

University Hospitals of Leicester 
NHS Trust

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 20 December 2013

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr R Kilner, Non-Executive Director

DATE OF COMMITTEE MEETING: 27 November 2013

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 126/13/4 – Medical Staff Benchmarking
- Minute 127/13/1 – In-Month Financial Performance and RTT Performance
- Minute 128/13/2 – Confidential report by the Director of Finance and Business Services

DATE OF NEXT COMMITTEE MEETING: 18 December 2013

Mr R Kilner
16 December 2013

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

**MINUTES OF A MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE, HELD ON
WEDNESDAY 27 NOVEMBER 2013 AT 8.30AM IN SEMINAR ROOMS A & B, CLINICAL
EDUCATION CENTRE, LEICESTER GENERAL HOSPITAL**

Present:

Mr R Kilner – Acting Chairman (Committee Chair)
Colonel (Retired) I Crowe – Non-Executive Director
Mr R Mitchell – Chief Operating Officer
Mr A Seddon – Director of Finance and Business Services
Mr G Smith – Patient Adviser (non-voting member)
Ms J Wilson – Non-Executive Director

In Attendance:

Dr S Agrawal – Associate Medical Director and Consultant Respiratory Intensivist (for Minute 126/13/1)
Mr P Burns – Head of Trust Cost Improvement Programme (for Minute 128/13/1)
Ms D Mitchell – Head of Improvement and Innovation (for Minute 128/13/1)
Mrs K Rayns – Trust Administrator
Mr S Sheppard – Deputy Director of Finance

ACTION

RESOLVED ITEMS

123/13 APOLOGIES

Apologies for absence were received from Mr J Adler, Chief Executive and Mr I Sadd, Non-Executive Director.

124/13 MINUTES

Resolved – that the Minutes of the 30 October 2013 Finance and Performance Committee meeting (papers A and A1) be confirmed as a correct record.

125/13 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. Particular discussion took place in respect of the following items:-

- (a) Minute 114/13/1 of 30 October 2013 – the Trust Administrator was requested to remind the Chief Nurse of her allocated action to circulate a nursing budget reconciliation report to all Finance and Performance Committee members for information; TA

- (b) Minute 114/13/2 of 30 October 2013 – the Chief Operating Officer provided a verbal report on the 6 main work streams associated with the Ophthalmology recovery plans, noting that 5 of these were now considered to be on track. Progress with reducing the backlog of clinic letters had been slower than expected due to increased volumes of patient activity. The Chief Operating Officer agreed to circulate a copy of the last Executive Team briefing note on this subject (for members' information). Ms J Wilson, Non-Executive Director queried the quality of the forecasting processes within Ophthalmology and the extent to which UHL had been sighted to the challenges within this service. Members noted that an Ophthalmology position statement was due to be presented to the Committee on 18 December 2013; COO

- (c) Minute 115/13/1(c) and (d) of 30 October 2013 – the Trust Administrator was requested to invite Mr M Metcalfe, Cancer Centre Lead Clinician to attend the 18 COO

- | | |
|--|---------------------|
| December 2013 Finance and Performance Committee to provide a presentation on the recent improvements in UHL's cancer performance. The Chief Operating Officer confirmed that appropriate nominations were being considered from the Cancer Centre to attend the IBM-led Innovation Workshop; | TA |
| (d) Minute 115/13/1(e) of 30 October 2013 – further enquiries had been made regarding potential strike action by Interserve employees and no substantive concerns had been raised. Item to be removed from the progress log; | TA |
| (e) Minute 115/13/1(f) of 30 October 2013 – the Acting Chairman advised that a meeting had been arranged to consider the governance arrangements surrounding workforce planning and a verbal update would be provided to the December 2013 meeting; | Acting Chair |
| (f) Minute 103/13/1.1 of 25 September 2013 – the Chief Operating Officer confirmed that named people had been identified within the CMG structure to support the Outpatients Improvement and Innovation Programme, and | |
| (g) Minute 100/13/1.2 of 25 September 2013 – a report on the Specialist Nurse workforce plan would be presented to the January 2014 Finance and Performance Committee meeting. | CN |
| <u>Resolved</u> – that the matters arising report and any associated actions above, be noted. | NAMED LEADS |

126/13 STRATEGIC MATTERS

126/13/1 Financial and Business Awareness Workshops

Dr S Agrawal, Associate Medical Director and Consultant Respiratory Intensivist attended the meeting to present paper C, summarising progress to date with the programme of financial and business awareness workshops for Consultants (Level 1) and seeking the Committee's endorsement of the recommendations to deliver the Level 2 actions as highlighted in section 5 of paper C. Copies of the presentation slides from the workshops and a summary of feedback received from attendees were appended to the report.

During discussion on this item, the Committee:-

- | | |
|---|---------------------|
| (a) commended the approach taken towards acknowledging and overcoming any barriers to improving clinical awareness of crucial financial information; | |
| (b) requested examples of any hospital "dead ends", and noted that this might include an instance where someone agrees to provide a clinician with particular information but never actually provides this or responds in any way; | |
| (c) queried whether UHL's own training department would have capacity to implement the Level 2 training programme; | |
| (d) queried whether the Executive Team had committed to support the Level 2 activities. In response, the Associate Medical Director expressed concern that no clear process or project plan had been agreed to maintain the momentum. The Acting Chairman requested that an Executive Director lead be nominated to support this work stream; | CE/
DFBS |
| (e) noted a suggestion from the Director of Finance and Business Services, that this workstream would be compatible with the Service Line Management workstream (led by the Director of Strategy); | |
| (f) requested that Colonel (Retired) I Crowe, Non-Executive Director be invited to attend one of the workshops; | DDF/
AMD |
| (g) agreed that a review of progress with the Level 2 work streams would be presented to the Committee in January 2014; | DFBS |
| (h) queried what success would look like and how this would be measured. The Associate Medical Director noted that clinical use of the PLICS system had doubled | |

- since the workshops had commenced, and
- (i) commented upon opportunities to provide these workshops within the existing University of Leicester education programme for medical staff.

Resolved – that (A) the update on Financial and Business Awareness Workshops (paper C) be received and noted;

(B) an Executive Director be nominated to support the implementation of Level 2 training;

CE/
DFBS

(C) Colonel (Retired) I Crowe, Non-Executive Director be invited to attend a Financial and Business Awareness Workshop, and

AMD

(D) an update on the implementation of level 2 training be provided to the Finance and Performance Committee in January 2014.

DFBS

126/13/2

Improvement and Innovation Framework Update

The Director of Finance and Business Services introduced paper D, providing an update on progress with implementing the Improvement and Innovation Framework at UHL, noting that the Director of Strategy was currently reviewing the interface between service improvements and cost improvements. Members considered the balance between strategic and operational projects and agreed that it might not be practical to progress either of these in isolation.

Finance and Performance Committee members noted the arrangements in place for Ms D Mitchell, Head of Improvement and Innovation to take over the role of Mr P Burns, Head of Trust CIP at the end of his fixed term appointment and they queried the point at which demonstrable improvements in working methodologies (eg Lean) would be evidenced. The Acting Chairman agreed to seek the views of the Director of Strategy on this subject outside the meeting and provide feedback to the Committee on 18 December 2013.

Acting
Chair

Resolved – that (A) the update on implementation of the Improvement and Innovation Framework be received and noted (as detailed in paper D), and

(B) the Acting Chairman be requested to seek the views of the Director of Strategy regarding the timescale for delivering material outputs from the framework and provide a verbal report to the 18 December 2013 meeting.

Acting
Chair

126/13/3

Update on the Landlord Elements of UHL Accommodation Occupied by the University of Leicester

The Director of Finance and Business Services reported orally on the outputs of the 6 facet survey, advising that a meeting with the University would be held during mid-December 2013 and that this would provide an opportunity to compare data relating to the University occupied elements of UHL's accommodation.

The Acting Chairman noted material delays in this work stream and sought a timescale for its resolution. In response, the Director of Finance and Business Services expressed concern that a lack of assurance was available on this issue and that this work was having a considerable impact upon the workload for Mr P Walmsley, Head of Operations. The Acting Chairman undertook to discuss this matter with the Managing Director, NHS Horizons outside the meeting.

Acting
Chair

Resolved – that (A) the verbal update on landlord elements of UHL accommodation occupied by University of Leicester staff be received and noted, and

(B) the Acting Chairman be requested to discuss this matter further with the Managing Director, NHS Horizons and provide feedback to the Director of Finance and Business Services outside the meeting.

Acting
Chair

126/13/4 Benchmarking of Consultant Costs

The Deputy Director of Finance introduced paper E, briefing the Committee on progress surrounding medical staff benchmarking and the links with activity levels and case mix. Particular discussion took place regarding the table provided in section 2.1 of the report (providing the average medical staffing costs for inpatient activity during the financial year 2012-13 amongst a self selected peer group sample of 6 other Trusts). Members considered that UHL's average cost (£313) appeared high amongst this sample group, although it was noted that the data quality for the Southampton University Hospitals NHS Trust was not robust (£56).

The Deputy Director of Finance reported on the arrangements to develop a transparent process to understand service level movements in UHL's clinical workforce, noting that over 40 additional Consultant posts had been recruited to in the last 16 to 17 months. He provided assurance that clinical staff were keen to engage in this work stream and had identified the top 45 to 50 UHL services for further analysis. A pilot scheme had been implemented in Trauma and Orthopaedic services and the initial findings from this work were appended to paper E. A further report would be presented to the Committee in January 2014 which would include the outcome of the Trauma and Orthopaedics pilot.

DDF

During discussion on this report, the Committee highlighted opportunities to:-

- (1) re-configure services and pathways to reduce clinical whole time equivalent costs,
- (2) review service level inefficiencies that might be driving demand for increased clinical staffing levels, eg delayed theatre start times, lack of bed availability, and addressing the balance between surgeons and anaesthetists;
- (3) analyse the benchmarking data for other Trusts and challenge this where appropriate;
- (4) increase the understanding of processes surrounding clinical interventions and how to maximise productivity by skill level;
- (5) make clinical work easier to carry out by removing barriers such as access to beds and reducing cancellations, and
- (6) incorporate the outputs from the Consultant Job Planning workstream which was being led by Dr P Rabey, Assistant Medical Director.

Resolved – that (A) the report on medical staff benchmarking be received and noted, and

(B) a further report on medical staffing costs be provided to the January 2014 Finance and Performance Committee meeting (including the outputs from the Trauma and Orthopaedics pilot).

DDF

126/13/5 Winter Plan 2013-14 Performance

Paper F provided a briefing on the allocation of funds from NHS England and the CCGs for winter pressures, delivery of the rapid improvement plan and some aspects of the transformation work streams as agreed by the Urgent Care Board. Members noted that robust monitoring arrangements were in place for each scheme and that monthly invoices were due to be raised for each scheme to ensure timely financial flows.

The Chief Operating Officer commented on the need to monitor progress and implement substitute schemes if any schemes were not proving to be effective, noting the importance of ensuring that costs were committed on a non-recurrent basis. Where any schemes were assessed to be adding significant value, separate consideration would be given to funding these recurrently. Consideration would also be given to ring-fencing a

number of specialty beds.

The Acting Chairman sought confirmation that detailed evidence was available to support the high level data provided for each scheme listed within appendix 1. In response, the Chief Operating Officer confirmed that additional staffing costs were held by number of staff and by staff bandings and that this information was provided to the CCGs through the weekly review meetings. Members noted that assurance had been provided to the TDA that UHL would review expenditure against the winter plan on a monthly basis. The Deputy Director of Finance confirmed that the profile of expenditure by month, by scheme, and by CMG could be provided.

Resolved – that the briefing paper on Winter Plan 2013-14 performance be received and noted.

127/13 PERFORMANCE

127/13/1 Month 7 Quality, Performance and Finance Report

Paper G provided an overview of UHL's quality, patient experience, operational targets, HR and financial performance against national, regional and local indicators for the month ending 30 September 2013 and a high level overview of the Divisional Heatmap report. The Chief Operating Officer reported on the following aspects of UHL's operational performance:-

- (a) ED performance against the 4 hour target (which stood at 91.8% against the 95% target) representing UHL's best month's performance over the last 9 months. However, a further peak in admissions had been experienced and the position had since deteriorated again. Focused interventions were being implemented with the aim of improving access to beds, preventing non-admitted breaches and improving the resilience of the organisation in terms of consistent working practices and staffing levels. The Acting Chairman noted the impact of variable performance between clinicians and queried whether any patients were being admitted unnecessarily. The Chief Operating Officer also reported verbally on his recent telephone conversation with the Secretary of State, highlighting the generic and unique aspects of UHL's performance and the supportive response received;
- (b) RTT 18 week performance stood at 83.5% for admitted patients with specialty level failures being reported in General Surgery, Orthopaedics, Ophthalmology and ENT. Non-admitted RTT performance stood at 92.8% with failures being reported in Orthopaedics and Ophthalmology. Appendix 3 to paper G provided an RTT exception report and paper G1 detailed the RTT recovery plans to achieve sustainable compliant performance. Table 2 in paper G1 set out the modelling for patient volume reductions which were planned to be delivered through a combination of core capacity increases and backlog clearance plans – the latter to be delivered by using both independent sector providers and improving UHL's own throughput. Members particularly noted concerns regarding the affordability of the proposals which might mean significant commissioning costs and agreed that appropriate discussions with Commissioners and the TDA were a priority.

Discussion took place regarding capacity for dedicated short stay and day case facilities (possibly using modular wards), opportunities to centralise or outsource outpatient booking systems, opportunities for UHL surgeons to undertake activity within private sector theatres, and the ability of independent sector providers to select the lighter case mix through the pre-screening process. The Director of Finance and Business Services commented upon the impact of the Ophthalmology backlog and GP referral patterns, and

- (c) cancer performance for 31 day waits for subsequent surgery (reported 1 month in

arrears) had been revalidated from 88.6% to 90% and confirmation was provided that all cancer targets had been met for October 2013. Members noted that Mr M Metcalfe, Cancer Centre Lead Clinician had been invited to attend the December 2013 Finance and Performance Committee meeting for the purposes of an appreciative enquiry.

The Director of Finance and Business Services briefed members on the key aspects relating to UHL's financial performance (as detailed in section 10 of paper G). The report was taken as read, but members particularly noted:-

- (1) an in-month financial deficit of £0.7m which was £3.5m adverse to the planned surplus of £2.8m for October 2013;
- (2) that the Trust was reporting a year to date deficit at the end of October 2013 of £17.3m which was £19.5m adverse to the planned surplus of £2.2m;
- (3) continued reliance upon premium temporary staffing alongside a 4% increase in contracted medical and nursing staff, and
- (4) the ongoing work to analyse volume increases in emergency activity at a specialty and sub-specialty level.

Resolved – that (A) the month 7 Quality, Performance and Finance report (paper G) be received and noted, and

(B) detailed discussion on ED performance and emergency care issues be deferred to the public Trust Board meeting on 28 November 2013;

128/13 FINANCE

128/13/1 Delivery of Cost Improvement Programme (CIP) 2013-14 Update

The Head of Trust CIP and the Head of Improvement and Innovation attended the meeting to introduce paper H, providing the October 2013 status report on the Cost Improvement Programme for 2013-14, consisting of 329 schemes with a total forecast delivery value of £37.3m against the £37.7m target. The RAG ratings for each scheme were provided in a table on page 2 of paper H. Members noted that the value of schemes RAG rated as red was now £400,000, following some recent slippage within the CHUGS and CSI CMGs (in respect of staffing and procurement CIP schemes and delays in recruiting an Acute Oncologist). It was also noted that 8.7% of the overall CIP forecast was RAG rated as amber.

The Acting Chairman sought a view from the Head of Trust CIP regarding any particular CMGs that the Committee should focus upon in terms of their CIP delivery, noting in response that the CSI CMG was the furthest away from target currently and that the Emergency and Specialist Medicine CMG was already scheduled to provide a presentation to the Committee on 18 December 2013. Ms J Wilson, Non-Executive Director sought and received confirmation that the scheduling tool (as outlined in section 1.4 of paper H) had now been implemented within Ophthalmology as planned.

Discussion took place regarding the governance structure for the Improvement and Innovation Framework and CIP delivery through fortnightly review meetings with each of the Improvement and Innovation Framework project leads and CMGs. Ms D Mitchell, Head of Improvement and Innovation highlighted the need to implement a formal CIP reporting process through the monthly Executive Performance Board (EPB) meetings and requested that she be invited to attend the EPB meetings for this discussion.

The Acting Chairman queried the potential impact of removing the Head of Trust CIP role at the end of this fixed term appointment, noting also that Ms S Khalid, Head of Improvement and Innovation had relinquished 50% of her role to become the Clinical Director for the CSI CMG. In response, members received assurance that Ms S Khalid

would continue to focus upon building capability and capacity to support the Improvement and Innovation Framework and noted the additional financial management input to be provided by Mr S Sheppard, Ms L Bentley and Mr P Gowdridge.

Resolved – that (A) the 2013-14 CIP update (paper H) be received and noted;

(B) the CSI CMG be invited to present a summary of their financial and operational performance to the January 2014 Finance and Performance Committee meeting, and

TA

(C) consideration be given to implementing a formal CIP reporting process through the Executive Performance Board, as part of the wider review of Improvement and Innovation Framework and CIP governance processes.

CE

128/13/2 Report by the Director of Finance and Business Services

Recommended – 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.

128/13/3 Reference Costs and PLICS/SLR Update

The Deputy Director of Finance presented paper J providing an update on UHL's draft Reference Costs Index (RCI) score for 2012-13 and the month 6 2013-14 PLICS/SLR reporting position. The draft RCI score was noted to be 97, representing a slight improvement on the 2011-12 score of 98 and indicating that UHL was marginally less expensive than the national average (RCI 100). The final RCI score would be reported to the Finance and Performance Committee once this information became available.

The Committee noted current developments to improve engagement in PLICS and SLR data in order to create value within services and address variations in clinical practice. The Director of Finance and Business Services also commented upon the need to sense-check some RCI data and to consider the impact of historical contractual negotiations (such as the Goodwin contract).

Resolved – that the briefing report on Reference Costs, PLICS and SLR (paper J) be received and noted.

129/13 **SCRUTINY AND INFORMATION**

129/13/1 Clinical Management Group (CMG) Performance Management Meetings

Resolved – that the action notes arising from the November 2013 CMG Performance management meetings be presented to the December 2013 Finance and Performance Committee meeting.

COO

129/13/2 Executive Performance Board

Resolved – that the notes of the 29 October 2013 Executive Performance Board meeting (paper K) be received and noted.

129/13/3 Improvement and Innovation Framework Board

Resolved – that the notes of the 19 November 2013 Improvement and Innovation Framework Board meeting (paper L) be received and noted.

129/13/4 Quality Assurance Committee (QAC)

Resolved – that the Minutes of the 29 October 2013 QAC meeting (paper M) be received and noted.

129/13/5 Quality and Performance Management Group (QPMG)

Resolved – that the notes of the 2 October 2013 QPMG meeting (paper N) be received and noted.

130/13 ITEMS FOR DISCUSSION AT THE NEXT FINANCE AND PERFORMANCE COMMITTEE

Paper O provided a draft agenda for the 18 December 2013 meeting. It was agreed that the Trust Administrator would update this draft agenda to include a number of additional items arising from this meeting and recirculate the draft agenda outside the meeting.

TA

Resolved – that (A) the items for consideration at the Finance and Performance Committee meeting on 18 December 2013 (paper O) be noted, and

(B) the Trust Administrator be requested to update the draft agenda and recirculate it outside the meeting.

TA

131/13 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

Resolved – that the following issues be highlighted verbally to the Trust Board meeting on 28 November 2013:-

JW,
NED

- Minute 126/13/4 – Medical Staff Benchmarking
- Minute 127/13/1 – In-Month Financial Performance and RTT Performance
- Minute 128/13/2 – Confidential report by the Director of Finance and Business Services

132/13 ANY OTHER BUSINESS

Resolved – that there were no items of any other business raised.

133/13 DATE OF NEXT MEETING

Resolved – that the next Finance and Performance Committee be held on Wednesday 18 December 2013 from 8.30am – 11.30am in Teaching Room 2, Clinical Education Centre, Leicester Royal Infirmary.

The meeting closed at 11.32am

Kate Rayns, Trust Administrator

Attendance Record

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
R Kilner (Chair from 1.7.13)	8	8	100%	I Reid (Chair until 30.6.13)	3	3	100%
J Adler	8	6	75%	I Sadd	1	0	0%
I Crowe	5	5	100%	A Seddon	8	8	100%
R Mitchell	5	4	75%	G Smith *	8	7	88%
P Panchal	4	2	50%	J Tozer *	2	2	100%
				J Wilson	8	7	88%

* non-voting members