishment works to the theatre estate on the LRI site and the associated requirement to provide decant theatres to enable the refurbishment works.

Resolved – that (A) the presentation and discussion on the financial recovery plans for ITAPS and MSS be received and noted;

(B) an improved mechanism for controlling Consultant leave to improve theatre utilisation rates be progressed through the Theatre Board and medical productivity workstream; **CD/GM ITAPS**

(C) proposals for a theatre arrivals area on the LGH site be progressed appropriately (to increase bed capacity and improve theatre throughput); **CD/GM ITAPS**

(D) plans to mitigate the financial shortfall within the MSS CMG be progressed and a revised year end forecast submitted to the October 2014 Executive Performance Board meeting; **CE**

(E) UHL's Intensive Care Strategy be presented to the December 2014 Finance and Performance Committee meeting; **AMD/ MD**

(F) a more systematic approach to junior doctor recruitment challenges be considered at a future Finance and Performance Committee meeting; **MD/ DHR**

(G) Imaging Services be invited to the October 2014 Finance and Performance Committee to present proposals for improving turnaround time for reporting of images and the quality of outsourced images, and **COO/ TA**

(H) the Chief Operating Officer be requested to forward details of IBM's current information performance relating to theatre utilisation rates to the Chief Executive for onward escalation with the Chief Information Officer. **COO**

103/14/2 Report by the Director of Strategy

Resolved – 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.

103/14/3 Review of Current Alliance Contract Performance

The Interim Director of the Alliance and the Director of Strategy attended the meeting to present paper E, providing an overview of current financial and operational performance against the Alliance contract. The Interim Director of the Alliance particularly drew members' attention to the following matters:-

(a) cancelled operations in July 2014 and September 2014 relating to the quality of air and water supplies to some non-UHL healthcare premises. This had arisen as a result of higher infection prevention and control standards being applied following the transfer of services to the Alliance;
(b) the Alliance contract was due to change over from a block contract to a Payment by Results (PbR) contract on 1 October 2014;
(c) informatics support was currently provided by LPT and the data flows were not working as effectively as possible due to non-acute expertise. Meetings were being held urgently to identify the best way forward for capturing and managing the data to

report the Alliance's performance against the contract;
(d) an ongoing investigation into an information governance incident at Hinckley and a historical duty of candour issue which pre-dated the contract with the Alliance;
(e) the success of Listening into Action (LiA) events – 2 of the 3 events had been held to date and these had been well-received by staff;
(f) opportunities being explored to increase the take-up of UHL's plain film imaging. In respect of MRI scanning, it was noted that there was insufficient capacity to transfer this to UHL, and
(g) insufficient management resources – the Director of Strategy was supporting the Interim Director of the Alliance to build capacity and capability within the team. A range of CVs were being reviewed for interim appointments and the recruitment processes for substantive Service Manager and General Manager posts were due to commence shortly.

The Director of Strategy commented upon opportunities to transform UHL services prior to transferring them across to the Alliance to ensure that UHL received any CIP benefits attributed to service improvements. She felt that this concept had not been readily understood by all CMGs. The Acting Director of Finance also noted the scope to flag any projected loss of income through the Better Care Together bid for transformational funding. The Committee requested that a high level programme for the transformation of services (and the potential consequences for UHL) be presented to the November 2014 Finance and Performance Committee meeting and that this work be linked into the Trust's strategic planning processes. **IDA/DS**

<u>Resolved</u> – that (A) the update and discussion on current Alliance performance be received and noted, and

(B) a high level programme for transformation of clinical services be presented to the November 2014 FPC meeting. **IDA/DS**

103/14/4 <u>Arrangements for Monitoring Operational and Clinical Performance of Small Clinical Teams</u>

Further to Minute 45/14/1(c) of 23 April 2014, paper F provided a copy of the guidance that had been issued to each CMG by the Medical Director on the general themes for a functional service. This guidance had arisen from a recent review of UHL's kidney transplant service alongside a number of other reviews. Finance and Performance Committee members noted that compliance with the guidance was being reviewed at the quarterly extended CMG Quality and Performance review meetings and it was agreed that the Medical Director and the Chief Nurse would be invited to provide feedback to the Quality Assurance Committee in 6 months' time regarding the ongoing monitoring process. **MD/CN**

Ms J Wilson, Non-Executive Director queried the scope for an Independent Audit review of compliance and it was suggested that any relevant audit work be considered at that point.

<u>Resolved</u> – that the Medical Director and the Chief Nurse be invited to present an update on compliance with the thematic guidance for functional services to the Quality Assurance Committee in March 2015.

103/14/5 <u>Progress of Workstream to Review the Apportionment of Clinical Academic Posts and Landlord Elements of UHL Premises Occupied by the University of Leicester (UoL)</u>

Further to Minute 56/14/4 of 28 May 2014, the Acting Director of Finance and the Head of Financial Management and Planning introduced papers G and G1, summarising progress of the 2 separate workstreams identified above. Mr S Turner, Active Plan/Space Manager, NHS Horizons also attended the meeting to support the discussion on paper

G1, outputs of the NHS Horizons space utilisation data exercise.

In respect of paper G, the Committee particularly noted that:-

(a) the University of Leicester had agreed the general principals and heads of terms to move towards a Service Level Agreement (SLA) approach based upon individuals' actual costs and the work undertaken in relation to their job plans;
(b) initially the split would be on a 50/50 basis (with some specific post exemptions) moving towards individual SLAs in line with their job plans, and
(c) there were not thought to be any significant cost pressures for UHL arising from this workstream.

Members commended this transparent approach towards fairly apportioning medical staffing costs between UHL and UoL, noting the timescales for completion of the SLAs would be end of October 2014 and that the UHL budgets would be aligned with the SLAs with effect from 1 April 2015. Assurance was provided that the SLAs would be kept under continual review to ensure delivery against plan.

Paper G1 set out the rationale, desired outcomes, progress and future management arrangements for the Space Utilisation Project to inform service line reporting in respect of accommodation costs and occupation of space by UHL services and third party organisations. Sample graphical and tabular reports were appended to the report. Members noted that the data collection exercise had now been completed and NHS Horizons were in the process of sense checking the data prior to seeking sign off by the relevant service leads (within and outside of UHL).

Discussion took place regarding the potential commercial rental value of accommodation going forwards (the quantum of which was not yet known) and how this would impact upon the service users once the full operational costs and overhead charges were applied. It was expected that services would place a more appropriate value on the space they occupied and that the occupied space would begin to reduce over the next 5 years or so, in line with the Space Utilisation Policy.

In terms of the process for agreeing landlord elements of the accommodation occupied by the University, a target date for reconciliation of the data had been set for 1 November 2014 and it was agreed that an update would be provided to the Finance and Performance Committee on 26 November 2014. **ADF**

<u>**Resolved**</u> **– that (A) SLAs for the apportionment of clinical academic post funding between UHL and the University of Leicester be confirmed by the end of October 2014 and these be kept under review to monitor delivery against plan;** **ADF**

(B) CMG budgets be aligned with the clinical academic post SLAs with effect from 1 April 2015, and **ADF**

(C) an update on the outcome of reconciliation work between the UHL and UoL site surveys and the process for implementing a space utilisation charging mechanism be presented to the November 2014 Finance and Performance Committee meeting. **ADF**

104/14 PERFORMANCE

104/14/1 <u>Month 5 Quality and Performance Report</u>

Paper H provided an overview of UHL's quality, patient experience, operational targets, and HR performance against national, regional and local indicators for the month ending 31 August 2014. The Chief Operating Officer reported on the following aspects of the report:-

(a) Emergency care 4 hour waits – performance stood at 91.2% for August against the 95% target and a detailed report was scheduled on the 25 September 2014 Trust Board agenda. Performance had now exceeded 90% for the last 4 consecutive months, but already that day there had been 11 breaches (some of which had related to the pace of senior clinical decision making);

(b) RTT 18 weeks – performance against the non-admitted target had been met. Admitted performance was slightly behind trajectory due to additional in-month activity to reduce the over 18 week backlog, but this was still expected to be achieved for November 2014;

(c) 6 week diagnostic waits – the maximum 1% breach had been narrowly missed (by 2 patients) for the month of August 2014;

(d) 2 week wait for symptomatic breast patients – performance remained challenging as the service continued to experience a 15% increase in referrals, and

(e) cancelled operations – an exception report was included on page 15. Performance had been compliant with the percentage of cancellations on the day for non-clinical reasons (0.5%) but the target for re-booking patients within 28 days had not been achieved.

The Committee Chairman noted that the percentage of patients receiving surgery for fractured neck of femur within the timescale 0 – 35 hours had dipped to 59% (against the target of 72%). He commented upon the level of additional investment in this service some 2 years previously and noted (in response) that the Quality Assurance Committee Chair would be undertaking a review of this performance at the 29 October 2014 meeting. The Chief Operating Officer highlighted 2 key actions being taken to improve fractured neck of femur care – 8am Gold Command meetings (whereby additional theatre sessions were established to cope with any peaks in activity) and plans to establish a "Chief of Residence" post to better manage the process.

QAC Chair

<u>Resolved</u> – that (A) the month 5 Quality and Performance report (paper H) and the subsequent discussion be received and noted, and

(B) a review of UHL's fractured neck of femur performance be undertaken at the 29 October 2014 Quality Assurance Committee meeting.

QAC Chair

104/14/2 <u>Progress Report on RTT Improvement Plan</u>

The Finance and Performance Committee noted that a verbal update on RTT Improvements had been provided earlier during discussion on the Quality and Performance report (Minute 104/14/1 above refers). Members noted that if a fully compliant RTT position was delivered in November 2014 (as planned) then this would be considered to be a success story for the organisation. The Chief Executive reminded members of the background surrounding the Trust's previous RTT performance which had not reflected the true position (due to a number of patients being treated out of chronological order) and the Chief Operating Officer commended the efforts of Mr A Dennison, Consultant Surgeon, in reducing the backlog within General Surgery. He also confirmed that the TDA had been supportive of UHL's RTT improvement work.

<u>Resolved</u> – that the verbal information on RTT improvements (as provided under Minute 104/14/1 above) be received and noted.

104/14/3 <u>Clinical Letters Performance</u>

Further to Minute 80/14/1 of 30 July 2014, Mr G Maton, Transforming Transcription Project Manager, attended the meeting to introduce paper J, providing a progress report on the number of outpatient letters awaiting typing and the actions underway to reduce

UHL's backlog. Appendix 1 to paper J provided a "snapshot" of the specialty level position as at 3 September 2014, but further work was being undertaken to understand the overall trend.

Since the last report on this subject to the Committee, it was noted that Dictate IT had become a supported system within the IBM portfolio and that an interface between Dictate IT and ICE had been developed and was being tested. Subject to satisfactory testing, rollout of the interface was programmed to commence at the end of October 2014 (at the rate of 2 specialties per week) and be completed early in December 2014. Opportunities to rationalise the number of clinic template variations were also being pursued.

The Chief Operating Officer briefed the Committee on discussions held at the 23 September 2014 Executive Performance Board meeting, noting the need for UHL to develop a standardised approach to clinical letter generation. The Committee supported this approach, recognising the impact of poor performance upon patient experience and GPs' confidence in UHL's ability to deliver a high quality service. It was agreed that the Chief Executive and the Chief Operating Officer would progress this issue outside the meeting and that proposals for a single technical solution would be presented to the 26 November 2014 Finance and Performance Committee meeting. **CE/COO**

<u>Resolved</u> – that (A) the Chief Executive and the Chief Operating Officer be requested to progress a strategy for a single technical solution for clinical letters generation, and **CE/COO**

(B) outline proposals be presented to the 26 November 2014 Finance and Performance Committee meeting. **COO**

104/14/4 <u>Ambulance Turnaround Action Plan</u>

The Chief Operating Officer presented paper K, providing a summary of the key issues affecting UHL's ambulance handover and turnaround performance and the key actions underway to address this. Within the 2014-15 contract, members noted that the Trust was liable for fines up to the value of £4m, although agreement had been reached that 50% of such fines would be reinvested in UHL's services to support system improvement.

Particular discussion took place regarding the inaccuracies of the current CAD system which was used to capture UHL's data (instead of the more widely used RFID tagging system). The CCGs appeared to be reluctant to transfer to RFID tagging because of the take-up rate by EMAS, although EMAS had now confirmed that 66% of crews visiting UHL had RFID tagging on their equipment and that this was the highest take up rate within the East Midlands.

The Committee received assurance that all actions within the Trust's control were being taken to improve patient flows, including improvements to the functionality of the assessment bays and strengthening specialty in-reach to ED, but concern was expressed that data inaccuracy would prove to be the rate-limiting factor. Manual audits had being undertaken to observe and record the ambulance crews' movements and this data had been compared to the CAD data. In one notable example, the handover time had been manually recorded as 8 minutes but the system had recorded this as 45 minutes (which had included a refreshment break for the ambulance crew).

The Committee Chairman noted the scale of ambulance penalties being incurred and queried whether the Trust had considered seeking any expert logistics advice to support this workstream. In response, the Chief Operating Officer advised that he had contacted a national expert on ambulance handover times who was not able to reconcile the level of penalties currently being levied against the Trust.

<u>Resolved</u> – that (A) the update on actions underway to improve UHL's ambulance turnaround performance be received and noted;

(B) the Chief Operating Officer be requested to meet with Commissioners to agree a fair, transparent and robust method for collating ambulance turnaround data; **COO**

(C) the Acting Director of Finance be requested to co-ordinate the arrangements to activate UHL's ambulance penalty rebate clause, and **ADF**

(D) a further report on the ambulance turnaround action plan be presented to the November 2014 Finance and Performance Committee meeting (including the scope for a "fresh eyes" approach). **COO**

105/14 FINANCE

105/14/1 <u>2014-15 Cost Improvement Programme (including a progress report on the cross-cutting CIP schemes and an update on 2015-16 schemes)</u>

Further to Minute 93/14/1 of 27 August 2014, the Chief Operating Officer and Ms E MacLellan-Smith, Ernst Young introduced paper L, updating the Committee in respect of progress towards the 2014-15 CIP target of £45m, noting that the total value of schemes on the CIP tracker now stood at £48.92m (part year effect) and the risk adjusted value stood at £45.01m. Work was continuing to maximise the level of savings in 2014-15 and identify robust schemes for 2015-16 (including the cross cutting themes).

Section 3 of paper L focused upon progress with the workforce review savings (targets set at 1% in year and 2% recurrently) and section 4 summarised the key risks surrounding income assumptions and recruitment plans in order to reduce agency expenditure. The report also detailed progress with cross cutting CIP schemes and service reviews in loss making specialties.

Outline CMG plans for 2015-16 CIP schemes had been submitted by the 22 September 2014 deadline. These were currently being assessed, but a breakdown of the first draft submissions was tabled at the meeting. Members noted that approximately 70% of the £40.73m target had been identified and that (of this 70% total) 15% related to pay, 10% related to non-pay, 22% related to income and 23% related to combined savings.

CIP planning workshops had been well-attended although it was noted that 2 CMGs had elected not to receive additional Ernst Young supporting resources. Consideration was being given to the planning approach within these CMGs and whether CIP workshops would be beneficial in these areas. **COO/ EY**

A draft structure for UHL's 5 year CIP strategy was appended to paper L and discussion took place regarding the scale of workforce savings, outputs from the Better Care Together workstreams and the extent of savings incorporated into business cases. The Committee agreed that consideration should be given to scheduling a Trust Board or Trust Board development discussion to reinforce the scale of changes required to the shape and size of UHL's workforce over the next 5 years. **Acting Chair**

The Ernst Young representative left the meeting at this point and the Committee briefly discussed the position for continued support to the Trust's CIP Programme, once the existing EY resources concluded at the end of October 2014. Substantive recruitment to a number of CIP roles was underway, but It was agreed that additional resources might be required to accelerate progress across a number of the cross cutting themes. The Chief Executive and the Chief Operating Officer agreed to develop proposals for consideration by the Finance and Performance Committee and Trust Board at their respective October 2014 meeting dates. **CE/ COO**

Resolved – that (A) the 2014-15 CIP update be received and noted;

(B) scope to be explored to hold additional CIP workshops within the 2 CMGs which had elected not to receive EY supporting resources; **COO/ EY**

(C) consideration be given to scheduling a Trust Board or TB development discussion on the scale of changes required to the shape and size of UHL's future workforce, and **Acting Chair**

(D) a review of EY workstreams and resources (post October 2014) to be undertaken and proposals for additional resources to be submitted to the October 2014 Finance and Performance Committee and Trust Board meetings for approval. **CE/ COO**

105/14/2 2014-15 Financial Position to Month 5

Papers M and M1 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), as submitted to the 25 September Trust Board and the 23 September Executive Performance Board (respectively).

The Acting Director of Finance took the reports as read but he summarised the continuing themes affecting the Trust's financial performance which had resulted in an in-month £0.6m adverse variance to plan, including an adverse variance in patient care income of £1m and a non-pay adverse variance of £0.1m. Monthly pay expenditure was noted to be £0.5m favourable to plan. All Acute Trusts which were reporting a projected deficit of £0.75m (or more) had been asked to submit their trajectories for financial recovery to the TDA by the end of 3 October 2014. **ADF**

Particular discussion took place regarding the forecast outturn (based upon the gross forecasts submitted by the CMGs and Corporate Directorates), assumptions relating to reinvestment of ambulance turnaround penalties and up to £1.1m of resilience funding for RTT activity and winter pressures. A number of financial assumptions were noted to have changed since the original LTFM submission to the TDA and it was agreed that the next iteration of the financial performance report would clarify these areas of variation (eg the agreed cap on performance related penalties). **ADF**

Following consideration at the Executive Performance Board on 23 September 2014, it had been agreed that revised control totals would be issued to the appropriate CMGs and Directorates. **CE/ADF**

Finally, the Acting Director of Finance updated the Committee on the process for agreeing UHL's loan application, advising that since the re-submission the TDA had raised 67 queries and requested a response by 26 September 2014. A further update on this matter would be provided to the next meeting. **ADF**

Resolved – that (A) the briefings on UHL's Month 5 financial performance be received and noted as papers M and M1;

(B) UHL's financial recovery trajectory be submitted to the TDA by the end of 3 October 2014; **ADF**

(C) the October 2014 iteration of the financial performance report to include a comparison with the original LTFM submission to the TDA to clarify the areas where variances had occurred (eg capped penalties); **ADF**

(D) revised financial control totals be issued to the appropriate CMGs and Corporate Directorates, and **CE/ADF**

ADF

(E) the Acting Director of Finance be requested to respond to the 67 queries received from the TDA in respect of UHL's loan application.

106/14 SCRUTINY AND INFORMATION

106/14/1 2015-16 and 2016-17 Integrated Planning Guidance

Resolved – that the 2015-16 and 2016-17 Integrated Planning Guidance be received and noted as paper O.

106/14/2 Clinical Management Group (CMG) Performance Management Meetings

Resolved – that the action notes arising from the August 2014 Performance Management meetings (paper P) be received and noted.

106/14/3 Executive Performance Board

Resolved – that the notes of the 26 August 2014 Executive Performance Board meeting (paper Q) be received and noted.

106/14/4 Quality Assurance Committee (QAC)

Resolved – that the 27 August 2014 QAC Minutes be presented to the 29 October 2014 Finance and Performance Committee meeting.

107/14 ITEMS FOR DISCUSSION AT THE NEXT FINANCE AND PERFORMANCE COMMITTEE

Paper R provided a draft agenda for the 29 October 2014 meeting and it was agreed that the agenda would be revised following discussion at today's meeting and re-circulated accordingly.

Resolved – that the items for consideration at the Finance and Performance Committee meeting on 29 October 2014 be revised and re-circulated. **TA**

108/14 ANY OTHER BUSINESS

108/14/1 Mr Richard Kilner – Committee Chairman

The Committee Chairman noted that this would be his last Finance and Performance Committee meeting as he would be leaving the Trust on 31 October 2014. He thanked members for their support. In response, Ms J Wilson, Non-Executive Director recorded the Committee's appreciation to Mr Kilner for Chairing the Finance and Performance Committee since July 2013.

Resolved – that the information be noted.

108/14/2 Alliance Premises

Colonel (Retired) I Crowe, Non-Executive Director noted some of the environmental concerns relating to Alliance premises (as raised under Minute 103/14/3 above) and he queried how UHL's Non-Executive Directors could support such issues going forwards. In response, the Committee Chairman requested the Trust Administrator to contact the Patient Safety Team with a view to the Alliance premises being incorporated into the programme of regular safety walkabouts.

Resolved – that the Trust Administrator be requested to contact the Patient Safety Team to arrange for all healthcare premises under the Alliance contract to be **TA**

included in the schedule of UHL Safety Walkabouts.

109/14 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

Resolved – that the following issues be highlighted verbally to the Trust Board meeting on 25 September 2014:- **Acting Chair**

- **Minute 99/14 – Capital Programme for 2014-15;**
- **Confidential Minute 103/14/2 – report by the Director of Strategy;**
- **Minute 104/14/3 – Clinical Letters Performance, and**
- **Minute 104/14/4 – Ambulance Turnaround Action Plan.**

110/14 2015 MEETING DATES AND DATE OF NEXT MEETING

Resolved – that (A) the proposed schedule of 2015 meeting dates be approved (as detailed in paper S):-

- **Wednesday 28 January 2015;**
- **Wednesday 25 February 2015;**
- **Wednesday 25 March 2015;**
- **Wednesday 29 April 2015;**
- **Wednesday 27 May 2015;**
- **Wednesday 24 June 2015;**
- **Wednesday 29 July 2015;**
- **Wednesday 26 August 2015;**
- **Wednesday 23 September 2015;**
- **Wednesday 28 October 2015;**
- **Wednesday 25 November 2015;**
- **Wednesday 23 December 2015, and**

(B) the next Finance and Performance Committee be held on Wednesday 29 October 2014 from 8.30am – 11.30am in Seminar Rooms A and B in the Clinical Education Centre at Leicester General Hospital.

The meeting closed at 11:26am

Kate Rayns, Trust Administrator

Attendance Record 2014-15

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
R Kilner (Chair)	6	6	100%	P Hollinshead	3	3	100%
J Adler	6	6	100%	S Sheppard	3	3	100%
I Crowe	6	5	83%	G Smith *	6	6	100%
R Mitchell	6	6	100%	J Wilson	6	5	83%

* non-voting members