University Hospitals of Leicester NHS
NHS Trust

Trust Board paper T

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 6 April 2017

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Mr M Traynor, Non-Executive Director

DATE OF COMMITTEE MEETING: 23 February 2017

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 16/17/1 – Month 10 financial performance for 2016-17;
- Minute 17/17/1 – Demand and Capacity Deficit at UHL;
- Minute 17/17/3 – Strategic Infrastructure Review, and
- Minute 20/17 – the joint IFPIC and QAC discussion on EMRAD.

DATE OF NEXT COMMITTEE MEETING: 30 March 2017

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 23 FEBRUARY 2017 AT 9AM IN THE BOARD ROOM, VICTORIA BUILDING, LEICESTER ROYAL INFIRMARY

Voting Members Present:
Mr M Traynor – Non-Executive Director (Committee Chair)
Colonel (Retired) I Crowe – Non-Executive Director
Dr S Crawshaw – Non-Executive Director (from Minute 18/17)
Mr A Johnson – Non-Executive Director (from Minute 15/17)
Mr R Mitchell – Chief Operating Officer (excluding part of Minute 20/17)
Mr B Patel – Non-Executive Director
Mr K Singh – Trust Chairman
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 (excluding Minutes 17/17/2 and 17/17/3)
Ms M Gordon – Patient Adviser
Mr D Kerr – Director of Estates and Facilities
Mr W Monaghan – Director of Performance and Information
Mrs K Rayns – Trust Administrator
Mr C Shatford – Deputy Head of Operations, Clinical Support and Imaging CMG
Mr N Sone – Financial Controller (up to and including Minute 16/17/2)
Ms L Tibbert – Director of Workforce and Organisational Development

Additional Attendees for the Joint IFPIC and QAC Session on EMRAD:
Mr M Caple – Patient Adviser (for Minute 20/17)
Mr J Clarke – Chief Information Officer (for Minute 20/17)
Ms S Everatt – Interim Trust Administrator (for Minute 20/17)
Mr A Fearn – EMRAD Accountable Officer (for Minute 20/17)
Ms S Hotson – Director of Clinical Quality (for Minute 20/17)
Ms C Lea – General Manager, Clinical Support and Imaging CMG (for Minute 20/17)
Ms C Ribbins – Deputy Chief Nurse (for Minute 20/17)
Mr A Rickett – Clinical Director, Clinical Support and Imaging CMG (for Minute 20/17)
Dr T Taylor – EMRAD Medical Director (for Minute 20/17)

RECOMMENDED ITEMS **ACTION**

12/17 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.

RESOLVED ITEMS

13/17 APOLOGIES

The Trust Chairman advised that he had requested Dr S Crawshaw, Non-Executive Director to attend the official signing of the Mesothelioma Agreement in the House of Lords on his behalf, hence Dr Crawshaw had submitted her apologies for this meeting. However, due to a disruption to rail services on that day, Dr Crawshaw was unable to travel to London and she subsequently attended the later stages of this meeting.

Resolved – that apologies for absence be noted from Mr J Adler, Chief Executive; Dr S Crawshaw, Non-Executive Director; Mr A Furlong, Medical Director and Mr R Moore, Non-Executive Director.

14/17 MINUTES

<u>Resolved</u> – that the Minutes of the 26 January 2017 IFPIC meeting (papers A1 and A2) be confirmed as correct records.

15/17 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) ***Item 6 (Minute 6/17/1(a) of 26 January 2017)*** – the Patient Adviser confirmed that she had provided a copy of the Lean Toolkit to the Director of Workforce and Organisational Development outside the meeting and this action was therefore complete; **TA**

(b) ***Item 11 (Minute 140/16(c) of 22 December 2016)*** – the expected update on the Corporate Services Review had been deferred to the 30 March 2017 IFPIC meeting at the request of the Director of Workforce and Organisational Development, and **DWOD**

(c) ***Item 24 (Minute 89/16(d) of 25 August 2016*** – the Director of Estates and Facilities advised that the estates 'route map' would now be incorporated into the Development Control Plans currently being prepared for submission to the 27 April 2017 IFPIC meeting. **DEF**

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

16/17 FINANCE AND PLANNING

16/17/1 <u>Month 10 Financial Performance 2016-17</u>

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, and advising 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 the Trust was still expected to deliver the revised year end forecast deficit of £27.2m.

The Chief Financial Officer briefed the Committee on the national publication of quarter 3 financial data and the detailed workstream underway with NHS Improvement (NHSI) to understand UHL's position in greater depth, alongside the main drivers for the variance to plan and the actions required to achieve financial turnaround and ensure delivery of the revised control total. A two-day review of the 2017-18 financial plan was being scheduled with NHSI during March 2017 and this level of scrutiny was welcomed.

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. However, less priority was being given to meeting key access standards following a review of the additional expenditure being incurred to support waiting list initiatives and outsourced activity.

The Committee Chairman commented upon the conflicting aspects of the Sustainability and Transformation Plans (which required a reduction in the Trust's bed base), and the

issues identified in a subsequent paper on today's agenda (paper F and Minute 17/17/1 below refer) which suggested that an increase in the bed base was required in order to manage current levels of patient demand and expected growth in emergency, cancer and elective care over the next 12 months. He noted the need for Board members to have a clear understanding of these issues ahead of a visit to the new Emergency Floor development by Ms S Harkness, NHSI Non-Executive Director on 3 March 2017 and the NHSI quarterly review meeting on 31 March 2017. The Chief Operating Officer agreed to provide an appropriate briefing note on bed capacity and operational performance trajectories to the Trust Chairman and Non-Executive Directors (outside the meeting). In addition, it was hoped that informal feedback would be available from the NHSI two-day review to inform the NHSI quarterly review meeting on 31 March 2017. **COO**

Mr A Johnson, Non-Executive Director requested additional information in respect of the in-month variance in EBITDA (earnings before interest, taxes, depreciation and amortisation) performance, noting in response that the amount of this variance was approximately £101k.

Resolved – that (A) the month 10 Financial Performance report (paper C) and the subsequent discussion on this item be received and noted, and

(B) the Chief Operating Officer be requested to prepare and circulate a briefing note outlining the key issues relating to bed capacity and operational performance trajectories to the Trust Chairman and Non-Executive Directors ahead of the forthcoming meetings with NHSI on 3 and 31 March 2017 (respectively). **COO**

16/17/2 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.

16/17/3 Cost Improvement Programme

The Director of CIP and Future Operating Model presented paper E, providing the monthly update on progress of the CIP programme to achieve a £35m target during 2016-17. 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.

A detailed discussion took place regarding progress towards reducing clinical variation, opportunities to change behaviours through the publication of Consultant level data, and arrangements to hold outpatient clinics in alternative settings. The Director of Performance and Information briefed the Committee on the Better Care Together Planned Care workstreams and the number of services already relocated into the Community setting under the Alliance Contract. The Director of CIP and Future Operating Model also advised that a 'deep dive' approach towards reducing clinical variation within Outpatients was planned for 2017-18, although he noted that some types of clinical variation made a positive contribution in leading service improvements. He agreed to produce and circulate a briefing note on this theme (outside the meeting). **DCIP& FOM**

IFPIC Non-Executive Directors also suggested that it would be helpful to implement a quality management framework approach (ISO 9000) to standardise the arrangements for reducing clinical variation and that greater use of technology (eg telemedicine hubs and virtual pre-assessment clinics) be explored. In response to a further Non-Executive Director query, the Chief Financial Officer agreed to consider the scope to arrange for an audit to be undertaken in relation to the proportion of recurrent savings delivered by the cost improvement programme. The Patient Adviser highlighted some good practice in the **CFO**

use of technology implemented by Circle Health in Nottingham. In response, the Director of CIP and Future Operating Model confirmed that he was aware of this work and he provided assurance that UHL regularly reviewed examples of good practice within other healthcare organisations.

Resolved – that (A) the CIP progress report be received and noted as paper E;

(B) the Director of CIP and Future Operating Model be requested to prepare and circulate a briefing note on the arrangements for reducing clinical variation within the Outpatients setting (outside the meeting), and **DCIP& FOM**

(C) the Chief Financial Officer be requested to consider arranging for an audit to be undertaken in relation to the recurrent nature of savings delivered by the cost improvement programme. **CFO**

17/17 STRATEGIC MATTERS

17/17/1 Demand and Capacity Deficit at UHL

The Chief Operating Officer introduced paper F, setting out the key new actions currently under consideration in order to achieve a balanced position between UHL's demand for patient care activity and existing bed capacity, which might include:-

(a) separating emergency and elective patient care activity;
(b) caring for appropriate patients in a non-UHL setting, and
(c) increasing UHL's bed base.

IFPIC considered the high proportion of elective procedures currently being cancelled and supported the underlying principles outlined in the paper. However, members noted the need for the Executive Team to develop and agree a set of specific proposals and next steps. Discussion took place regarding opportunities to provide a step-down facility (for patients whose episode of acute health care had concluded) and the need for some bolder thinking within the health care system in respect of strengthening primary care and social care services to improve the quality of care for patients. **COO**

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 action plan to address the demand and capacity imbalance would be presented to IFPIC on 30 March 2017. **COO**

Resolved – that (A) the underlying principles relating to the imbalance between demand and capacity (as set out in paper F) be supported;

(B) the Chief Operating Officer be requested to schedule an Executive-level discussion on this subject to agree a set of specific proposals and next steps, and **COO**

(C) proposals for the actions and next steps to address the imbalance between demand and capacity be considered at the 9 March 2017 Trust Board thinking day. **COO**

17/17/2 Emergency Floor Project Update

The Chief Operating Officer introduced paper G, briefing the Committee on progress with the emergency floor project, noting that Phase I of the new buildiing was now scheduled for handover on 6 March 2017 and due to open on 26 April 2017. The principal risks and mitigation measures (as detailed in the report) were primarily driven by unforeseen changes to the scope of the project since the approval of the original business case. During the discussion on this item, IFPIC members:-

(a) commented upon the importance of clear communications with patients about appropriate attendance and access to emergency care services;

(b) noted the impact of removing 16 medical beds, once the EDU relocated onto ward 7;
(c) noted that the procurement arrangements for the front door function had not yet been agreed, and that the pre-existing arrangements would continue in the short term, and
(d) considered the known risk that the volume of ED attendances might significantly increase upon the opening of the new facility.

Finally, the Patient Adviser sought and received assurance that the IT risks associated with the emergency floor project were being managed and mitigated effectively in the absence of a full electronic patient record solution.

Resolved – that the progress update on the Emergency Floor Project be received and noted as paper G.

17/17/3 Strategic Infrastructure Review

Further to Minute 129/16/2 of 24 November 2016, 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.

Under section 4.1 of paper H, the most significant costs were likely to be associated with new external electrical supply cables to increase the National Grid supply to Glenfield Hospital from substations in Groby, Enderby or Beaumont Leys. Such costs were estimated to be £1m per mile, but these costs had not yet been included until greater clarity was available. The project group had also determined that the distribution of electrical supplies around individual buildings should be brought into the scope of the review to allow for safe isolation or connection of loads without isolating the whole building.

IFPIC noted that the Capita infrastructure review linked with the 2014 version of the Trust's Development Control Plan (DCP) and that the DCPs were currently being refreshed in light of changes to the clinical strategy and the availability of national NHS capital. Tables 1 and 2 detailed the Strategic Infrastructure Plans for the LRI and Glenfield sites (respectively) and particular discussion took place regarding the extent of the plans which would still need to be delivered in the event of the Trust's Reconfiguration Programme not being progressed. It was agreed that a 'plan B' scenario and key milestones would be developed to inform the future decision-making process. **DEF**

Resolved – that (A) the update on the Strategic Infrastructure Review be received and noted, and

(B) the Director of Estates and Facilities be requested to arrange for the development of scenario modelling and key milestones in the event that the Reconfiguration Programme was delayed or not progressed in full. **DEF**

18/17 PERFORMANCE

18/17/1 Workforce Update

The Director of Workforce and Organisational Development introduced paper I, providing a comprehensive update on UHL's Workforce and Organisational Development Plan and key workforce metrics, 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 first-cut 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. **DWOD**

In discussion on the report, the Committee Chair queried whether there were any concerns about appointing sufficient apprentices to meet the target for 2017-18, noting in response that apprenticeships were available at a wide range of levels and were open to new and existing staff. The Trust was an accredited training provider and additional training expertise was only being bought in as required. The Director of Estates and Facilities briefed the Committee on the academic requirements to undertake a Level 1 apprenticeship; these were equivalent to 5 GCSEs. Consequently, the take-up rates for Facilities apprenticeships were lower than desirable.

Finally, the Chief Operating Officer sought and received additional information regarding the level of expected pay bill growth in 2017-18, noting in response that this would be dependent upon the Sustainability and Transformation Plan workforce modelling and development of new roles. It was possible that the number of whole time equivalents might increase in parallel with a reduction in overall total pay expenditure. Assurance was provided that the high level workforce models would be linked to the CMG planning process for 2017-18 and subjected to the same level of scrutiny as the service development plans.

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

(B) the Director of Workforce and Organisational Development be requested to arrange for an analysis of medical workforce growth to be provided in the next iteration of the workforce report (including any variance to plan within CMG service development plans). **DWOD**

18/17/2 Month 10 Quality and Performance Report

Paper J 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 January 2017. The Director of Performance and Information briefed the Committee on the impact of cancelled elective procedures on RTT performance and patient activity income going forwards. It was noted that RTT performance was unlikely to fully recover in the next 12 months, following the decision made to reduce elective procedures in order to support emergency care pathways during February 2017. Assurance was provided that robust communications processes were in place for managing patient expectations about their elective procedures and the majority of cancellations were taking place before the day of any scheduled surgery.

The Committee also considered the following issues:-

(a) ambulance handover performance and the expected impact of the change in use of ward 7 which would reduce the LRI medical bed base;
(b) bed occupancy rates which were consistently above 90% (where 85% was considered to be ideal);

(c) cancer performance – 2 week waits were compliant, 31 day waits were non-compliant due to emergency pressures and HDU capacity, and 62 day waits were non-compliant although the backlog continued to reduce and this now stood at 45, and
(d) delayed transfers of care and issues affecting the provision of social care packages in Leicestershire.

Resolved – that the Month 10 Quality and Performance report (paper J) and the subsequent discussion be noted.

18/17/3 East Midlands Pathology Service (Empath) Financial and Operational Performance

The Chief Financial Officer introduced paper K providing an overview of the strategic development for East Midlands Pathology Services and advising 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, as some additional resources became more embedded. In the meantime, an appropriate clinical prioritisation process was in place to deliver all urgent Cellular Pathology test results within the specified timeframes.

Discussion took place regarding Empath's potential selection as one of the NHS Improvement Pathfinder projects for the Pathology Transformation Programme and opportunities for engagement with other potential partners to form a cross-STP pathology service. Colonel (Retired) I Crowe, Non-Executive Director commented on recent feedback about staff engagement and staff survey results and it was agreed that the Chief Financial Officer would arrange for a further report to be provided to the March 2017 IFPIC meeting, to provide additional assurance relating to Empath staff engagement and staff survey feedback. **CFO**

Resolved – that (A) the report on Empath financial and operational performance (paper K) and the subsequent discussion be received and noted, and

(B) a further report be provided to the 30 March 2017 IFPIC meeting to provide assurance on Empath staff engagement and staff survey feedback. **CFO**

19/17 SCRUTINY AND INFORMATION

19/17/1 Timetable for UHL Business Case Approvals

Resolved – that the update on the approvals process for Strategic Business Cases be received and noted as paper L.

19/17/2 IFPIC Calendar of Business 2017-18

Resolved – that the IFPIC calendar of business for 2017-18 be approved as paper M.

19/17/3 Executive Performance Board

Resolved – that the notes of the 24 January 2017 Executive Performance Board meeting be received and noted as paper N.

19/17/4 Capital Monitoring and Investment Committee

Resolved – that the notes of the 19 January 2017 Capital Monitoring and Investment Committee meeting be received and noted as paper O.

19/17/5 Revenue Investment Committee

<u>Resolved</u> – that the notes of the 19 January 2017 Revenue Investment Committee meeting be received and noted as paper P.

20/17 EAST MIDLANDS RADIOLOGY (EMRAD) UPDATE

Following an informal discussion over the lunchtime period, the Chief Information Officer, the EMRAD Medical Officer and the EMRAD Accountable Officer introduced an updated set of presentation slides on the EMRAD project (paper R refers). Both IFPIC and QAC members were present for this joint discussion and copies of the updated presentation slides would be re-circulated following the meeting. Detailed consideration took place regarding UHL's experiences (as the sixth Trust within the consortium to go live within the project) and the lessons that had been learned going forwards. **CIO**

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 the associated 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 support the 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. **CIO**

<u>Resolved</u> – that (A) the presentation and subsequent discussion on EMRAD be noted;

(B) copies of the updated presentation slides be circulated to IFPIC and QAC members (outside the meeting), and **CIO**

(C) a further discussion be scheduled on the March 2017 IFPIC agenda to consider appropriate nominations for an Executive-level Clinical Responsible Owner to allow UHL to take the lead in EMRAD consortium developments and support the processes going forwards. **CIO**

21/17 ANY OTHER BUSINESS

<u>Resolved</u> – that no items of other business were noted.

22/17 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

<u>Resolved</u> – that (A) a summary of the business considered at this meeting be presented to the Trust Board meeting on 2 March 2017, and **TA/ Chair**

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

- **Minute 16/17/1 – Month 10 financial performance for 2016-17;**

- **Minute 17/17/1 – Demand and Capacity Deficit at UHL;**
- **Minute 17/17/3 – Strategic Infrastructure Review, and**
- **Minute 20/17 – the joint IFPIC and QAC discussion on EMRAD.**

23/17 DATE OF NEXT MEETING

Resolved – that the next meeting of the Integrated Finance, Performance and Investment Committee be held on Thursday 30 March 2017 from 9am to 1pm in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 1:23pm

Kate Rayns,
Trust Administrator

Attendance Record 2016-17

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	11	11	100	R Mitchell	11	10	91
J Adler	11	9	82	R Moore	11	9	82
S Crawshaw	2	2	100	B Patel	8	7	88
I Crowe	11	10	91	K Singh	11	9	82
S Dauncey	3	3	100	P Traynor	11	10	91
A Johnson	11	11	100				

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Gordon	11	7	64	L Tibbert	11	10	91
D Kerr	11	10	91				