University Hospitals of Leicester NHS
NHS Trust

Trust Board paper Q

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 2 March 2017

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Mr M Traynor, Non-Executive Director

DATE OF MEETING: 23 February 2017

This report is provided for the Trust Board's information in the absence of the formal Minutes, which will be submitted to the Trust Board on 6 April 2017.

SPECIFIC RECOMMENDATIONS FOR THE TRUST BOARD:

- None

SPECIFIC DECISIONS:

- None

DISCUSSION AND ASSURANCE:

- ***Month 10 financial performance 2016-17*** – paper C advised the Committee of a continued deterioration in the Trust's financial performance during January 2017. Inclusive of Sustainability and Transformation Funding (STF), the Trust had recorded a year to date deficit of £24.1m which was £16.3m adverse to plan (including £8.1m relating to STF) but was in line with the revised year end forecast deficit of £27.2m. The Chief Financial Officer briefed the Committee on the work underway with NHS Improvement (NHSI) to understand the position in greater depth, alongside the main drivers and the actions required to deliver the revised control total. A two-day review of the 2017-18 financial plan was also being scheduled with NHSI during March 2017.

  The Chief Operating Officer provided assurance that each of the Trust's Clinical Management Groups was clear on the actions required to improve financial performance and that the impact of cancelling some 450 elective procedures in February was being modelled going forwards. Appropriate focus was being maintained in respect of patient safety, emergency care performance and financial performance, with less priority being assigned to meeting access standards following a review of the additional expenditure being incurred in respect of waiting list initiatives and outsourced activity. It was agreed that a briefing note on these key issues would be provided to the Trust Chairman and Non-Executive Directors to inform a meeting with NHSI on 10 March 2017;

- ***Cost Improvement Programme*** – actual year to date CIP delivery for 2016-17 stood at £28.6m against the trajectory of £28.4m and the forecast outturn stood at £35.8m against the £35m target. 92% of savings were noted to be recurrent and approximately 50% were income-based schemes. Key risks mainly related to cancelled operations and the capacity imbalance, but these were being mitigated appropriately. The 2017-18 CIP programme had identified savings of £30.5m against

the £33m target. Discussion took place regarding progress towards reducing clinical variation and the Director of CIP and Future Operating Model advised that a 'deep dive' approach towards reducing clinical variation within Outpatients was planned for 2017-18. He agreed to produce and circulate a briefing note on this theme (outside the meeting). IFPIC members also suggested that it would be helpful to implement a quality management framework approach (ISO 9000) to standardise this process and that greater use of technology (eg telemedicine hubs and virtual pre-assessment clinics) be explored. In response to a query, the Chief Financial Officer agreed to consider the scope to undertake an audit of recurrent cost improvements delivered by the programme;

- ***The Demand and Capacity Deficit at UHL*** – paper F set out the key actions required to achieve a balanced position between UHL's demand and capacity, which might include new arrangements for (a) separating emergency and elective activity, (b) caring for patients in a non-UHL setting, and (c) increasing UHL's bed base. The Committee was supportive of the underlying principles and agreed that further discussion was required at an Executive-level meeting forum to develop proposals and next steps. The Trust Chairman suggested that a whole-Board discussion on the proposals be held at the 9 March 2017 Trust Board thinking day, following which an updated action plan would be presented to IFPIC on 30 March 2017;

- ***Emergency Floor Project Update*** – the Chief Operating Officer introduced paper G, briefing the Committee on progress with the emergency floor project, which was now scheduled for handover on 6 March 2017 and due to open on 26 April 2017. The key risks and mitigation measures were detailed in the report. During the discussion on this item, members noted the importance of clear communications with patients about appropriate access to emergency care services. The Patient Adviser sought and received assurance that the IT risks (in the absence of a full electronic patient record solution) were being managed effectively;

- ***Strategic Infrastructure Review*** – paper H briefed the Committee on the development of an investment strategy and business case to support the Trust's Reconfiguration Programme following the strategic review of mechanical and electrical infrastructure services on the LRI and Glenfield sites. Section 3.3 of the report provided a breakdown of the projected costs for reconfiguration, condition (backlog maintenance), compliance and resilience. Assurance was provided that there were no urgent statutory compliance issues or prohibition notices arising from the review. Discussion took place regarding the extent of the programme which would still need to be delivered in the event of the Trust's Reconfiguration Programme not being progressed and it was agreed that a 'plan B' scenario and key milestones would be developed accordingly;

- ***Workforce update*** – the Director of Workforce and Organisational Development introduced paper I, providing a comprehensive update on UHL's Workforce and Organisational Development Plan, including the arrangements for controlling paybill expenditure, reducing agency staffing costs, establishing a regional Memorandum of Understanding (MoU) in relation to medical agency rates, and agreeing internal locum rates. As part of the internal financial turnaround process, additional controls had been implemented in respect of recruitment to non-operational posts, non-clinical agency and off-framework agency. Vacancy rates stood at 7% of establishment (942 whole time equivalents) and a new slide had been introduced providing recruitment data for the 3 month period November 2016 to January 2017. The Trust had received the 2016 Staff Survey data, and early analysis indicated a fairly static position. Updated guidance had been received in respect of the Apprenticeship Levy and arrangements were in place to mark National Apprenticeship Week from 6 to 10 March 2017. The report also included staff sickness data, the arrangements for supporting staff health and wellbeing, staff recognition (under the Above and Beyond initiative), a Better Teams update and East Midlands Leadership Programme activity. In response to a query from the Director of CIP and Future Operating Model, the Director of Workforce and Organisational Development agreed to arrange for an analysis to be provided of medical workforce growth and whether these developments had been planned within the CMGs' service developments;

- ***Month 10 Quality and Performance report*** – the Head of Performance and Improvement briefed the Committee on the impact of cancelled elective procedures on RTT performance and patient activity income going forwards. Discussion took place regarding ambulance handover performance and the impact of the temporary change in use of ward 7 as a medical ward.

Discussion took place regarding bed occupancy rates, cancer performance, delayed transfers of care, and issues affecting the provision of social care packages in Leicestershire;

- ***Empath Financial and Operational Performance*** – paper K provided an overview of the strategic development for East Midlands Pathology Services and advised of over-delivery against the financial performance targets for 2016-17. Assurance was provided that all of the operational performance targets were being achieved with the exception of the turnaround times for Cellular Pathology Biopsies. Since the report had been prepared performance against the 80% target had improved from 31% to over 60% and the target was expected to be fully delivered within the next 2 months. In the meantime, an appropriate clinical prioritisation process was in place to deliver urgent test results. Following discussion, it was agreed that the Chief Financial Officer would arrange for an update on Empath staff engagement and staff survey feedback to be provided for the March 2017 IFPIC meeting;

- ***Reports for Scrutiny and Information*** – the Committee received and noted the following documents:-
  - Timetable for UHL Business Case Approvals;
  - IFPIC calendar of business;
  - Minutes of the Executive Performance Board meeting held on 24 January 2017;
  - Minutes of the Capital Monitoring and Investment Committee meeting held on 19 January 2017;
  - Minutes of the Revenue Investment Committee meeting held on 19 January 2017, and

- ***East Midlands Radiology (EMRAD)*** – following an informal discussion over the lunchtime period, the Chief Information Officer, the EMRAD Medical Officer and the EMRAD Accountable Officer provided an updated presentation on the EMRAD project. Both IFPIC and QAC members were present for this joint discussion and copies of the updated presentation slides would be recirculated following the meeting. Detailed consideration took place regarding UHL's experiences (as the 6th Trust within the consortium to go live within the project) and the lessons that had been learned going forwards. Assurance was provided that the issues relating to networking speed, system functionality and UHL equipment issues were all being appropriately addressed. Key challenges were noted to be associated with developing and deploying a new technical solution in parallel, but it was felt that the position would now start to improve, as clinicians became more engaged and the reporting backlogs started to reduce. The importance of logging all issues and concerns as they arose was particularly highlighted to enable these to be addressed appropriately. The Patient Adviser sought and received additional information regarding the procurement criteria and due diligence processes.

  Discussion took place regarding opportunities for further development in 2017-18 including insourcing models, cross-Trust reporting, regional training sessions, new pathways of collaborative care and cross-cover regional MDT processes. Finally, the Committee was asked to consider who would be the Executive-level Clinical Responsible Owner to allow UHL to take the lead in EMRAD consortium developments and processes going forwards. In the absence of the Chief Executive, Medical Director and Chief Nurse at today's meeting, it was not felt appropriate to make a specific nomination, although members felt that one of the two Chief Medical Information Officers would be a possible choice. This role would require someone with foresight and drive to change processes, but they would also need the headroom to engage with other clinicians in order to maintain progress. A further discussion on this point would be scheduled on the IFPIC agenda for 30 March 2017;

- ***Any Other Business*** – none noted.

DATE OF NEXT COMMITTEE MEETING: 30 March 2017

Mr M Traynor – Committee Chair
23 February 2017