University Hospitals of Leicester NHS
NHS Trust

Trust Board paper R2

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 7 September 2017

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Mr M Traynor, IFPIC Chair

DATE OF COMMITTEE MEETING: 27 July 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 76/17/1 – Month 3 Financial Performance**

DATE OF NEXT COMMITTEE MEETING: 31 August 2017

Mr M Traynor, Non-Executive Director and IFPIC Chair

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE INTEGRATED FINANCE, PERFORMANCE AND INVESTMENT COMMITTEE (IFPIC), HELD ON THURSDAY 27 JULY 2017 AT 9AM IN THE BOARD ROOM, VICTORIA BUILDING, LEICESTER ROYAL INFIRMARY

Voting Members Present:
Mr B Patel – Non-Executive Director (Acting Committee Chair)
Mr J Adler – Chief Executive
Colonel (Retired) I Crowe – Non-Executive Director
Mr R Moore – Non-Executive Director
Mr A Johnson – Non-Executive Director

In Attendance:
Mr S Barton – Director of Operational Improvement
Mr C Benham – Director of Operational Finance
Mr D Kerr – Director of Estates and Facilities
Mr T Lynch – Interim Chief Operating Officer (from part of Minute 76/17/1 and excluding Minutes 76/17/4 and 76/17/5)
Ms H Mather – Alliance Director (for Minute 78/17/1)
Mrs K Rayns – Corporate and Committee Services Officer
Mr B Shaw – Director of Efficiency and CIP
Mr N Sone – Financial Controller (up to and including Minute 76/17/2)
Ms S Sutton – Alliance General Manager (for Minute 78/17/1)
Ms L Tibbert – Director of Workforce and Organisational Development

RESOLVED ITEMS **ACTION**

73/17 APOLOGIES

Apologies for absence were received from Mr M Traynor, Non-Executive Director and IFPIC Chair; Ms M Gordon, Patient Adviser; Mr W Monaghan, Director of Performance and Information; Mr K Singh, Trust Chairman, and Mr P Traynor, Chief Financial Officer.

Resolved – that the apologies for absence be noted.

74/17 MINUTES

Resolved – that the Minutes of the 29 June 2017 IFPIC meeting (papers A1 and A2) be confirmed as correct records.

75/17 MATTERS ARISING

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

(a) ***Item 8 (Minute 66/17/5(b) of 29 June 2017)*** – the Charitable Funds Committee Chairman could not recall being briefed on the IFPIC discussions relating to general principles for approving charitable funding applications (eg earlier replacement of medical equipment to keep pace with new technology and functionality), but he undertook to liaise with the IFPIC Chair outside the meeting on this point; **AJ, NED**

(b) ***Item 17 (Minute 54/17/1 of 25 May 2017)*** – the Corporate Services Review Project Initiation Document (PID) had been deferred to the 31 August 2017 IFPIC meeting to allow for Executive-level discussion of the CIP implications, and

(c) ***Item 24 (Minute 17/17/3 of 23 February 2017)*** – whilst no formal feedback had been received on UHL's bids for national capital funding, the Trust had received an initial

capital allocation of £30m to support the Strategic Reconfiguration Programme. The Chief Executive queried whether any of this money would be allocated to the enabling infrastructure improvements required on the Glenfield Hospital site and the Director of Estates and Facilities was requested to clarify whether this was the case. **DEF**

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

76/17 FINANCE AND PLANNING

76/17/1 2017-18 Month 3 Financial Performance

In the absence of the Chief Financial Officer, 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 the Trust's year to date income and expenditure deficit of £17.6m, which was in line with plan. Year to date CIP performance stood at £7.4m (£1.1m favourable to the planned £6.3m). In respect of the £33m full-year target, £1.6m was currently unidentified and weekly escalation meetings were being held with the relevant CMGs. In order to fund the additional costs relating to increasing capacity to meet demand, an additional £3.5m supplementary CIP target had been agreed. Patient care income was £3m favourable to plan, reflecting over-performance in elective and emergency activity and offset by additional pay and non-pay costs. In the event of any reduction in patient care over-performance, it would be crucial to reduce the relevant expenditure streams accordingly. Year to date agency pay expenditure was within the required NHSI agency cap, but there was a risk that the cap would be exceeded by the year end, if the Trust was not able to reduce the current run-rate.

In discussion on paper C, Non-Executive Director members sought and received additional information about the profiling of the income and expenditure and CIP forecasts during the budget-setting process and the planned use of central reserves to support the position. Members also queried whether a sensitivity analysis had been undertaken in respect of the financial impact of additional activity being delivered, noting that the temporary staffing costs were significantly higher than substantive staffing costs. Mr A Johnson, Non-Executive Director requested a supplementary financial analysis report for the August 2017 IFPIC meeting to include a month by month comparison for 2017-18 against the 2016-17 income and expenditure position (both with and without the balance sheet releases made in each year). The Director of Operational Finance agreed to provide such a report although he queried the validity of the data in the light of changes in activity levels and contractual models between the 2 financial years. **DOF**

Discussion also took place regarding the key risks surrounding the forecast outturn. Whilst the Trust was still forecasting to deliver the planned deficit of £26.7m, the detailed forecast was currently £10m adverse to plan. The risks and mitigation measures were set out in a table on page 22 of paper C and assurance was provided that all of the CMG teams were acutely aware of the actions required to deliver the forecast year-end position. The Director of Operational Efficiency queried the lower than expected income forecasts set out on page 13 of the report, noting in response that the forecasts included the potential impact of the Emergency Department QIPP schemes in the second half of the financial year.

Resolved – that (A) the 2017-18 month 3 Financial Performance report (paper C) and the subsequent discussion on this item be received and noted, and

(B) the Director of Operational Finance be requested to present a supplementary financial analysis to the August 2017 IFPIC meeting, as per the request from Mr A Johnson (detailed above). **DOF**

76/17/2 Confidential Report by the Chief Financial Officer

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

76/17/3 Cost Improvement Programme (CIP)

Mr B Shaw, Director of Efficiency and CIP introduced paper E1, providing the monthly update on progress of the Cost Improvement Programme, as at the end of June 2017. Year to date savings stood at £7,368k (compared to the planned month 3 position of £6,274k). The majority of the CMGs were forecasting to deliver their year-end CIP targets, but further work was taking place with Emergency and Specialist Medicine (ESM), Intensive Therapy, Anaesthesia, Pain and Sleep (ITAPS), and Women's and Children's (W&C) to develop additional schemes to mitigate the current gap of £1,579k.

The Acting Chair sought and received additional information regarding the robust escalation processes for those CMGs which were not on-track. In response, the Director of Operational Finance briefed the Committee on the monthly CMG performance management processes which covered wider budgetary financial controls as well as CIP delivery. These meetings did not replicate a formal turn-around process, but in each case, a deep dive of the financial position was undertaken and a Corporate steer was provided in respect of the way forward. Within W&C there were some known factors which would constrain their ability to deliver the full target (eg minimum staffing ratios to the number of births and Consultant presence on the labour wards).

Mr A Johnson, Non-Executive Director commented upon the nature of the CIP programme and expressed concern that technical adjustments were being badged as additional cost improvements. In response, the Director of Operational Finance advised that this was not usual practice at UHL, but the approach had been agreed with NHS Improvement in order to align UHL's CIP programme with practice at other NHS Trusts. Confirmation was provided that the figures would be captured and recorded as separate lines within the overall CIP programme.

Paper E2 provided an overview of the Non-Pay cross-cutting CIP theme, advising that this workstream was on track to delivery £7.3m of savings across 122 schemes, excluding the £3m of agency savings. 10 further schemes were currently being scoped within the Estates and Facilities Directorate for potential inclusion in the plan from the beginning of August 2017.

Resolved – that the reports on CIP progress and the Non-Pay cross-cutting CIP theme be received and noted as papers E1 and E2 (respectively).

76/17/4 Confidential Report by the Chief Financial Officer

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

76/17/5 Update on Patient Level Information Costing System (PLICS), Service Line Reporting (SLR), and Service Line Management (SLM)

The Director of Operational Finance introduced paper G, briefing IFPIC on the projects currently being undertaken by UHL's Costing Team which included the annual mandated Reference Cost return, a submission for the NHS Improvement Costing Transformation Programme and the wider programme to increase engagement with PLICS. Particular discussion took place regarding progress of the engagement programme to embed PLICS as a key tool to support decision making at UHL. Members noted that a pilot had been initiated in the Women's and Children's CMG and the Renal Respiratory and Cardio-Vascular CMG was keen to improve its use of the PLICS data.

Mr A Johnson, Non-Executive Director expressed an interest in learning more about the PLICS system and the Director of Operational Finance offered to arrange a one-to-one briefing session on this subject (if that would be helpful), noting that a similar session had previously been provided to Board members. Following this discussion, IFPIC endorsed the proposal for the Chief Financial Officer and the Education Lead to sign-off the Statement of Directors' Responsibilities for the 2016-17 combined costs collection (template provided at appendix 2) on behalf of the Trust Board.

Resolved – that (A) the briefing on PLICS, SLR and SLM be received and noted as paper G;

(B) the proposal for the Chief Financial Officer and the Education Lead to sign-off the Statement of Directors' Responsibilities on behalf of the Trust Board be endorsed, and **CFO/EL**

(C) the Director of Operational Finance be requested to arrange a one-to-one PLICS awareness briefing session for Mr A Johnson, Non-Executive Director (if required). **DOF**

77/17 STRATEGIC ISSUES

77/17/1 Organisation of Care Update

Mr S Barton, Director of Operational Improvement introduced paper H, providing an update on progress of the Organisation of Care Programme to achieve the objective of balancing demand and capacity for 2017-18. The Programme was divided into the following workstreams:-

(1) Efficient and Effective Emergency Department;
(2) An Efficient and Effective Bed Base;
(3) Efficient and Effective Theatres, and
(4) External Interface and Integration Medical Step Down Project.

Paper H provided an overview of each workstream, the actions undertaken in the last 4 weeks and the actions planned over the next 4 weeks. In discussion on the report:-

(a) IFPIC members were invited to comment upon the content and format of the report and suggest any additional performance metrics to be included in future iterations (outside the meeting), **IFPIC members**
(b) Colonel (Retired) I Crowe, Non-Executive Director noted that it would be helpful to include average length of stay data, occupancy rates and provision of estimated dates for discharge. He also undertook to meet with the Director of Operational Improvement to agree a range of additional performance metrics for inclusion on the dashboard; **DOI** **IC, NED**
(c) Colonel (Retired) I Crowe, Non-Executive Director commented upon performance within the GP Admissions Unit and the scope to bring forward the re-location of this Unit to the end of October 2017 or the beginning of November 2017. In response, the Interim Chief Operating Officer briefed the Committee on the new arrangements for GPs working within the Emergency Department and the need to maximise flexibility to cope with additional variations, and
(d) Mr A Johnson, Non-Executive Director requested that a timed roll-out plan for the Red to Green project be provided to the August 2017 IFPIC meeting. **DOI**

Resolved – that (A) the Organisation of Care Update (paper H) be received and noted;

(B) all IFPIC members be requested to provide comments and suggestions on the future format of this report to Mr S Barton, Director of Operational Improvement (outside the meeting); **IFPIC members**

(C) the following metrics to be included in the next iteration of the Organisation of **DOI**

Care Report:- average length of stay, occupancy rates and provision of estimated discharge dates;

(D) Colonel (Retired) I Crowe, Non-Executive Director to meet with the Director of Operational Improvement to agree additional metrics for inclusion in the Organisation of Care Report, and **IC, NED**

(E) timescales for the future rollout of Red to Green process be provided within the next iteration of the Organisation of Care report. **DOI**

77/17/2 Workforce and Organisational Development Plan 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. The report focused upon pay expenditure, the relative position of clinical versus non-clinical workforce ratios between 2012 and 2017, agency staffing costs, vacancies, recruitment, review of ward based teams, sickness rates, equality and diversity data analysis, the UHL Way approach to staff engagement, revised workforce plan for phase I of the Emergency Department, and the LLR Sustainable Transformation Partnership.

IFPIC members particularly noted the intention to significantly refresh the Organisational Development Plan to reflect any changes arising from the People Strategy, Sustainable Transformation Partnership and a revised focus on developing an alternative 'team around the patient'. Once this work had been completed, then the future content and format of the Workforce slide deck would also be reviewed and refreshed. In discussion on the report, Mr A Johnson, Non-Executive Director sought and received additional information about the regional arrangements for managing agency staffing rates and UHL's system for performance managing staff sickness, noting that the in-house 'Smart Sickness Management' tool was well-liked and effective. **DWOD**

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

(B) the Director of Workforce and Organisational Development be requested to review the content and format of the Workforce slide deck in the Autumn of 2017 (following implementation of the People Strategy). **DWOD**

78/17 PERFORMANCE

78/17/1 Alliance Quarterly Update

Further to Minute 456/17/1 of 27 April 2017, the Alliance Director and the Alliance General Manager attended the meeting to introduce paper J, providing an overview of the Alliance's financial and operational performance during the first quarter of 2017-18, including a progress update on the transfer of agreed elective care services into the community hospital setting. Assurance was provided that a robust governance process was in place with appropriate rigour and control surrounding performance management. Each of the 7 hospital sites now had a Manager of the Day and all staff were informed of their performance data on a week-by-week basis. In discussion on the report:-

(a) Mr A Johnson, Non-Executive Director queried whether it would be feasible to email patient letters instead of relying upon the Royal Mail, noting in response that information governance guidelines required use of an NHS net system for transmitting such detailed patient data;
(b) Colonel (Retired) I Crowe commented upon the reported Information Technology limitations and queried who provided the IT services, noting in response that the Alliance had an SLA with Leicestershire HISS as part of the Leicestershire Partnership Trust. However, it was noted that a Project Manager had recently been appointed and they were currently exploring opportunities to implement UHL's 'Desktop Anywhere' within the Alliance premises, and

(c) the Director of Operational Efficiency noted that daycase activity appeared to be lower than plan. In response, the Alliance Director briefed the Committee on the re-profiling of activity plans to take account of theatre maintenance downtime (2 weeks per theatre).

The Acting Chair thanked the Alliance Director and the Alliance General Manager for the detailed report (paper J) and their attendance at today's meeting.

Resolved – that the Alliance Quarterly Update (paper J) and the subsequent discussion be received and noted.

79/17 SCRUTINY AND INFORMATION

79/17/1 Timetable for UHL Business Case Approvals

Paper K briefed the Committee on the successful £30.8m bid for the Interim ICU project, subject to the usual business case approvals. The Director of Operational Finance advised that a more detailed report would be presented to the 31 August 2017 IFPIC meeting to confirm the next steps with this project. The Chief Executive clarified that the expansion of the Glenfield Hospital ICU was an enabler to accommodate the Trust's wider Strategic Reconfiguration Programme and that a further bid to expand the LRI ICU would be submitted in the Autumn of 2017. In response to Non-Executive Director queries, it was confirmed that changes arising from the lessons learned from the Emergency Floor project had been implemented for this project.

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

79/17/2 IFPIC Calendar of Business 2017-18

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

79/17/3 Executive Performance Board

Resolved – that the notes of the 27 June 2017 Executive Performance Board meeting be received and noted as paper M.

79/17/4 Capital Monitoring and Investment Committee

Resolved – that the notes of the 9 June 2017 Capital Monitoring and Investment Committee meeting be received and noted as paper N.

79/17/5 Revenue Investment Committee

Resolved – that the notes of the 9 June 2017 Revenue Investment Committee meeting be received and noted as paper O.

80/17 ANY OTHER BUSINESS

Resolved – that no items of other business were noted.

81/17 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 3 August 2017, and **TA/ Chair**

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

- **Minute 76/17/1 – Month 3 Financial Performance, and**
- **Minute 76/17/4 – confidential report by the Chief Financial Officer.**

82/17 DATE OF NEXT MEETING

Resolved – that the next meeting of the Integrated Finance, Performance and Investment Committee be held on Thursday 31 August 2017 from 9am to 1pm in the

83/17 JOINT IFPIC/QAC MEETING TO DISCUSS QUALITY AND PERFORMANCE

83/17/1 Month 3 Quality and Performance Report

Members of IFPIC and the Quality Assurance Committee (QAC) then held their third joint monthly meeting to consider the issues covered within the month 3 Quality and Performance report (circulated as Joint Paper 1). Executive Directors particularly highlighted the following issues:-

(a) continued strong performance against the RTT 18 weeks standard (92.3% against the 92% target). However, a downturn in performance was expected in July 2017 due to the high numbers of referrals and reduced clinical capacity due to staff annual leave;
(b) cancelled operations continued to be non-compliant (1.01% against the target of 0.8%) due to emergency pressures and there were 10 patients in June 2017 who were not re-booked within the 28 day standard;
(c) 6 week wait diagnostics performance stood at 0.7% (against the 1% national target), representing 9 consecutive months of strong performance;
(d) 62 day cancer performance had deteriorated to 76.6% (against the 85% target) as a result of services treating their backlog patients. The Chief Executive briefed members on a training issue within Gynaecology which had led to a change in 1 procedure. The service had been tasked with developing plans to mitigate the position within the next 2 weeks;
(e) UHL's Summary Hospital-level Mortality Indicator (SHMI) for January 2016 to December 2016 had reduced to 101 and remained within the expected range. A report on 2 recently received mortality outlier alerts would be provided to the 31 August 2017 QAC meeting; **MD**
(f) in-month fractured neck of femur performance was compliant for the second consecutive month (76.8% of patients had received their surgery within 35 hours of admission). However, the cumulative year-to-date performance remained below the target (at 66.8%) due to the poor performance in April 2017. A report on fractured neck of femur performance also featured on the 27 July 2017 QAC agenda;
(g) the action plans to respond to 3 Never Events were scheduled for QAC consideration in August 2017; **MD**
(h) there had been 5 avoidable pressure ulcers (grade 3) in June 2017 and arrangements were underway to triangulate these cases against the ward level and staffing data to confirm whether there was any common theme. An update on the outcome of this review would be presented to the 31 August 2017 QAC meeting; **ADCN**
(i) Estates and Facilities performance trends had improved in June 2017 for cleanliness, patient catering and portering, following a dip in May 2017. There had been no Datix incident reports for late or incorrect patient meals and the patient catering satisfaction scores were very positive, and
(j) the results of the recent PLACE (Patient Led Audit of the Care Environment) inspections were expected to demonstrate a step change in performance and UHL was hoping to be rated as one of the most improved Trusts in this respect. A report on the formal results would be presented to the September 2017 QAC meeting. **DEF**

In discussion on Joint Paper 1, the following comments and queries were noted:-

(i) Colonel I Crowe, Non-Executive Director noted the good news that the formal data on delayed transfers of care remained within the tolerance, but he requested additional information about the range of other delays which did not appear in the statistics. It was agreed that an update on the new Integrated Discharge Team (IDT) would be provided to the 31 August 2017 meeting; **ICOO**
(ii) the Medical Director briefed the Committee on the work being undertaken to reduce emergency readmissions, providing assurance that the Red to Green processes were embedded in the discharge planning. The dedicated resource that was previously targeted towards patients at high risk of readmission had been absorbed into the Integrated Discharge Team (IDT) and this aspect was being built into the IDT role and

standard operating procedures accordingly;

(iii) Mr A Johnson, Non-Executive Director queried whether emergency readmissions solely related to patients being readmitted with the same condition, noting in response that the data captured all patients readmitted within 30 days, irrespective of their presenting condition. Patients with multiple complex conditions were usually provided with a specific care plan and wrap around GP support to avoid repeated admissions;

(iv) Mr B Patel, Non-Executive Director and Acting Chair noted that some readmissions took place because the patient's first contact was not satisfactory and they were seeking additional assurance. He highlighted the importance of staff spending sufficient time in applying the PARR30 score to such patients and ensuring that the correct processes were followed, and

(v) Mr A Johnson, Non-Executive Director noted an increasing trend in positive reportable Clostridium Difficile cases (10 in June 2017 compared to none in May 2017). As no link had been established by time and place of infection, he queried whether any other factors had affected the data, such as a change in hand sanitiser or a change in cleaning practices. In response, the Director of Estates and Facilities advised that no such changes had been made and there was no established link to the physical environment. The Medical Director advised that antibiotic prescribing and hand hygiene were also key factors in this respect. The Acting Deputy Chief Nurse agreed to seek further details on this issue and present an update to the 31 August 2017 meeting. **ADCN**

<u>Resolved</u> – that (A) the contents of the Quality and Performance Report (circulated as Joint Report 1) be received and noted;

(B) an update on the new Integrated Discharge Team processes and the range of other factors that were currently causing delayed discharges be presented to the joint IFPIC/QAC meeting on 31 August 2017; **ICOO**

(C) additional information relating to the June 2017 rise in positive reportable Clostridium Difficile (CDT) results be provided to the QAC meeting on 31 August 2017; **ADCN**

(D) briefings on 2 Mortality Outlier Alerts to be provided to QAC on 31 August 2017; **MD**

(E) the action plans to respond to 3 Never Events in May 2017 be submitted to the August 2017 QAC meeting; **MD**

(F) the Acting Deputy Chief Nurse be requested to review the level 3 pressure ulcers data (5 reported in June 2017) and triangulate this information with the ward staffing levels to establish whether there were any links, and **ADCN**

(G) a report on the PLACE results be scheduled on the QAC agenda for September 2017. **DEF**

<u>The meeting closed at 12:56pm</u> Kate Rayns, Corporate and Committee Services Officer

<u>Attendance Record 2017-18</u>

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	4	3	75	R Mitchell (to 30.6.17)	3	2	66
J Adler	4	4	100	R Moore	4	3	75
S Crawshaw (to 16.6.17)	2	2	100	B Patel	4	4	100
I Crowe	4	4	100	K Singh	4	3	75
A Johnson	4	3	75	P Traynor	4	3	75

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Gordon	4	3	75	L Tibbert	4	4	100
D Kerr	4	4	100				