

Trust Board paper R

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 5 January 2017

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Mr M Traynor, Non-Executive Director

DATE OF COMMITTEE MEETING: 24 November 2016

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 128/16/1 – Month 7 financial performance for 2016-17, and
- Minute 130/16/1 – Workforce update.

DATE OF NEXT COMMITTEE MEETING: 22 December 2016

**Mr M Traynor
Non-Executive Director and Committee Chair**

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE INTEGRATED FINANCE, PERFORMANCE AND INVESTMENT COMMITTEE (IFPIC), HELD ON THURSDAY 24 NOVEMBER 2016 AT 9.30AM IN THE BOARD ROOM, VICTORIA BUILDING, LEICESTER ROYAL INFIRMARY

Voting Members Present:

Mr M Traynor – Non-Executive Director (Committee Chair)
Mr J Adler – Chief Executive (from part of Minute 128/16/1)
Colonel (Retired) I Crowe – Non-Executive Director
Mr A Johnson – Non-Executive Director
Mr R Mitchell – Chief Operating Officer (from part of Minute 128/16/1)
Mr R Moore – Non-Executive Director
Mr P Traynor – Chief Financial Officer

In Attendance:

Mr S Barton – Director of CIP and Future Operating Model
Mr C Benham – Director of Operational Finance
Mr N Callow – Finance Director, Empath (for Minute 129/16/1)
Ms R Griffiths – Commercial Director, Empath (for Minute 129/16/1)
Mr D Kerr – Director of Estates and Facilities
Dr A McGregor – Medical Director, Empath (for Minute 129/16/1)
Mr W Monaghan – Director of Performance and Information
Mrs K Rayns – Trust Administrator
Mr N Sone – Financial Controller (for Minute 128/16/2)
Ms L Tibbert – Director of Workforce and Organisational Development
Ms V Turner – Deputy Head of Contracts (for Minute 128/16/4)

RECOMMENDED ITEMS

ACTION

123/16 STRATEGIC MATTERS

123/16/1 Confidential Report by the Chief Financial Officer

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds of commercial interests.

124/16 PERFORMANCE

124/16/1 Confidential Report by the Director of Workforce and Organisational Development

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds of commercial interests.

RESOLVED ITEMS

125/16 APOLOGIES

Resolved – that apologies for absence from Mr B Patel, Non-Executive Director; Ms M Gordon, Patient Adviser, and Mr K Singh, Trust Chairman were noted.

126/16 MINUTES

The Minutes of the meeting held on 27 October 2016 were confirmed as a correct record.

Resolved – that the Minutes of the 27 October 2016 IFPIC meeting (papers A1 and A2) be confirmed as correct records.

127/16 MATTERS ARISING

Paper B detailed the status of all outstanding matters arising from previous Integrated Finance, Performance and Investment Committee (IFPIC) meetings. The Committee Chair undertook a page by page review, particularly noting progress in respect of the following items:-

- (a) **Minute 114/16/3 of 27 October 2016** – proposals for managing the second half year of the Capital Programme and been considered and agreed at the Executive Performance Board on 22 November 2016. Action to be marked as complete and removed from the progress log;
- (b) **Minute 115/16/1(a) of 27 October 2016** – the draft Hospital Pharmacy Transformation Programme plan had been submitted to NHS Improvement on 28 October 2016 (as agreed at the 27 October 2016 IFPIC meeting). The Chief Financial Officer advised that UHL's plan had been commended as one of the better submissions and it had subsequently been shared nationally to promote opportunities for organisational learning;
- (c) **Minute 116/16/2(a) of 27 October 2016** – the Director of Workforce and Organisational Development advised that the proposed 6-week diagnostic exercise for the Corporate Services Review was currently on hold, pending clarification of the links with the Sustainability and Transformation Plan;
- (d) **Minute 116/16/2(c) of 27 October 2016** – opportunities to sub-divide pay expenditure data by clinical and non-clinical staff groups within the monthly workforce report were currently being explored;
- (e) **Minute 89/16(d) of 25 August 2016** – the estates 'route map' was currently being prepared for IFPIC consideration on 23 February 2017. The Chief Financial Officer queried whether the Development Control Plans (DCPs) might negate the need for an estates 'route map'. In response, the Director of Estates and Facilities clarified that the 'route map' would define the phasing of estate developments over the next 5 years and that this would be informed by the DCPs and the Strategic Outline Case for the Reconfiguration Programme;
- (f) **Minute 80/16/2(b) of 28 July 2016** – a high-level analysis of the outputs of the Capita site survey featured later on the agenda for this meeting (Minute 129/16/2 below refers). Action to be marked as complete and removed from the progress log;
- (g) **Minute 40/16/2 of 28 April 2016** – discussion on Lean techniques had been deferred from the Trust Board thinking day agenda for 8 December 2016, due to pressure on the agenda and a new date was to be confirmed by the Director of Corporate and Legal Affairs (in consultation with the Trust Chairman).

DCLA/
Chairman

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

NAMED
LEADS

128/16 FINANCE AND PLANNING

128/16/1 Month 7 Financial Performance 2016-17

The Chief Financial Officer and the Director of Operational Finance introduced paper C, providing the monthly summary of performance against the Trust's statutory duties, financial performance, cash flow and capital expenditure. The Trust had delivered a £9.9m deficit for the year to date (£2m adverse to plan), including £13.7m of Sustainability and Transformation Funding (STF). Granular financial recovery plans were in place for CMGs and Corporate Directorates which were expected to improve the year end position by between £5m and £6m and the Trust was still expected to deliver the forecast deficit of

£8.3m. In response to a query raised by the Chief Operating Officer, the Chief Financial Officer confirmed that all of the CMGs were taking their recovery actions seriously, although there was more work to be completed by some CMGs in terms of reducing temporary staffing costs and strengthening their financial assumptions and elective capacity modelling.

Particular discussion took place regarding the recently-announced appeals process for any non-receipt of STF. The deadline for submission of quarter 2 appeals was noted to be 25 November 2016 and appeals submissions were required to evidence both Provider and Commissioner sign-off. The Director of Performance and Information provided his view that there was shared understanding between the Trust and its Commissioners regarding the reasons for non-compliance with elective access targets. However, the factors affecting emergency care performance were less clearly defined. The Chief Executive reported on the clear audit trail relating to UHL's best endeavours to meet the 4-hour ED trajectory and he provided assurance that this would be included within the appeals submission, alongside a reference to UHL's formal activity query notice. A further briefing on this issue would be provided to IFPIC once the outcome of the appeal was known.

CFO

Mr R Moore, Non-Executive Director and Audit Committee Chair sought and received additional information regarding an income shortfall for Estates and Facilities services (as referenced on page 24 of paper C), noting that this was offset to some extent by pay costs and reduced expenditure, but still reflected an overall budget misalignment. Mr A Johnson, Non-Executive Director drew the Committee's attention to the risks relating to the proportion of financial recovery actions which were likely to be non-cash releasing, noting assurance provided by the Director of Operational Finance that the forecast £8.3m deficit was cash funded. He also commented on the scale of the challenges in the second half of the financial year (as set out within the financial bridge chart on page 15 of paper C).

Finally, the Director of Operational Finance reported verbally, advising that confirmation had recently been received from NHS England that approximately £2m of external capital funding would be made available for UHL's replacement Linear Accelerator in 2016-17.

Resolved – that (A) the month 7 Financial Performance report (paper C) and the subsequent discussion on this item be received and noted, and

(B) the Chief Financial Officer be requested to update IFPIC on the outcome of the quarter 2 STF appeals submission (when known).

CFO

128/16/2 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds of commercial interests.

128/16/3 Cost Improvement Programme

The Director of CIP and Future Operating Model presented paper E1, providing the monthly update on progress of the CIP programme to achieve a £35m target during 2016-17. Year to date CIP delivery stood at £19m (as at the end of October 2016) against the planned £18.7m – a favourable variance of £0.3m. Particular discussion took place regarding the key risks and opportunities to deliver additional cost improvements. In respect of the Workforce cross-cutting CIP theme, the strategy for 2015-16 was to deliver additional patient care activity with the same number of staff. However, there would be a greater focus on reducing staffing costs within the 2017-18 CIP plan.

IFPIC also received and noted paper E2, providing a summary of the Beds cross-cutting CIP theme. There were no questions raised in respect of this report.

Resolved – that the CIP progress report and cross-cutting Beds CIP update be received and noted as papers E1 and E2.

128/16/4 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds of commercial interests.

129/16 STRATEGIC MATTERS

129/16/1 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds of commercial interests.

129/16/2 Confidential Report by the Director of Estates and Facilities

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds of commercial interests.

130/16 PERFORMANCE

130/16/1 Workforce Update

The Director of Workforce and Organisational Development presented paper J, providing the monthly update on key workforce metrics, including vacancy rates, recruitment plans, flu vaccination rates (69% against the 75% target for patient-facing staff), gender pay gap, the Leadership Development Programme, staff sickness and development of the Sustainability and Transformation Plan (STP) workforce modelling. IFPIC noted that 82 new HCAs were due to commence in post on 28 November 2016, intensive work was taking place to recruit to vacant Estates and Facilities posts and the January 2017 workforce report would track progress with appointments to the UHL Apprentice Programme.

Ownership of the Alfred Hill Centre on the Glenfield Hospital site had transferred to UHL from LPT and this had been re-opened as a UHL training facility for nurses, midwives and AHPs. Members noted an opportunity to hold a formal opening ceremony to raise awareness of this new facility. Areas of focus for cost improvements in 2017-18 would be reducing the gap between workforce establishment and actual pay expenditure, job planning, new roles and workforce functional mapping. Opportunities to improve medical productivity in relation to accessing computer systems had been highlighted by Professor P Baker, Non-Executive Director at a recent Trust Board thinking day and the Committee Chair requested details on the potential quantum of savings be included in the December 2016 workforce update. IFPIC also commented upon the disappointing performance for completion of statutory and mandatory training within the Corporate Directorates.

DWOD

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Resolved – that (A) the Workforce Update report (paper J) and the subsequent discussion be noted;

(B) an opportunity to hold a formal opening ceremony for the Alfred Hill Training Centre be explored, and

DWOD

(C) the potential quantum of savings that might be achieved by improving access to computer systems for medical staff be calculated and included in the December 2016 Workforce update.

DWOD

130/16/2 Month 7 Quality and Performance Report

Paper L 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 October 2016. The Director of Performance and Information briefed the Committee on

RTT incomplete performance (91.8% against the 92% target), cancelled operations, the impact of the major internal incident declared on 16 November 2016, cancer performance and the reliance upon HDU and ITU capacity. Assurance was provided that patients were being discharged from HDU and ITU beds, as soon as they were medically fit to do so. In terms of rebooking patients within 28 days, exceptions were noted which involved HDU or ITU care, or treatment by a specific surgeon.

IFPIC commended the additional slides within the Executive Summary showing activity trends and length of stay data. However, the Chief Executive noted a correction to the heading of the slide on inpatient admission activity trends, clarifying that this related to inpatient elective admissions.

Resolved – that (A) the month 7 Quality and Performance report (paper L) and the subsequent discussion be received and noted, and

(B) the title of the activity trends slide ‘Inpatient Admissions’ be amended to ‘Inpatient Elective Admissions’.

131/16 SCRUTINY AND INFORMATION

131/16/1 IFPIC Calendar of Business 2016-17

Resolved – that the updated IFPIC calendar of business be received and noted as paper M.

131/16/2 Updated Timetable for UHL Business Case Approvals

Resolved – that the updated timetable for Strategic Business Case Approvals be received and noted as paper N.

131/16/3 Executive Performance Board

Resolved – that the notes of the 25 October 2016 Executive Performance Board meeting be received and noted as paper O.

131/16/4 Capital Monitoring and Investment Committee

Resolved – that the notes of the 14 October 2016 Capital Monitoring and Investment Committee meeting be received and noted as paper P.

131/16/5 Revenue Investment Committee

Resolved – that the notes of the 14 October 2016 Revenue Investment Committee meeting be received and noted as paper Q.

132/16 INVESTMENT BUSINESS CASES

Resolved – that no investment business cases were submitted for consideration at this meeting.

133/16 CLINICAL MANAGEMENT GROUP PRESENTATION

Resolved – that the programme of CMG presentations had been postponed for 2 months due to the additional Trust Board meetings on 24 November and 22 December 2016. CMG presentations would re-start in January 2017.

134/16 ANY OTHER BUSINESS

Resolved – that no items of other business were noted.

135/16 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

Resolved – that (A) a summary of the business considered at this meeting be presented to the Trust Board meeting on 1 December 2016, and

TA/
Chair

(B) the following items be particularly highlighted for the Trust Board's attention:-

- Minute 128/16/1 – Month 7 financial performance for 2016-17, and
- Minute 130/16/1 – Workforce update.

136/16 DATE OF NEXT MEETING

Resolved – that the next meeting of the Integrated Finance, Performance and Investment Committee be held on Thursday 22 December 2016 from 9.30am to 12.30pm in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 12.38pm

Kate Rayns,
Trust Administrator

Attendance Record 2016-17

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	8	8	100	R Mitchell	8	7	88
J Adler	8	7	88	R Moore	8	8	100
P Baker	5	0	0	B Patel	5	4	80
I Crowe	8	7	88	K Singh	8	7	88
S Dauncey	3	3	100	P Traynor	8	7	88
A Johnson	8	8	100				

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Gordon	8	5	63	L Tibbert	8	7	88
D Kerr	8	7	88				